REPORT ON

2010 Universal Service Programs & Collections Performance

of the Pennsylvania Electric Distribution Companies & Natural Gas Distribution Companies

Pennsylvania Public Utility Commission
Bureau of Consumer Services

Table of Contents

1. Introduction

This is the Pennsylvania Public Utility Commission's (Commission) annual Report on 2010 Universal Service Programs and Collections Performance of the Pennsylvania Electric Distribution Companies and Natural Gas Distribution Companies. This summary report includes data and performance measures for the seven major electric distribution companies (EDCs) and the eight major natural gas distribution companies (NGDCs). For the seventh time, this report contains performance measures for the Philadelphia Gas Works (PGW).[1] The report presents the data submitted to the Commission pursuant to 52 Pa. Code Sections 54.75 and 62.5, Universal Service and Energy Conservation Reporting Requirements (USRR). This data will assist the Commission in monitoring the progress of the EDCs and NGDCs in achieving universal service in their respective service territories.

On Dec. 3, 1996, the Electricity Generation Customer Choice and Competition Act (Electric Choice Act), 66 Pa. C.S. §§ 2801-2812, was enacted. The Natural Gas Choice and Competition Act (Natural Gas Choice Act), 66 Pa. C.S. Chapter 22, was enacted on June 22, 1999. In opening up the electric generation and natural gas supply markets to competition, the General Assembly also was concerned about ensuring that electric and natural gas service remains universally available to all customers in the state. Consequently, both Acts contain provisions relating to universal electric and gas service.

Specifically, both Acts require the Commission to maintain, at a minimum, the protections, policies and services that assist customers who are low income to afford electric and gas service, 66 Pa. C.S. §§ 2203(7), §§ 2802(10). The Acts also require the Commission to ensure that universal service and energy conservation policies are appropriately funded and available in each electric and natural gas distribution territory, 66 Pa. C.S. §§ 2203(8), §§ 2804(9). To assist the Commission in fulfilling its universal service obligations, the Commission established standard reporting requirements for universal service and energy conservation for both the EDCs and the NGDCs, 52 Pa. Code §§ 54.71–54.78, §§ 62.1-62.8. The Commission adopted final rulemakings that established the USRR for EDCs on April 30, 1998, and for NGDCs on June 22, 2000. Upon publication in the Pennsylvania Bulletin, the EDC regulations became effective Aug. 8, 1998, and the NGDC regulations became effective Dec. 16, 2000.

This report is based primarily on 52 Pa. Code Sections 54.75 and 62.5 relating to annual residential collection and universal service and energy conservation program reporting requirements. The utilities covered by these reporting requirements are Allegheny, Duquesne Light, Metropolitan Edison – a FirstEnergy Company, PECO-Electric, Pennsylvania Electric – a FirstEnergy Company, Penn Power – a FirstEnergy Company, PPL, Columbia, Equitable, NFG, PECO-Gas, Peoples (formerly Dominion Peoples), PGW, UGI Penn Natural (formerly PG Energy), and UGI-Gas.

The EDCs began reporting the required data to the Commission on April 1, 2001, for the reporting year 2000. The NGDCs began reporting the data on April 1, 2003, for the reporting year 2002. Upon receipt of the data for this report, the Commission's Bureau of Consumer Services (BCS) conducted a data-cleaning and error-checking process that continued through June 2011. This process included both written and verbal dialogue between BCS and the companies. Uniformity issues were uncovered in this process and are documented in various tables, charts and appendices. These issues also are discussed in more detail in later chapters.

---

[1]The PGW restructuring proceedings concluded in 2003, and PGW began collecting the required universal service data in 2004. PGW began reporting universal service data in 2004.

Variations in the data either appear as footnotes to tables and charts, or are referenced and documented in the appropriate appendix. The BCS will continue to work with the companies to obtain uniform data that fully complies with the regulations.

The report is organized into chapters in the following order: Collection Performance, Universal Service Program Demographics, Low Income Usage Reduction Programs (LIURP), Customer Assistance Programs (CAPs), Customer Assistance and Referral Evaluation Services (CARES), Hardship Funds, and Small Utilities' Universal Service Programs.

Each chapter includes an introduction, a discussion of the data elements, definitions where necessary, data tables and charts. Multiple-year analyses are shown in a number of the tables in the collection and programs' chapters where this type of presentation format supports the intended analysis in a meaningful way.

Prior to 2002, the BCS also had been reporting some of the data found in this report in the annual report the BCS prepares, the Utility Consumer Activities Report and Evaluation (UCARE). Beginning with 2002 data, the BCS has eliminated universal service data from UCARE for both electric and natural gas distribution companies. Thus, for the ninth time, this report includes data for both electric and natural gas companies.

Universal Service Programs

LIURP — LIURP is an energy conservation and conservation education program. Qualifying households receive three services. First, the household receives an energy audit to assess household condition and energy usage. Second, where the audit deems it cost effective, the household receives the free installation of energy conservation and energy efficiency measures such as insulation, air sealing, and appliance installation. Finally, the household receives free education on energy conservation and usage reduction.

CAP — CAP is a payment assistance and debt forgiveness program for payment-troubled households. CAP's payment assistance feature is intended to provide affordable monthly bills based on a set energy burden standard. These lower rates are applied to ongoing usage as long as the household remains current and timely paying its monthly customer assistance payments. CAP rates may take the form of a discounted price on actual usage, on either all or a portion of the usage, or a monthly amount that is calculated upon a percentage of the household income. Percentage of income plans are correlated directly to the household's income and the Commission determined allowable energy burden percentage. CAP's debt forgiveness feature freezes a household's unpaid past debt upon entry into the program. As long as the household remains current and timely on their future payments, the past debt is not collected upon and is eventually forgiven in incremental amounts over time.

CARES — CARES is a social service and referral program for households encountering some form of extenuating circumstances or emergency that result in the households' inability to pay for utility service. Qualifying households may receive counseling and/or direct referrals to community resources that can aid the family in resolving the emergency.

Hardship Fund — Hardship Funds are programs that make available to qualifying households cash grants to assist in the payment of outstanding debt owed by the household to the utility company. They are funded through contributions made by the public that are matched by the company.

Treatment of PECO Data

PECO serves three types of customers: those who receive only electric service (Electric Only); those who receive both electric and gas service (Combination/Electric and Gas); and those who receive only gas service (Gas Only). PECO also reports the electric and gas data separately. In order to split the second group (Combination/Electric and Gas) for some of the data variables, PECO used an allocation factor consistent with PECO's gas base rate filing of March 31, 2008. This allocation factor splits the Combination group into 83 percent electric and 17 percent gas. However, for other data variables PECO did not apply the allocation method. Instead, PECO chose to include the Combination group in both the electric and gas totals.

Treatment of the FirstEnergy Companies

Beginning with 2003 data, FirstEnergy Corporation requested the BCS allow it to identify and report separately on the three FirstEnergy companies that provide utility service in Pennsylvania. Therefore, this report shows universal service data for the three FirstEnergy companies: Metropolitan Edison (Met-Ed), Pennsylvania Electric (Penelec) and Penn Power.

Treatment of Confirmed Low Income Data Among the Collections Performance Data

We have included data about Confirmed Low Income customers in the body of the report in Chapter 1 for only a select number of collections performance measures. The majority of the Confirmed Low Income collection data tables appear as a grouping of tables in Appendix 1. Also included in this grouping of tables in Appendix 1 is a presentation of company revenues or billings.

Responsible Utility Customer Protection Act

On Nov. 30, 2004, the Governor signed into law Senate Bill 677, or Act 201. This law went into effect on Dec. 14, 2004, and amended Title 66 by adding Chapter 14 (66 Pa.C.S. §§1401-1418), Responsible Utility Customer Protection. This law is intended to protect responsible bill paying customers from rate increases attributable to the uncollectible accounts of customers that can afford to pay their bills, but choose not to pay. The legislation is applicable to electric distribution companies, water distribution companies and larger natural gas distribution companies (those having an annual operating income in excess of $6,000,000).[2] Steam and waste water utilities are not covered by Chapter 14.

Chapter 14 supersedes a number of Chapter 56 Regulations, all ordinances of the City of Philadelphia and any other regulations that impose inconsistent requirements on the utilities. Chapter 14 changed regulations that apply to cash deposits; reconnection of service; termination of service; payment agreements; and the filing of termination complaints by consumers for electric, gas and water. Chapter 14 expires on Dec. 31, 2014, unless reenacted. Two years after the effective date and every two years thereafter, the Commission must report to the General Assembly regarding the implementation and effectiveness of the Act. The Commission issued the First Biennial Report to the General Assembly and the Governor Pursuant to Section 1415 on Dec. 14, 2006, and released the third report on Jan.14, 2011. The Commission is directed to amend Chapter 56 and is in the process of revising these regulations to be consistent with Chapter 14. The Commission adopted final regulations on Feb. 24, 2011. Upon review by

[2]Small natural gas companies may voluntarily "opt in" to Chapter 14. 66 Pa. C.S. §1403.

the Independent Regulatory Review Commission, the Attorney General and the General Assembly, the regulations will become effective upon publication in the Pennsylvania Bulletin.

Chapter 14 seeks to eliminate the opportunities for customers capable of paying to avoid paying their utility bills, and to provide utilities with the means to reduce their uncollectible accounts by modifying the procedures for delinquent account collections. The goal of these changes is to increase timely collections while ensuring that service is available to all customers based on equitable terms and conditions (66 Pa. C.S. §1402).

Final Investigatory Order in Customer Assistance Programs

On Dec. 18, 2006, the Commission entered its Final Investigatory Order in Customer Assistance Programs: Funding Levels and Cost Recovery Mechanisms, Docket No. M-00051923. As a result of its investigation, the Commission directed, inter alia, the retention and revision of the Policy Statement on Customer Assistance Programs at 52 Pa. Code §§ 69.261-69.267. In addition, the Commission also directed, inter alia, that a rulemaking be instituted to revise its regulations at 52 Pa. Code § 54.74 and § 62.4. The purpose of the rulemaking would be to establish a unified process by which the level of funding for each natural gas distribution company and electric distribution company could be determined in conjunction with the Commission's triennial review of the company's universal service and conservation plan.

Status of CAP Policy Statement

The Commission directed that revisions be made to the Commission's CAP Policy Statement in the Final Investigatory Order in Customer Assistance Programs: Funding Levels and Cost Recovery Mechanisms, Order entered Dec. 18, 2006, at Docket No. M-00051923. By Order entered Sept. 5, 2007, at Docket No. M-00072036, the Commission issued the proposed revisions for comment. The Pennsylvania Bulletin published the Order and Proposed Policy Statement on Nov. 10, 2007, with a 60-day comment period. Fourteen sets of comments were filed by the Jan. 9, 2008, deadline.

On April 9, 2010, the Commission entered an Order, at Docket No. M-00920345, suspending Sections 69.265(9)(ii-iii) of the Policy Statement, 52 Pa. Code §§69.265(9)(ii-iii). These sections pertain to application of LIHEAP grants to a distribution company's CAP and are inconsistent with the Department of Public Welfare's (DPW) proposed changes to its administration of the LIHEAP program, which was set forth in DPW's LIHEAP 2010 Final State Plan. The Commission's Order was published in the Pennsylvania Bulletin on May 8, 2010, at 40 Pa.B. 2443. The suspension of Sections 69.265(9)(ii-iii) of the Commission's regulations is still in effect as these sections are also inconsistent with DPW's LIHEAP 2011 Final State Plan.

Status of CAP Rulemaking

In the same Final Investigatory Order, the Commission also directed that a rulemaking be instituted to revise the Universal Service and Energy Conservation Reporting Requirements at 52 Pa. Code §§ 54.71-54.78 (electric) and 52 Pa. Code §§ 62.1-62.8 (gas). The purpose of this rulemaking is to establish a unified process whereby the funding level for each company's CAP program can be determined in conjunction with the Commission's triennial review of the company's universal service plan. The Commission also directed the promulgation of new CAP regulations to establish rules covering the dismissal of customers from CAPs, the coordination of energy assistance benefits, and other specified CAP provisions. This Order was entered on Sept. 4, 2007, at Docket No. L-00070186 and was published in the Pennsylvania Bulletin on Feb. 9, 2008. Eighteen sets of comments were filed by the April 9, 2008, deadline.

By notice published in the Pennsylvania Bulletin on April 3, 2010, at 40 Pa.B. 1764, the Commission reopened the public comment period on the rulemaking until June 2, 2010. The Commission received further comments on several topics, including the impact of DPW's proposed changes to the application of LIHEAP grants toward a distribution company's CAP, the affordability of CAP costs in conjuction with certain events that have taken place since the issuance of the Final Investigatory Order, whether the cost recovery mechanisms that some utilities have employed are effective, the proposed unified review that takes the form of a tariff filing and addresses CAP funding, a proposed Commission reporting requirement directing all distribution companies to document the rate effect of program modifications in universal service plans, and a proposed comment and reply comment period before Commission approval of a universal service plan. Commission staff are working on finalizing these regulations.

2. Collection Performance

The regulations require the EDCs and NGDCs to report various residential collection data, including the number of residential customers, the number of accounts in arrears and on a payment agreement, the number of accounts in arrears and not on a payment agreement, the dollars owed by these two groups of overdue customers, the number of terminations, the number of reconnections, gross residential write-offs, total annual billings (revenues), and annual collection operating expenses.

This summary report reviews each of these collection measures by reporting the raw data itself and by using the data to arrive at calculated variables that are more useful in analyzing collection performance. All of the data and statistics used in this chapter are drawn from information submitted to the BCS by the companies.

It is also important to note that we have reflected both the number of confirmed low income customers and the number of estimated low income customers in a utility's given service territory in this chapter. A low income customer is defined as a customer whose household income is at or below 150 percent of the federal poverty guidelines. See Appendix 4 for the 2010 federal poverty guidelines. A confirmed low income customer is a customer whose gross household income has been verified as meeting the stated federal poverty guidelines. Most household incomes are verified through the customer's receipt of a Low Income Home Energy Assistance Program (LIHEAP) grant or determined during the course of making a payment agreement. On the other hand, the number of estimated low income customers is the company's approximation of its total universe of low income customers.

Number of Residential Customers

The number of residential customers reported in the following tables represents an average of the 12 months of month-end data reported by the companies. The data includes all residential customers, including universal service program recipients.

Number of Residential Electric Customers

Company	Number of Residential Customers
Allegheny	614,758
Duquesne	524,406
Met-Ed	485,991
PECO-Electric	1,406,223
Penelec	505,397
Penn Power	140,101
PPL	1,212,020
Total	**4,888,896**

Number of Residential Natural Gas Customers

Company	Number of Residential Customers
Columbia	372,751
Peoples	326,915
Equitable	237,688
NFG	197,843
PECO-Gas	446,813
PGW	479,564
UGI-Gas	305,861
UGI Penn Natural	144,594
Total	**2,512,029**

*Number of Confirmed Low Income Electric Customers**

Company	Number of Confirmed Low Income Customers	Percent of Customers
Allegheny	43,862	7.1%
Duquesne	53,245	10.2%
Met-Ed	52,496	10.8%
PECO-Electric	169,714	12.1%
Penelec	70,648	14.0%
Penn Power	17,594	12.6%
PPL	143,841	11.9%
Total	**551,400**	**11.3%**

*Number of Confirmed Low Income Natural Gas Customers**

Company	Number of Confirmed Low Income Customers	Percent of Customers
Columbia	66,307	17.8%
Peoples	62,845	19.2%
Equitable	44,263	18.6%
NFG	33,529	16.9%
PECO-Gas	38,774	8.7%
PGW	156,711	32.7%
UGI-Gas	34,933	11.4%
UGI Penn Natural	22,954	15.9%
Total	**460,316**	**18.3%**

**Low Income is defined as household income at or below 150 percent of the Federal Poverty Level*

*Number of Estimated Low Income Electric Customers**

Company	Number of Estimated Low Income Customers	Percent of Customers
Allegheny	154,525	25.1%
Duquesne	132,781	25.3%
Met-Ed	98,599	20.3%
PECO-Electric	286,479	20.4%
Penelec	153,977	30.5%
Penn Power	35,459	25.3%
PPL	214,760	17.7%
Total	**1,076,580**	**22.0%**

*Number of Estimated Low Income Natural Gas Customers**

Company	Number of Estimated Low Income Customers	Percent of Customers
Columbia	89,445	24.0%
Peoples	92,888	28.4%
Equitable	60,811	25.6%
NFG	58,772	29.7%
PECO-Gas	51,207	11.5%
PGW	156,711	32.7%
UGI-Gas	68,043	22.2%
UGI Penn Natural	38,791	26.8%
Total	**616,668**	**24.5%**

**Low Income is defined as household income at or below 150 percent of the Federal Poverty Level*

Termination and Reconnection of Service

Termination of utility service is the most serious consequence of customer nonpayment. The BCS views termination of utility service as a utility's last resort when customers fail to meet their payment obligations. The termination rate allows the reader to compare the termination activity of utilities with differing numbers of residential customers. The termination rate is calculated by dividing the number of service terminations by the number of residential customers. Any significant increase in a termination rate would indicate a trend or pattern that the Commission may need to investigate.

Reconnection of service occurs when a customer either pays his/her debt in full or makes a significant up-front payment and agrees to a payment agreement for the balance owed to the company. The ratio of reconnections to terminations is obtained by dividing the number of reconnections by the number of terminations. The result is generally indicative of the success of a customer, whose service has been terminated, at getting service reconnected.

Terminations and Reconnections - Residential Electric Customers

Company	Number of Residential Customers	Terminations	Reconnections	Termination Rate	Ratio of Reconnections to Terminations
Allegheny	614,758	16,803	10,121	2.73%	60%
Duquesne	524,406	21,915	15,946	4.18%	73%
Met-Ed	485,991	10,676	7,650	2.20%	72%
PECO-Electric	1,406,223	77,674	55,665	5.52%	72%
Penelec	505,397	6,750	4,111	1.34%	61%
Penn Power	140,101	1,705	1,104	1.22%	65%
PPL	1,212,020	33,534	22,158	2.77%	66%
Total	**4,888,896**	**169,057**	**116,755**	**3.46%**	**69%**

Terminations and Reconnections - Residential Natural Gas Customers

Company	Number of Residential Customers	Terminations	Reconnections	Termination Rate	Ratio of Reconnections to Terminations
Columbia	372,751	9,878	5,336	2.65%	54%
Peoples	326,915	7,135	4,602	2.18%	65%
Equitable	237,688	10,967	7,873	4.61%	72%
NFG	197,843	9,296	6,445	4.70%	69%
PECO-Gas	446,813	23,637	17,283	5.29%	73%
PGW	479,564	29,865	30,626	6.23%	103%
UGI-Gas	305,861	11,885	6,703	3.89%	56%
UGI Penn Natural	144,594	8,569	5,548	5.93%	65%
Total	**2,512,029**	**111,232**	**84,416**	**4.43%**	**76%**

*Terminations and Reconnections - Confirmed Low Income Electric Customers**

Company	Number of Confirmed Low Income Customers	Terminations	Reconnections	Termination Rate	Ratio of Reconnections to Terminations
Allegheny	43,862	3,167	1,878	7.22%	59%
Duquesne	53,245	10,963	10,727	20.59%	98%
Met-Ed	52,496	5,147	2,942	9.80%	57%
PECO-Electric	169,714	20,440	17,225	12.04%	84%
Penelec	70,648	3,715	1,852	5.26%	50%
Penn Power	17,594	948	460	5.39%	49%
PPL	143,841	20,246	13,725	14.08%	68%
Total	**551,400**	**64,626**	**48,809**	**11.72%**	**76%**

*Terminations and Reconnections - Confirmed Low Income Natural Gas Customers**

Company	Number of Confirmed Low Income Customers	Terminations	Reconnections	Termination Rate	Ratio of Reconnections to Terminations
Columbia	66,307	5,556	2,525	8.38%	45%
Peoples	62,845	4,537	2,386	7.22%	53%
Equitable	44,263	6,504	4,560	14.69%	70%
NFG	33,529	5,492	3,932	16.38%	72%
PECO-Gas	38,774	5,321	4,437	13.72%	83%
PGW	156,711	18,530	13,140	11.82%	71%
UGI-Gas	34,933	7,284	4,130	20.85%	57%
UGI Penn Natural	22,954	4,847	2,915	21.12%	60%
Total	**460,316**	**58,071**	**38,025**	**12.62%**	**65%**

**Low Income is defined as household income at or below 150 percent of the Federal Poverty Level*

Number of Customers in Debt

There are two categories for reporting customers who are overdue or in debt to the companies. The first category includes customers who are on a payment agreement, and the second category includes customers who are not on a payment agreement. The first category includes both the BCS payment agreements (PARs) and utility payment agreements. The number of customers in debt is affected by many factors, including customer income level and ability to pay, company collection practices, and the size of customer bills.

The category that a customer in debt falls into depends upon the factors listed above as well as the notable addition of company collection policies. These policies include various treatments for different customer income levels.

It is important to note that one of the stated purposes of the Chapter 56 regulations at 52 Pa. Code § 56.1 is to "provide functional alternatives to termination." In 52 Pa. Code § 56.97, one of the methods of avoiding termination is to enter into a payment agreement. Also, the fact that a customer has entered into a payment agreement means that the customer is aware of the outstanding debt, has acknowledged this to the utility and has agreed to a plan to address the debt.

There are two factors which affect the uniformity of the data reported regarding the number of overdue customers and the dollars in debt that are associated with these customers. First, companies use different methods for determining when an account is overdue. Companies consider either the due date of the bill or the transmittal date of the bill to be day zero. The transmittal date is 20 days before the due date. The BCS requested the companies to consider the due date as day zero and to report debt that is at least 30 days overdue.

Duquesne Light, Met-Ed, Penelec, Penn Power, Columbia, Equitable, UGI Penn Natural and UGI-Gas reported according to the method requested by BCS. The variance among the other EDCs and NGDCs shows a difference of no more than 20 days from the BCS method. Allegheny, PECO Electric and Gas, Dominion and PGW report debt that is only 10 days old instead of 30 days old. Thus, each of these companies is overstating its debt compared to companies that reported debt as 30 days overdue. On the other hand, PPL and NFG report debt that is about 40 days old instead of 30 days old. Thus, PPL and NFG are understating their debt relative to the other companies. See Appendix 2 for company specific information on this issue.

The second factor that affects the uniformity of the arrearage data is the determination of when a company moves a terminated account or a discontinued account from active status (included in the reporting) to inactive status (excluded from the reporting). Company collection policies and accounting practices affect the timing. The differences in the amount of time it takes each company to move accounts from active status to inactive status is reported in Appendix 3.

Customer Assistance Program (CAP) recipients are excluded from all data tables that reference the number of customers in debt, the dollars in debt and gross residential write-offs.

Number of Residential Electric Customers in Debt

Company	Number of Customers in Debt on an Agreement*	Number of Customers in Debt Not on an Agreement*	Total Number of Customers in Debt*
Allegheny	3,490	74,223	77,713
Duquesne	10,474	12,211	22,685
Met-Ed	25,549	27,419	52,968
PECO-Electric	19,050	87,833	106,883
Penelec	23,161	30,335	53,496
Penn Power	6,970	7,098	14,068
PPL	36,730	102,127	138,857
Total	**125,424**	**341,246**	**466,670**

**See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.*

Number of Residential Natural Gas Customers in Debt

Company	Number of Customers in Debt on an Agreement*	Number of Customers in Debt Not on an Agreement*	Total Number of Customers in Debt*
Columbia	7,338	13,582	20,920
Peoples	12,329	14,411	26,740
Equitable	6,730	9,432	16,162
NFG	4,012	4,418	8,430
PECO-Gas	8,725	20,891	29,616
PGW	12,620	82,308	94,928
UGI-Gas	3,953	18,038	21,991
UGI Penn Natural	3,520	9,213	12,733
Total	**59,227**	**172,293**	**231,520**

**See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.*

Percent of Customers in Debt

The percent of customers in debt is a useful statistic that supports the need for EDCs and NGDCs to implement universal service programs. A company with a low percent of its residential customers in debt will experience better cash flow and have a better credit rating than one with a high percent of its residential customers in debt.

The percent of customers in debt is calculated by dividing the number of customers in debt by the total number of residential customers. This calculation is done for both groups of customers in debt; that is, for those on a payment agreement and those not on a payment agreement.

Percent of Total Residential Electric Customers in Debt

Company	Percent of Total Customers in Debt on an Agreement*	Percent of Total Customers in Debt Not on an Agreement*	Total Percent of Customers in Debt*
Allegheny	1%	12%	13%
Duquesne	2%	2%	4%
Met-Ed	5%	6%	11%
PECO-Electric	1%	6%	7%
Penelec	5%	6%	11%
Penn Power	5%	5%	10%
PPL	3%	8%	11%
Total	**3%**	**7%**	**10%**

**See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.*

Percent of Total Residential Natural Gas Customers in Debt

Company	Percent of Total Customers in Debt on an Agreement*	Percent of Total Customers in Debt Not on an Agreement*	Total Percent of Customers in Debt*
Columbia	2%	4%	6%
Peoples	4%	4%	8%
Equitable	3%	4%	7%
NFG	2%	2%	4%
PECO-Gas	2%	5%	7%
PGW	3%	17%	20%
UGI-Gas	1%	6%	7%
UGI Penn Natural	3%	6%	9%
Total	**2%**	**7%**	**9%**

**See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.*

Residential Customer Debt in Dollars Owed

The amount of money in debt has an impact on company expenses. The specific expense category is called Cash-Working-Capital and is part of a company's distribution charge.

Dollars in Debt - Residential Electric Customers

Company	Dollars in Debt on an Agreement*	Dollars in Debt Not on an Agreement*	Total Dollars in Debt*
Allegheny	$608,198	$8,066,468	$8,674,666
Duquesne	$6,453,848	$5,780,131	$12,233,979
Met-Ed	$18,813,939	$7,036,614	$25,850,553
PECO-Electric	$12,403,362	$35,587,574	$47,990,936
Penelec	$14,124,414	$5,649,186	$19,773,600
Penn Power	$6,012,988	$1,852,117	$7,865,105
PPL	$16,250,043	$50,339,490	$66,589,533
Total	**$74,666,792**	**$114,311,580**	**$188,978,372**

**See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.*

Dollars in Debt - Residential Natural Gas Customers

Company	Dollars in Debt on an Agreement*	Dollars in Debt Not on an Agreement*	Total Dollars in Debt*
Columbia	$5,564,900	$2,159,606	$7,724,506
Peoples	$9,257,891	$3,982,823	$13,240,714
Equitable	$5,425,405	$2,351,819	$7,777,224
NFG	$1,913,634	$1,486,834	$3,400,468
PECO-Gas	$7,193,606	$15,225,326	$22,418,932
PGW	$11,295,813	$31,986,067	$43,281,880
UGI-Gas	$1,687,365	$4,383,082	$6,070,447
UGI Penn Natural	$1,855,672	$3,583,116	$5,438,788
Total	**$44,194,286**	**$65,158,673**	**$109,352,959**

**See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.*

Dollars in Debt - Confirmed Low Income Electric Customers

Company	Dollars in Debt on an Agreement*	Dollars in Debt Not on an Agreement*	Total Dollars in Debt*
Allegheny	$480,018	$3,157,949	$3,637,967
Duquesne	$728,635	$2,125,465	$2,854,100
Met-Ed	$10,868,037	$2,519,348	$13,387,385
PECO-Electric	$1,320,971	$4,411,499	$5,732,470
Penelec	$9,278,065	$2,338,157	$11,616,222
Penn Power	$3,526,322	$728,887	$4,255,209
PPL	$11,093,766	$30,770,388	$41,864,154
Total	**$37,295,814**	**$46,051,693**	**$83,347,507**

**See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.*

Dollars in Debt- Confirmed Low Income Natural Gas Customers

Company	Dollars in Debt on an Agreement*	Dollars in Debt Not on an Agreement*	Total Dollars in Debt*
Columbia	$2,846,792	$876,947	$3,723,739
Peoples	$7,014,848	$1,976,039	$8,990,887
Equitable	$3,012,582	$990,884	$4,003,466
NFG	$1,091,840	$786,075	$1,877,915
PECO-Gas	$605,359	$1,968,070	$2,573,429
PGW	$6,976,734	$20,527,767	$27,504,501
UGI-Gas	$1,087,747	$2,062,072	$3,149,819
UGI Penn Natural	$1,106,490	$1,833,276	$2,939,766
Total	**$23,742,392**	**$31,021,130**	**$54,763,522**

**See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.*

Percent of Total Dollars Owed – on an Agreement Versus Not on an Agreement

The percent of dollars owed in the two reporting categories is calculated by dividing the total dollars owed in a category by the overall total dollars owed.

Percent of Debt on an Agreement - Residential Electric Customers

Company	Percent of Dollars Owed – On an Agreement*	Percent of Dollars Owed – Not on an Agreement*
Allegheny	7%	93%
Duquesne	53%	47%
Met-Ed	73%	27%
PECO-Electric	26%	74%
Penelec	71%	29%
Penn Power	76%	24%
PPL	24%	76%
Total	**40%**	**60%**

**See Appendix 2 for an explanation of the different methods for determining when an account is overdue and Appendix 3 for the different methods for determining when an account is removed from active status after termination of service or discontinuance of service.*

Percent of Debt on an Agreement - Residential Natural Gas Customers

Company	Percent of Dollars Owed – On an Agreement*	Percent of Dollars Owed – Not on an Agreement*
Columbia	72%	28%
Peoples	70%	30%
Equitable	70%	30%
NFG	56%	44%
PECO-Gas	32%	68%
PGW	26%	74%
UGI-Gas	28%	72%
UGI Penn Natural	34%	66%
Total	**40%**	**60%**

**See Appendix 2 for an explanation of the different methods for determining when an account is overdue and Appendix 3 for the different methods for determining when an account is removed from active status after termination of service or discontinuance of service.*

Average Arrearage

Average arrearage is calculated by dividing the total dollars in debt by the number of customers in debt. Larger average arrearages may take more time for customers to pay off and pose more of an uncollectible risk than smaller average arrearages.

Average Arrearage – Residential Electric Customers

Company	Average Arrearage on an Agreement*	Average Arrearage Not on an Agreement*	Overall Average Arrearage*
Allegheny	$174	$109	$112
Duquesne	$616	$473	$539
Met-Ed	$736	$257	$488
PECO-Electric	$651	$405	$449
Penelec	$610	$186	$370
Penn Power	$863	$261	$559
PPL	$442	$493	$480
Total	**$595**	**$335**	**$405**

**See Appendix 2 for an explanation of the different methods for determining when an account is overdue and Appendix 3 for the different methods for determining when an account is removed from active status after termination of service or discontinuance of service.*

Average Arrearage - Residential Natural Gas Customers

Company	Average Arrearage on an Agreement*	Average Arrearage Not on an Agreement*	Overall Average Arrearage*
Columbia	$758	$159	$369
Peoples	$751	$276	$495
Equitable	$806	$249	$481
NFG	$477	$337	$403
PECO-Gas	$824	$729	$757
PGW	$895	$389	$456
UGI-Gas	$427	$243	$276
UGI Penn Natural	$527	$389	$427
Total	**$746**	**$378**	**$472**

**See Appendix 2 for an explanation of the different methods for determining when an account is overdue and Appendix 3 for the different methods for determining when an account is removed from active status after termination of service or discontinuance of service.*

Number of Payment Agreements

A payment agreement is defined in 52 PA Code Chapter 56 as a mutually satisfactory written or verbal agreement whereby a ratepayer or applicant who admits liability for billed service is permitted to amortize or pay the unpaid balance of the account in one or more payments over a reasonable period of time. In addition to this definition, the method by which utilities determine the total number of payment agreements for reporting pursuant to § 54.75(1)(i) or § 62.5(a)(1)(i) takes into consideration the limitations of the utility systems used to document and track payment agreements. This results in treating a broken payment agreement that is reinstated due to payment by the customer of the "catch-up" amount as a new payment agreement. The BCS Payment Agreement Requests are included in this category. However, CAP payment plans are not included in the count of payment agreements.

The following tables include both All Residential and Confirmed Low Income categories to allow for the presentation of the percent of payment agreements which are Confirmed Low Income.

Electric Payment Agreements

Company	All Residential	Confirmed Low Income	Percent of Payment Agreements which are Confirmed Low Income
Allegheny	25,837	15,239	59%
Duquesne	130,778	89,022	68%
Met-Ed	51,248	29,614	58%
PECO-Electric	42,471	7,803	18%
Penelec	42,704	28,371	66%
Penn Power	12,274	7,322	60%
PPL	183,963	105,422	57%
Total	**489,275**	**282,793**	**58%**

Natural Gas Payment Agreements

Company	All Residential	Confirmed Low Income	Percent of Payment Agreements which are Confirmed Low Income
Columbia	20,749	12,457	60%
Peoples	15,259	9,511	62%
Equitable	12,339	6,001	49%
NFG	14,372	8,035	56%
PECO-Gas	16,850	2,578	15%
PGW	74,136	29,305	40%
UGI-Gas	44,707	24,152	54%
UGI Penn Natural	27,379	14,668	54%
Total	**225,791**	**106,707**	**47%**

Gross Residential Write-Offs in Dollars

The tables below represent the gross residential write-offs in dollars for the EDCs and NGDCs in 2010. Write-offs are the final treatment of overdue accounts in the collection process. A residential account is written off after all pre-write-off collection actions are taken and the customer fails to make payment on the balance owed. Generally, a company writes off accounts on either a monthly or annual basis.

Gross Write-Offs - Residential Electric Customers

Company	Gross Dollars Written Off*
Allegheny	$6,355,180
Duquesne	$5,824,162
Met-Ed	$11,592,188
PECO-Electric	$41,095,151
Penelec	$8,390,194
Penn Power	$2,889,882
PPL	$39,598,997
Total	**$115,745,754**

**Does not include CAP Credits or Arrearage Forgiveness.*

Gross Write-Offs - Residential Natural Gas Customers

Company	Gross Dollars Written Off*
Columbia	$8,162,827
Peoples	$7,733,999
Equitable	$6,176,012
NFG	$6,228,075
PECO-Gas	$5,416,591
PGW	$46,724,536
UGI-Gas	$6,810,703
UGI Penn Natural	$5,122,162
Total	**$92,374,905**

**Does not include CAP Credits or Arrearage Forgiveness.*

Gross Write-Offs - Confirmed Low Income Electric Customers

Company	Gross Dollars Written Off*
Allegheny	$3,941,041
Duquesne	$3,964,558
Met-Ed	$7,640,283
PECO-Electric	$5,600,768
Penelec	$5,955,825
Penn Power	$1,999,765
PPL	$21,383,458
Total	**$50,485,698**

**Does not include CAP Credits or Arrearage Forgiveness.*

Gross Write-Offs - Confirmed Low Income Natural Gas Customers

Company	Gross Dollars Written Off*
Columbia	$5,142,581
Peoples	$2,982,392
Equitable	$4,749,353
NFG	$3,991,333
PECO-Gas	$1,899,529
PGW	$26,404,255
UGI-Gas	$5,188,145
UGI Penn Natural	$3,530,336
Total	**$53,887,924**

**Does not include CAP Credits or Arrearage Forgiveness.*

Percentage of Gross Residential Billings Written Off as Uncollectible

The percentage of residential billings written off as uncollectible is the most commonly used long-term measure of collection system performance. This measure is calculated by dividing the annual total gross dollars written off for residential accounts by the annual total dollars of residential billings. The measure offers an equitable basis for comparison.

Gross Write-Offs Ratio - Residential Electric Customers

Company	Gross Write-Offs Ratio*
Allegheny	0.93%
Duquesne	1.14%
Met-Ed	1.68%
PECO-Electric	1.99%
Penelec	1.67%
Penn Power	1.61%
PPL	2.13%
Total	**1.78%**

**Does not include CAP Credits or Arrearage Forgiveness.*

Gross Write-Offs Ratio - Residential Natural Gas Customers

Company	Gross Write-Offs Ratio*
Columbia	2.27%
Peoples	3.59%
Equitable	2.19%
NFG	3.39%
PECO-Gas	1.17%
PGW	8.44%
UGI-Gas	2.43%
UGI Penn Natural	2.75%
Total	**3.66%**

**Does not include CAP Credits or Arrearage Forgiveness.*

Gross Write-Offs Ratio - Confirmed Low Income Electric Customers

Company	Gross Write-Offs Ratio*
Allegheny	6.42%
Duquesne	7.43%
Met-Ed	8.11%
PECO-Electric	4.79%
Penelec	6.43%
Penn Power	6.83%
PPL	8.75%
Total	**7.29%**

**Does not include CAP Credits or Arrearage Forgiveness.*

Gross Write-Offs Ratio - Confirmed Low Income Natural Gas Customers

Company	Gross Write-Offs Ratio*
Columbia	8.23%
Peoples	7.21%
Equitable	12.10%
NFG	18.66%
PECO-Gas	12.09%
PGW	18.78%
UGI-Gas	14.00%
UGI Penn Natural	11.00%
Total	**13.82%**

**Does not include CAP Credits or Arrearage Forgiveness.*

Annual Collection Operating Expenses

Annual collection operating expenses include administrative expenses associated with termination activity, negotiating payment agreements, budget counseling, investigation and resolution of informal and formal complaints associated with payment agreements, securing and maintaining deposits, tracking delinquent accounts, collection agencies' expenses, litigation expenses other than Commission-related, dunning expenses, and winter survey expense. CAP recipient collection expenses are excluded.

The tables below include both the All Residential and Confirmed Low Income categories to allow for the presentation of the percent of annual collection operating expenses which are attributed to Confirmed Low Income.

Annual Electric Collection Operating Expenses

Company	All Residential	Confirmed Low Income	Percent of Collection Operating Expenses which are for Confirmed Low Income Customers
Allegheny	$16,115,403	$9,290,586	58%
Duquesne	$12,136,755	$8,261,594	68%
Met-Ed	$14,840,980	$8,967,415	60%
PECO-Electric	$14,787,388	$1,746,394	12%
Penelec	$11,726,539	$7,537,253	64%
Penn Power	$3,998,266	$2,487,343	62%
PPL	$13,514,027	$7,162,434	53%
Total	**$87,119,358**	**$45,453,019**	**48%**

Annual Natural Gas Collection Operating Expenses

Company	All Residential	Confirmed Low Income	Percent of Collection Operating Expenses which are for Confirmed Low Income Customers
Columbia	$2,424,579	$1,514,353	62%
Peoples	$1,200,898	$296,628	25%
Equitable	$2,789,079	$529,925	19%
NFG	$721,655	$389,572	54%
PECO-Gas	$1,827,655	$116,474	6%
PGW	$4,687,640	$1,531,816	33%
UGI-Gas	$2,972,628	$1,605,219	54%
UGI Penn Natural	$838,274	$452,668	54%
Total	**$17,462,408**	**$6,436,655**	**37%**

Selected Tables for Multi-Year Data

Terminations - Residential Electric Customers

Company	2009 Terminations	2010 Terminations	Percent Change in # 2009-10	2009 Termination Rate	2010 Termination Rate
Allegheny	17,057	16,803	-1%	2.78%	2.73%
Duquesne	23,143	21,915	-5%	4.41%	4.18%
Met-Ed	12,915	10,676	-17%	2.67%	2.20%
PECO-Electric	76,123	77,674	2%	5.43%	5.52%
Penelec	9,878	6,750	-32%	1.96%	1.34%
Penn Power	3,196	1,705	-47%	2.29%	1.22%
PPL	33,247	33,534	1%	2.75%	2.77%
Total	**175,559**	**169,057**	**-4%**	**3.60%**	**3.46%**

Terminations - Residential Natural Gas Customers

Company	2009 Terminations	2010 Terminations	Percent Change in # 2009-10	2009 Termination Rate	2010 Termination Rate
Columbia	11,662	9,878	-15%	3.14%	2.65%
Peoples	7,640	7,135	-7%	2.34%	2.18%
Equitable	10,836	10,967	1%	4.52%	4.61%
NFG	12,290	9,296	-24%	6.22%	4.70%
PECO-Gas	23,836	23,637	-1%	5.37%	5.29%
PGW	38,536	29,865	-23%	8.01%	6.23%
UGI-Gas	14,891	11,885	-20%	4.92%	3.89%
UGI Penn Natural	8,672	8,569	-1%	5.99%	5.93%
Total	**128,363**	**111,232**	**-13%**	**5.12%**	**4.43%**

Number of Residential Electric Customers in Debt

Company	2009 Total Number of Customers in Debt*	2010 Total Number of Customers in Debt*	Percent Change in # 2009-10
Allegheny	75,880	77,713	2%
Duquesne	22,659	22,685	<1%
Met-Ed	49,824	52,968	6%
PECO-Electric	111,493	106,883	-4%
Penelec	52,927	53,496	1%
Penn Power	13,943	14,068	1%
PPL	131,421	138,857	6%
Total	**458,147**	**466,670**	**2%**

**See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.*

Number of Residential Natural Gas Customers in Debt

Company	2009 Total Number of Customers in Debt*	2010 Total Number of Customers in Debt*	Percent Change in # 2009-10
Columbia	21,011	20,920	-1%
Peoples	38,704	26,740	-31%
Equitable	12,872	16,162	26%
NFG	10,077	8,430	-16%
PECO-Gas	32,474	29,616	-9%
PGW	100,763	94,928	-6%
UGI-Gas	21,807	21,991	1%
UGI Penn Natural	15,139	12,733	-16%
Total	**252,847**	**231,520**	**-8%**

**See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.*

Dollars in Debt - Residential Electric Customers

Company	2009 Total Dollars in Debt*	2010 Total Dollars in Debt*	Percent Change in # 2009-10
Allegheny	$7,421,127	$8,674,666	17%
Duquesne	$11,507,309	$12,233,979	6%
Met-Ed	$22,071,794	$25,850,553	17%
PECO-Electric	$58,855,273	$47,990,936	18%
Penelec	$18,629,141	$19,773,600	6%
Penn Power	$7,573,412	$7,865,105	4%
PPL	$59,338,909	$66,589,533	12%
Total	**$185,396,965**	**$188,978,372**	**2%**

**See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.*

Dollars in Debt - Residential Natural Gas Customers

Company	2009 Total Dollars in Debt*	2010 Total Dollars in Debt*	Percent Change in # 2009-10
Columbia	$10,915,244	$7,724,506	-29%
Peoples	$22,779,857	$13,240,714	-42%
Equitable	$5,625,100	$7,777,224	38%
NFG	$5,205,905	$3,400,468	-35%
PECO-Gas	$30,458,071	$22,418,932	-26%
PGW	$51,204,586	$43,281,880	-15%
UGI-Gas	$7,444,741	$6,070,447	-18%
UGI Penn Natural	$7,275,775	$5,438,788	-25%
Total	**$140,909,279**	**$109,352,959**	**-22%**

**See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.*

Gross Write-Offs - Residential Electric Customers

Company	2009 Gross Dollars Written Off*	2010 Gross Dollars Written Off*	Percent Change in # 2009-10
Allegheny	$5,561,835	$6,355,180	14%
Duquesne	$8,233,551	$5,824,162	-29%
Met-Ed	$10,684,730	$11,592,188	8%
PECO-Electric	$48,098,022	$41,095,151	-15%
Penelec	$8,313,201	$8,390,194	1%
Penn Power	$3,335,176	$2,889,882	-13%
PPL	$35,132,218	$39,598,997	13%
Total	**$119,358,733**	**$115,745,754**	**-3%**

**Does not include CAP Credits or Arrearage Forgiveness.*

Gross Write-Offs - Residential Natural Gas Customers

Company	2009 Gross Dollars Written Off*	2010 Gross Dollars Written Off*	Percent Change in # 2009-10
Columbia	$12,039,187	$8,162,827	-32%
Peoples	$10,537,331	$7,733,999	-27%
Equitable	$9,187,767	$6,176,012	-33%
NFG	$6,040,660	$6,228,075	3%
PECO-Gas	$4,393,542	$5,416,591	23%
PGW	$53,230,377	$46,724,536	-12%
UGI-Gas	$9,595,433	$6,810,703	-29%
UGI Penn Natural	$9,181,367	$5,122,162	-44%
Total	**$114,205,664**	**92,374,905**	**-19%**

**Does not include CAP Credits or Arrearage Forgiveness.*

Gross Write-Offs Ratio - Residential Electric Customers

Company	2009 Gross Write-Offs Ratio*	2010 Gross Write-Offs Ratio*	Percent Change 2009-10
Allegheny	0.93%	0.93%	0%
Duquesne	1.76%	1.14%	-35%
Met-Ed	1.71%	1.68%	-2%
PECO-Electric	2.60%	1.99%	-23%
Penelec	1.76%	1.67%	-5%
Penn Power	1.82%	1.61%	-12%
PPL	2.36%	2.13%	-10%
Total	**2.10%**	**1.78%**	**-15%**

**Does not include CAP Credits or Arrearage Forgiveness.*

Gross Write-Offs Ratio - Residential Natural Gas Customers

Company	2009 Gross Write-Offs Ratio*	2010 Gross Write-Offs Ratio*	Percent Change 2009-10
Columbia	3.11%	2.27%	-27%
Peoples	4.06%	3.59%	-12%
Equitable	2.97%	2.19%	-26%
NFG	2.33%	3.39%	45%
PECO-Gas	0.85%	1.17%	38%
PGW	8.45%	8.44%	-1%
UGI-Gas	3.08%	2.43%	-21%
UGI Penn Natural	3.83%	2.75%	-28%
Total	**3.92%**	**3.66%**	**-7%**

**Does not include CAP Credits or Arrearage Forgiveness.*

Percent of Revenues (Billings) in Debt

The percent of revenues (billings) in debt is calculated by dividing the total annual revenues (billings) by the total monthly average dollars in debt. This calculated variable provides another way to measure the extent of customer debt. In the two tables that follow immediately below, the higher the percentage, the greater the potential collection risk.

Percent of Revenues (Billings) in Debt - Residential Electric Customers

Company	2009	2010	Percent Change 2009-10
Allegheny	1.2%	1.3%	8%
Duquesne	2.5%	2.4%	-4%
Met-Ed	3.5%	3.8%	9%
PECO-Electric	3.2%	2.3%	-28%
Penelec	4.0%	3.9%	-3%
Penn Power	4.1%	4.4%	7%
PPL	4.0%	3.6%	-10%
Total	**3.3%**	**2.9%**	**-12%**

Percent of Revenues (Billings) in Debt - Residential Natural Gas Customers

Company	2009	2010	Percent Change 2009-10
Columbia	2.8%	2.2%	-21%
Peoples	8.8%	6.2%	-30%
Equitable	1.8%	2.8%	56%
NFG	2.0%	1.9%	-5%
PECO-Gas	5.9%	4.8%	-19%
PGW	8.1%	7.8%	-4%
UGI-Gas	2.4%	2.2%	-8%
UGI Penn Natural	3.0%	2.9%	**-3%**
Total	**4.8%**	**4.3%**	**-10%**

3. Universal Service Programs

Demographics

In conformance with the Universal Service and Energy Conservation Reporting Requirements, the EDCs and the NGDCs are to report to the Commission the demographics of their program recipients, including the number of household members under age 18 and over age 62, household size, income, and source of income. The regulation defines a low income customer as a residential utility customer whose gross household income is at or below 150 percent of the federal poverty guidelines. Appendix 4 shows poverty levels in relation to household size and income.

Source of Income, Average Household Size and Income

For customers of all universal service programs, average household incomes are below $17,850. Both electric and natural gas households that receive CAP benefits have average household incomes that are equal to less than $13,550 per year. Electric customers who receive Low Income Usage Reduction Program (LIURP) service have average yearly household incomes at $16,350, while gas customers average $15,700. These households average three persons, with at least one member under 18 years old. Average household incomes for universal service and energy conservation program participants are well below 150 percent of the 2011 federal poverty guidelines of $27,795 for three persons.

The majority of electric and gas customers participating in universal service programs have incomes from employment, disability benefits or pension benefits. See Appendix 5 for a summary of the source of income data.

"Working poor" households do not always have incomes that exceed 150 percent of the federal poverty guidelines. A definition of a "working poor" household begins with a wage-earner who works full time at a minimum wage job. Minimum wage during 2010 was $7.25 per hour, the same as it was in 2009.[3] Annual income for a wage earner who works at minimum wage job is $15,080. A typical CAP customer has an income in the $13,500 range, which places these households' incomes at about 73 percent of the federal poverty guidelines.

Finally, it is important to understand the relationship between household incomes and the percent of that income that a household spends on energy. Energy burden is defined as the percentage of household income that a household spends on total home energy needs.[4] In most instances, without CAP programs, CAP eligible households would be required to pay about 16 percent of their household income for energy compared with a typical Pennsylvania household that pays about 3.5 percent of their income for home energy needs.

[3] http://www.dol.gov/esa/minwage/chart.htm. The Pennsylvania state minimum wage law adopts the federal minimum wage rate by reference.
http://www.dol.gov/esa/minwage/america.htm#Pennsylvania.
http://www.pahouse.com/cohen/minimumwage/factsheet.htm.

[4] U.S. Department of Health & Human Services, LIHEAP Home Energy Notebook for FY 2002: Appendix A Home energy estimates, p.45, 2004.

Participants in Universal Service Programs
Average Household Income
Summary for All Electric Customers

	2009	2010
LIURP	$15,280	$16,344
CAP	$13,337	$13,540
CARES	$14,667	$14,761
Hardship Fund	$15,679	$17,840

Participants in Universal Service Programs
Average Household Income
Summary for All Natural Gas Customers

	2009	2010
LIURP	$15,017	$15,687
CAP	$12,611	$13,009
CARES	$15,389	$15,740
Hardship Fund	$14,179	$17,149

LIURP

The Pennsylvania Low Income Usage Reduction Program (LIURP) is a statewide, utility-sponsored, residential usage reduction program mandated by Pennsylvania Public Utility Commission regulations at 52 Pa. Code, Chapter 58. The primary goal of LIURP is to assist low income residential customers to reduce energy bills through usage reduction (energy conservation) and, as a result, to make bills more affordable.

LIURP is targeted toward customers with annual incomes at or below 150 percent of the federal poverty level. However, beginning in 1998, the LIURP regulations permit companies to spend up to 20 percent of their annual LIURP budgets on customers with incomes between 150 percent and 200 percent of the federal poverty level. LIURP places priority on the highest energy users who offer the greatest opportunities for bill reductions. Generally, the EDCs target customers with annual usage of at least 6,000 kWhs, and the NGDCs target customers with annual usage of at least 120 Mcfs. When feasible, the program targets customers with payment problems (arrearages). The program is available to both homeowners and renters. LIURP services all housing types, including single family homes, mobile homes, and small and large multi-family residences.

The LIURP funds are included in utility rates as part of the distribution cost that is passed on to all residential customers. The current LIURP funding levels for each utility were set for a period of three years in the most recently filed universal service plans. These plans are to be filed every three years. The utility is required to develop a funding level based upon a needs assessment, which, in turn, will likely be based on census and utility data.

The PUC has regulatory oversight of LIURP, and the utilities administer the program using both non-profit and for-profit contractors. The LIURP funds are disbursed directly to program contractors, usually on a monthly basis. The various program costs and installed usage reduction measures are agreed to in contracts between the contractors and the utilities.

Program measures are installed on a simple payback recovery basis of seven years or less for most program measures. There are exceptions that must meet a 12-year simple payback recovery. These include sidewall insulation, attic insulation, furnace replacement, water heater replacement and refrigerator replacement. Recovery is the time it takes to recover the cost of the installed program measure through projected energy savings. Examples of the program measures include: air infiltration measures using the blower door air sealing techniques; all types of insulation such as attic and sidewall; heating system treatments and replacements; water heating tank and pipe wraps; water heater replacements; compact fluorescent lighting; refrigerator replacement; water bed replacement with a form-fitted foam mattress; incidental repairs (not home rehabilitation); and conservation education.

The factors that have an impact on energy savings are: the level of pre-weatherization usage; occupant energy behavior; housing type and size; age of the dwelling; condition of the dwelling; end uses such as heating, cooling and water heating; and contractor capabilities.

The list of customer, utility and community benefits includes: bill reduction; improved health, safety and comfort levels; LIHEAP leveraging (Pennsylvania receives additional funds due to the LIURP resources that supplement LIHEAP funds); arrearage reduction; reduced collection activity; improved bill payment behavior; reduced use of supplemental fuels and secondary heating devices; more affordable low income housing; reduction in homelessness; and less housing abandonment.

The data presented in the instant report reflect the Universal Service Reporting Requirements (USRR) regulations at § 54.75 and § 62.5. These provisions require the reporting of various LIURP data, including: annual program costs for the reporting year; number of family members under 18 years of age; number of family members over 62 years of age; family size; household income; source of income; participation levels for the reporting year; projected annual spending for the current year; projected annual participation levels for the current year; and average job costs.

In addition, the report also includes data on completed jobs provided by the EDCs and NGDCs in accordance with the LIURP Codebook, which is originally based in the LIURP regulations at 52 Pa. Code § 58.15 and incorporated in the USRR regulations.

LIURP Spending

As a rule, companies try to spend all of the LIURP funds that are budgeted each year, but this is not always possible. In most cases, unspent funds are carried over from one program year to the next on an ongoing basis.

LIURP Spending - Electric Utilities

Company	2010 Actual Spending	2011 Projected Spending*
Allegheny	$1,812,314	$2,352,000
Duquesne	$2,265,746	$1,361,600
Met-Ed	$2,493,526	$3,153,354
PECO-Electric	$5,600,000	$5,600,000
Penelec	$2,938,097	$3,812,021
Penn Power	$957,145	$1,847,251
PPL	$7,840,038	$8,000,000
Total	**$23,906,866**	**$26,126,226**

**Includes carryover of unspent funds.*

LIURP Spending - Natural Gas Utilities

Company	2010 Actual Spending	2011 Projected Spending*
Columbia	$3,235,040	$3,000,000
Peoples	$768,000	$864,000
Equitable	$832,697	$787,660
NFG	$1,293,934	$1,353,349
PECO-Gas	$2,250,000	$2,250,000
PGW	$2,341,176	$8,739,884
UGI-Gas	$755,161	$1,094,956
UGI Penn Natural	$851,297	$853,171
Total	**$12,327,305**	**$18,943,020**

**Includes carryover of unspent funds.*

LIURP Production

LIURP production levels are influenced by many factors, including the size of the company's LIURP program budget; the heating saturation among the company's customer population; housing characteristics such as the type; size and condition of the housing stock; contractor capability; contractor capacity; and, to a lesser extent, customer demographics and customer behavior.

LIURP Electric Production

Company	2010 Actual Production			2011 Projected Production		
	Heating Jobs	Water Heating Jobs	Baseload Jobs*	Heating Jobs	Water Heating Jobs	Baseload Jobs*
Allegheny	372	217	62	500	400	100
Duquesne	367	1	3,269	90	3	2,423
Met-Ed	522	345	332	546	437	382
PECO-Electric	1,145	0	6,953	1,274	0	7,002
Penelec	325	985	510	424	1,166	530
Penn Power	178	187	195	246	254	270
PPL	1,084	331	978	1,300	300	1,050
Total	**3,993**	**2,066**	**12,299**	**4,380**	**2,560**	**11,757**

**Baseload jobs contain very few or no heating or water heating program measures.*

LIURP Natural Gas Production

Company	2010 Actual Production Heating Jobs	2011 Projected Production Heating Jobs
Columbia	499	468
Peoples	161	176
Equitable	153	145
NFG	196	206
PECO-Gas	1,051	726
PGW	926	3,282
UGI-Gas	163	218
UGI Penn Natural	241	171
Total	**3,390**	**5,392**

LIURP Average Job Costs

Customer usage profiles are typically highest for heating jobs followed by water heating jobs and baseload jobs. Average job costs are based on the total number of completed jobs in the job type category and the total costs associated with those jobs. Specifically, the average job cost is calculated by dividing the total dollars spent on a type of job by the number of jobs completed.

All of the LIURP gas jobs are classified as heating. On the other hand, for electric jobs, the determination of the job type first depends on whether the customer heats with electricity. If most of the dollars spent on the completed job are on heating-related program measures, then the job is classified as a heating job. Next, if the customer does not heat with electricity but uses electricity for water heating, and most of the dollars spent on the completed job are on water heating measures, then the job is classified as a water heating job. If the customer does not use electricity for either heating or water heating, the completed job is automatically classified as a baseload job. This is a simplistic model for classifying the type of job, and this model is easy to apply to the vast majority of electric jobs in LIURP.

LIURP Electric Job Costs

Company	2010 Heating Jobs	2010 Water Heating Jobs	2010 Baseload Jobs
Allegheny	$2,584	$2,564	$2,720
Duquesne	$2,743	$786	$673
Met-Ed	$1,974	$1,258	$1,059
PECO-Electric	$2,162	N/A	$371
Penelec	$1,830	$1,212	$929
Penn Power	$2,073	$1,084	$841
PPL	$3,279	$1,754	$970

LIURP Natural Gas Job Costs

Company	2009 Heating Jobs
Columbia	$5,811
Peoples	$3,230
Equitable	$4,725
NFG	$4,030
PECO-Gas	$2,128
PGW	$2,528
UGI-Gas	$3,930
UGI Penn Natural	$3,050

LIURP Energy Savings and Bill Reduction

LIURP energy savings are determined by calculating the difference in customer's usage during the 12 months following the provision of program measures from the usage during the 12 months preceding the treatments. The energy savings reported below are based on weather-normalized data and represent an average of the company results.

The estimated annual bill reduction is calculated by multiplying the average number of kWhs or Mcfs saved during the post-treatment period by the average price per kWh or Mcf during the post-treatment period. Companies voluntarily report this pricing information to BCS on an annual basis. The estimated annual bill reductions that are presented below are based on the average of the company results.

LIURP Energy Savings and Bill Reductions

Job Type	2008 Energy Savings	2008 Estimated Annual Bill Reduction
Electric Heating	9.6%	$213
Electric Water Heating	10.9%	$209
Electric Baseload	9.0%	$147
Gas Heating	18.4%	$480

Customer Assistance Programs

Customer Assistance Programs (CAPs) provide an alternative to traditional collection methods for low income, payment troubled utility customers. Customers make regular monthly payments which may be for an amount that is less than the current bill for utility service. Most payments are based on a percentage of a customer's income. Some payments are based on a rate discount, while others are based on a percentage of the bill or historical payments. However, household size and income generally determine the size of any discount. Besides regular monthly payments, customers need to comply with certain responsibilities and restrictions to remain eligible for continued participation. This section presents a progress report on the implementation of the Commission's CAP Policy Statement and 66 Pa. C.S. § 2802(10), § 2804(9), § 2203(7) and § 2203(8) by the seven largest EDCs and by the NGDCs serving more than 100,000 customers. Universal Service Plans and Evaluations are posted on the Commission's website (see Appendix 7 for viewing instructions).

CAP Participation

In conformance with the Universal Service and Energy Conservation Reporting Requirements at 52 Pa. Code §54.75(2)(i)(C) for the EDCs and 52 Pa. Code §62. 5(2)(i)(C) for the NGDCs, the companies are to report to the Commission the number of customers enrolled in CAP. The Commission defines participation as those participants enrolled in CAP at the end of the program year. As part of each company's restructuring proceeding, a program phase-in size was established. In conformance with the Reporting Requirements for Universal Service and Energy Conservation at 52 Pa. Code § 54.74 for the EDCs and 52 Pa.

Code §62.4 for the NGDCs, each company is to submit to the Commission for approval a three-year universal service plan. The regulations at 52 Pa. Code §§ 54.74(b)(3)&(4) for the EDCs and 52 Pa. Code §§ 62(4)(b)(3)&(4) require the companies to submit a projected needs assessment and projected enrollment level for its universal service programs.

The 2010 results below show a CAP Participation Rate, defined as the number of participants enrolled as of Dec. 31, 2010, divided by the number of confirmed low income customers served by the EDC or NGDC. The Commission expects a utility to maintain open enrollment to meet the need in each utility's service territory. The CAP participation rate would be much lower if the rate reflected estimated rather than confirmed low income customers.

CAP Participation - Electric Utilities

Company	2009		2010	
	Participants Enrolled as of 12/31/09	**CAP Participation Rate**	**Participants Enrolled as of 12/31/10**	**CAP Participant Rate**
Allegheny	20,094	49%	21,291	49%
Duquesne	33,145	66%	35,981	68%
Met-Ed	23,980	50%	26,023	50%
PECO-Electric	130,619	86%	141,247	83%
Penelec	34,147	51%	35,554	50%
Penn Power	9,387	56%	9,991	57%
PPL	29,313	22%	32,446	23%
Total	**280,685**		**302,533**	
Weighted Avg.		**55%**		**55%**

CAP Participation - Natural Gas Utilities

Company	2009		2010	
	Participants Enrolled as of 12/31/09	CAP Participation Rate	Participants Enrolled as of 12/31/10	CAP Participant Rate
Columbia	25,201	36%	22,606	34%
Peoples	16,203	26%	16,575	26%
Equitable	18,999	34%	17,596	40%
NFG	13,061	39%	12,511	37%
PECO-Gas	22,195	65%	25,750	66%
PGW	81,905	52%	82,544	53%
UGI-Gas	8,527	24%	7,281	21%
UGI-Penn Natural	4,878	19%	5,158	22%
Total	**190,969**		**190,021**	
Weighted Avg.		**40%**		**41%**

CAP Benefits - Bills, Credits & Arrearage Forgiveness

In conformance with the Universal Service and Energy Conservation Reporting Requirements at 52 Pa. Code § 54.75(2)(ii)(B)(IV) for the EDCs and 52 Pa. Code § 62.5(2)(ii)(B)(IV) for the NGDCs, the companies are to report to the Commission on CAP benefits. The regulation defines CAP benefits as the average CAP bill, average CAP credits and average arrearage forgiveness. Companies report by month the number of participants enrolled in CAP. Because CAP enrollment fluctuates during the year, the Commission bases average CAP credits and arrearage forgiveness benefits on the average monthly number of CAP participants rather than the number of CAP participants enrolled at the end of the year.

The Commission has further defined the three components of CAP benefits, including average CAP bill, average CAP credits, and average arrearage forgiveness. The Commission defines average CAP bill as the total CAP amount billed (total of the expected monthly CAP payment) divided by the total number of CAP bills rendered. The Commission defines average CAP credits as the total amount of the difference between the standard billed amount and the CAP billed amount divided by the average monthly number of CAP participants. The Commission defines average arrearage forgiveness as the total preprogram arrearages forgiven as a result of customers making agreed upon CAP payments divided by the average monthly number of CAP participants. The tables below show average monthly CAP bill and CAP benefits.

Average CAP bills and CAP credits will fluctuate due to several factors: CAP customers may have different payment plans based on their type of usage (heating, water heating or baseload); change in rates; and the distribution of income levels among program participants. Consumption and weather also will affect NFG and PECO's CAP bills and credits, because their payment plans are based on rate discounts tied to usage.

Average Monthly CAP Electric Bill

Company	2009	2010
Allegheny	$70	$83
Duquesne	$61	$65
Met-Ed	$52	$57
PECO-Electric	$61	$74
Penelec	$34	$41
Penn Power	$48	$49
PPL	$75	$77

Average Monthly Natural Gas CAP Bill

Company	2009	2010
Columbia	$49	$49
Peoples	$83	$73
Equitable	$77	$75
NFG	$91	$75
PECO-Gas	$57	$57
PGW	$88	$89
UGI-Gas	$86	$100
UGI Penn Natural	$130	$112

Average Annual Electric CAP Credits

Company	2009	2010
Allegheny	$293	$349
Duquesne	$359	$400
Met-Ed	$714	$734
PECO-Electric	$529	$553
Penelec	$625	$603
Penn Power	$806	$796
PPL	$665	$1,098

Average Annual Natural Gas CAP Credits

Company	2009	2010
Columbia	$847	$634
Peoples	$589	$273
Equitable	$1,373	$738
NFG	$426	$161
PECO-Gas	$381	$275
PGW	$1,155	$976
UGI-Gas	$378	$367
UGI Penn Natural	$635	$205

Arrearage forgiveness credits will fluctuate due to the following factors: the length of time over which forgiveness occurs; the length of time a customer is enrolled in CAP; how often forgiveness occurs (monthly or yearly); and the amount of arrearage brought to the CAP program.

Average Annual Electric Utilities Arrearage Forgiveness

Company	2009	2010
Allegheny	$76	$80
Duquesne	$70	$68
Met-Ed	$149	$178
PECO-Electric	$207	$93
Penelec	$120	$140
Penn Power	$210	$219
PPL	$324	$351

Average Annual Natural Gas Utilities Arrearage Forgiveness

Company	2009	2010
Columbia	$218	$82
Peoples	$23	$39
Equitable	$39	$28
NFG	$67	$61
PECO-Gas	$5	$90
PGW	$99	$124
UGI-Gas	$84	$88
UGI Penn Natural	$231	$181

Percentage of Bill Paid

In conformance with the Universal Service and Energy Conservation Reporting Requirements at 52 Pa. Code § 54.75(2)(ii)(B)(VII) for the EDCs and 52 Pa. Code § 62.5(2)(ii)(B)(VII) for the NGDCs, the companies are to report to the Commission on the percentage of CAP bill paid. "CAP bill paid" is the annual total of the expected monthly CAP payment. This amount includes the amount that companies bill CAP customers rather than the tariffed rate amount. The companies report on the annual total amount of payments by CAP customers. The Commission defines percentage of CAP bill paid as the total amount of payments by CAP customers divided by the total dollar amount of CAP billed. Based on history and successful CAP designs relating to default and payment plans, the Commission recommends that a percentage of bill paid of no less than 80 percent can be reasonably achieved – with a goal of 90 percent or better. The table below shows percentage of the CAP bill paid by CAP customers.

Percentage of Electric CAP Bill Paid

Company	2009	2010
Allegheny	86%	86%
Duquesne	93%	99%
Met-Ed	85%	91%
PECO-Electric	88%	77%
Penelec	87%	90%
Penn Power	90%	90%
PPL	86%	79%*

Percentage of Natural Gas CAP Bill Paid

Company	2009	2010
Columbia	93%	90%
Peoples	82%	81%
Equitable	94%	97%
NFG	74%	74%
PECO-Gas	88%	77%
PGW	84%	65%*
UGI-Gas	89%	79%
UGI Penn Natural	78%	75%

* *The data in the tables above are based solely on payments made by CAP participants. LIHEAP Cash Grants are excluded. However, for the first time CAP participant payments were supplemented by LIHEAP Cash Grants in 2010 as PPL and PGW revised their CAP plans to comply with federal LIHEAP statute, 42 U.S.C. §§ 8621-8630. Beginning in 2011, these tables will either be revised or removed from this report as the other EDCs and NGDCs revise their CAP plans to comply with LIHEAP statute.*

CAP Costs

In conformance with the Universal Service and Energy Conservation Reporting Requirements at 52 Pa. Code § 54.74(2)(i)(A) for the EDCs and 52 Pa. Code § 62.4(2)(i)(A) for the NGDCs, the companies are to report to the Commission on CAP program costs. The companies and the Bureau developed mutually satisfactory guidelines for reporting CAP costs. CAP costs include costs for administration, CAP credits and arrearage forgiveness. Administrative costs include the following costs: contract and utility staffing; account monitoring; intake; outreach; consumer education and conservation; training; maintaining telephone lines; recertification; computer programming; evaluation; and other fixed overhead costs. Account monitoring includes collection expenses, as well as other operation and maintenance expenses. See Appendix 6 for the percentage of CAP spending by program component: administration, CAP credits and arrearage forgiveness.

Costs are gross costs and do not reflect any potential savings to traditional collection expenses, cash working capital expenses and bad debt expenses that may result from enrolling low income customers in CAP. Appendix 8 shows total universal service costs, universal service funding mechanisms and average annual universal service costs per residential customers.

CAP Electric Gross Costs

Company	2009			2010		
	Total Gross CAP Costs	Average CAP Enrollment	Average Gross Program Costs per CAP Customer	Total Gross CAP Costs	Average CAP Enrollment	Average Gross Program Costs per CAP Customer
Allegheny	$7,922,756	19,903	$398	$9,586,776	20,802	$461
Duquesne	$14,977,956	32,496	$461	$17,074,234	34,390	$496
Met-Ed	$19,321,710	21,348	$905	$24,391,452	25,563	$954
PECO-Electric	$97,895,892	129,971	$753	$90,851,613	136,499	$666
Penelec	$24,480,070	31,563	$776	$27,498,718	35,374	$777
Penn Power	$8,964,942	8,515	$1,053	$10,151,973	9,670	$1,050
PPL	$28,929,342	26,741	$1,082	$47,255,396	31,138	$1,518
Total	**$202,492,668**	**270,537**		**$226,810,162**	**293,436**	
Weighted Avg.			**$748**			**$773**

CAP Natural Gas Gross Costs

Company	2009			2010		
	Total Gross CAP Costs	Average CAP Enrollment	Average Gross Program Costs per CAP Customer	Total Gross CAP Costs	Average CAP Enrollment	Average Gross Program Costs per CAP Customer
Columbia	$28,084,379	25,229	$1,113	$18,260,343	23,833	$766
Peoples	$10,266,754	15,717	$653	$5,772,862	16,602	$348
Equitable	$29,451,600	20,257	$1,454	$14,810,218	18,363	$807
NFG	$6,743,167	12,998	$519	$2,992,877	12,594	$238
PECO-Gas	$8,975,289	22,029	$407	$9,367,329	24,281	$386
PGW	$105,782,371	82,489	$1,282	$93,023,754	82,459	$1,128
UGI-Gas	$5,051,419	10,258	$492	$4,076,933	8,394	$486
UGI Penn Natural	$3,520,853	3,947	$892	$2,291,790	5,366	$427
Total	**$197,875,832**	**192,924**		**$150,596,106**	**191,891**	
Weighted Avg.			**$1,026**			**$785**

CARES

The primary purpose of a CARES program is to provide a cost-effective service that helps payment troubled customers maximize their ability to pay utility bills. A CARES program helps address health and safety concerns relating to utility service by providing important benefits. CARES staff provide three primary services: case management; maintaining a network of service providers; and making referrals to services that provide assistance.

As utilities have expanded their CAP programs, the focus of CARES has changed. For most utilities, CARES has become a component of CAP. The Commission has not objected to some of the functions of CARES changing over time, because the expansion of CAP has reduced the number of customers who may need case management services.

CARES representatives provide case management services to a limited number of customers with special needs. Most customers receive the case management services of CARES for no more than six months. If a customer's hardship is not resolved within that time, a utility will transfer a customer from the CARES program to their CAP. The number of customers who receive case management services has decreased, because these customers now receive the benefits of more affordable payments as part of CAP enrollment.

A utility CARES representative also performs the task of strengthening and maintaining a network of community organizations and government agencies that can provide services to the program clients. By securing these services, including energy assistance funds, customers can maintain safe and adequate utility service. LIHEAP outreach and networking are vital pieces of CARES that should not be neglected. A CARES program continues to address the important health and safety concerns relating to utility service. As Chapter 14 implementation occurs, it is imperative that each utility be able to identify its customers so that it does not jeopardize the health and safety of a household that has special conditions.

Finally, CARES staff conduct outreach and make referrals to programs that provide energy assistance grants. CARES staff also make referrals to LIHEAP (the federal program that provides energy assistance grants), hardship funds, and other agencies that provide cash assistance.

CARES Benefits

In conformance with the Universal Service and Energy Conservation Reporting Requirements at 52 Pa. Code § 54.75(2)(ii)(C)(III) for the EDCs and 52 Pa. Code § 62.5 (2)(ii)(C)(III) for the NGDCs, the companies are to report to the Commission on CARES benefits. The Commission defines CARES benefits as the total number and dollar amount of LIHEAP benefits applied to all low income customers' accounts. LIHEAP benefits include both LIHEAP cash and LIHEAP crisis grants. Typically, households that receive crisis grants also receive cash grants. Therefore, to avoid double counting the number of benefits, the table below shows the number of households that received LIHEAP cash grants. The dollar amount of LIHEAP benefits includes both cash and crisis LIHEAP benefits. The total amount of LIHEAP dollars that each utility receives is dependent primarily on the amount of the federal LIHEAP appropriation and the number of poor customers in each company's service territory. The regulations define direct dollars as dollars that are applied to a CARES customer's utility account, including all sources of energy assistance applied to utility bills such as LIHEAP, hardship fund grants and local agencies' grants. The column "Direct Dollars in Addition to LIHEAP Grants for CARES Participants" subtracts LIHEAP benefits from total CARES benefits to show the total dollar benefits that are not LIHEAP related. Net CARES benefits include LIHEAP cash and crisis grants plus direct dollars in addition to LIHEAP grants. The administrative costs of CARES are deducted from the total CARES benefits to equal net CARES benefits. Because the number of participants who receive the case management services of CARES is small, the direct dollars not related to LIHEAP grants will be a smaller number than the total LIHEAP dollars for all low income customers.

2010 Electric CARES Benefits

Company	CARES Costs	Total LIHEAP Grants for Low Income Customers**	Low Income Households who Received LIHEAP Cash Grants	Direct Dollars in Addition to LIHEAP Grants for CARES Participants	Net CARES Benefits
Allegheny	$17,678	$6,520,824	38,974	$2,522	$6,505,668
Duquesne	$125,000	$4,642,522	24,633	$180,936	$4,698,458
Met-Ed*	$0	$3,437,041	7,171	$0	$3,437,041
PECO-Electric	$1,284,449	$17,834,290	34,758	$16,140,983	$32,690,824
Penelec*	$0	$4,672,489	8,730	$0	$4,672,489
Penn Power*	$0	$1,403,180	2,574	$0	$1,403,180
PPL	$0	$13,832,452	28,265	$31,683	$13,864,135
Total	**$1,427,127**	**$52,342,798**	**145,105**	**$16,356,124**	**$67,271,795**

**Met-Ed, Penelec and Penn Power enroll and monitor all CARES participants in CAP rather than separately monitoring these accounts. PPL includes the costs of CARES in its OnTrack costs. The CARES representatives in each of these companies perform the functions of both CAP and CARES.*

***Total LIHEAP grants include both LIHEAP cash and crisis grants. Typically, customers who receive crisis grants also receive cash grants.*

2010 Natural Gas CARES Benefits

Company	CARES Costs	Total LIHEAP Grants for Low Income Customers*	Low Income Households who Received LIHEAP Cash Grants	Direct Dollars in Addition to LIHEAP Grants for CARES Participants	Net CARES Benefits
Columbia	$380,110	$11,852,817	23,761	$66,760	$11,539,467
Peoples	$170,000	$9,892,625	68,284	$35,793	$9,758,418
Equitable	$321,983	$9,466,822	17,683	$187,672	$9,287,675
NFG	$11,525	$14,028,730	21,690	$0	$14,017,205
PECO-Gas	$244,657	$3,397,008	6,621	$0	$2,204,151
PGW	$828,005	$41,456,397	76,091	$259	$40,622,703
UGI-Gas	$99,392	$7,758,630	54,191	$178	$7,659,416
UGI Penn Natural	$44,311	$7,628,433	48,139	$259	$7,584,381
Total	**$2,099,983**	**$105,481,462**	**316,460**	**$290,921**	**$102,673,416**

**Total LIHEAP grants include both LIHEAP cash and crisis grants. Typically, customers who receive crisis grants also receive cash grants.*

Utility Hardship Fund Programs

Utility company hardship funds provide cash assistance to utility residential customers who need help in paying their utility bill or to those who still have a critical need for assistance after other resources have been exhausted. The funds make payments directly to companies on behalf of eligible customers.

Ratepayer and Shareholder Contributions

In conformance with the Universal Service and Energy Conservation Reporting Requirements at 52 Pa. Code § 54.75(2)(ii)(D)(I)&(III) for the EDCs and 52 Pa. Code § 62.5(2)(ii)(D)(I)&(III) for the NGDCs, the companies are to report to the Commission on the amount of ratepayer and utility contributions to their hardship funds. Utility shareholders contribute the bulk of utility contributions. The Commission defines ratepayer contributions as contributions from utility employees, ratepayers and special contributions. Special contributions include monies from formal complaint settlements, overcharge settlements, off-system sales and special solicitations of business corporations. However, the average voluntary ratepayer contribution per customer shown in the tables that follow does not include special contributions – only voluntary ratepayer contributions. The Commission defines utility contributions as shareholder or utility grants for program administration, outright grants to the funds, and grants that match contributions of ratepayers. Utility and ratepayer contributions are shown in the tables below.

2009-10 Electric Hardship Fund Contributions

Company	Voluntary Ratepayer Contributions	Average Voluntary Ratepayer Contribution per Customer	Utility & Shareholder Contributions
Allegheny	$219,645	$0.36	$159,180
Duquesne	$271,146	$0.52	$492,001
Met-Ed	$288,470	$0.59	$116,291
PECO-Electric	$187,836	$0.13	$401,337
Penelec	$137,185	$0.27	$71,546
Penn Power	$60,585	$0.43	$59,110
PPL	$651,830	$0.54	$946,000
Total	**$1,816,697**		**$2,245,465**
Weighted Avg.		**$0.41**	

2009-10 Natural Gas Hardship Fund Contributions

Company	Voluntary Ratepayer Contributions	Average Voluntary Ratepayer Contribution per Customer	Utility & Shareholder Contributions
Columbia	$1,037,966	$2.78	195,000
Peoples	$186,931	$0.57	$363,963
Equitable	$102,510	$0.43	$222,500
NFG	$43,928	$0.22	$0
PECO-Gas	$35,778	$0.08	$76,445
PGW	$6,934	$0.01	$1,096,983
UGI-Gas	$179,803	$0.59	$56,000
UGI Penn Natural	$449,009	$3.11	$45,000
Total	**$2,042,859**		**$2,055,891**
Weighted Avg.		**$1.06**	

Hardship Fund Benefits

In conformance with the Universal Service and Energy Conservation Reporting Requirements at 52 Pa. Code § 54.75(2)(ii)(D)(V) for the EDCs and 52 Pa. Code § 62.5 (2)(ii)(D)(V) for the NGDCs, the companies are to report to the Commission on hardship fund benefits. The Commission defines hardship fund benefits as the cumulative total number and dollar amount of grants disbursed for the program year as of the end of the program year.

Electric Utility Hardship Fund Grant Benefits

Company	Ratepayers Receiving Grants		Average Grant		Total Benefits Disbursed	
	2008-09	**2009-10**	**2008-09**	**2009-10**	**2008-09**	**2009-10**
Allegheny	1,522	993	$315	$302	$479,800	$300,000
Duquesne	2,083	2,565	$360	$321	$750,000	$822,400
Met-Ed	589	1,031	$335	$375	$197,706	$386,794
PECO-Electric	1,908	1,366	$391	$274	$746,674	$374,944
Penelec	640	829	$322	$359	$206,193	$297,807
Penn Power	280	408	$329	$386	$92,110	$157,621
PPL	4,633	4,180	$291	$293	$1,348,709	$1,224,071
Total	**11,655**	**11,372**			**$3,821,192**	**$3,563,637**
Weighted Avg.			**$328**	**$330**		

Natural Gas Utility Hardship Fund Grant Benefits

Company	Ratepayers Receiving Grants		Average Grant		Total Benefits Disbursed	
	2008-09	**2009-10**	**2008-09**	**2009-10**	**2008-09**	**2009-10**
Columbia	3,093	2,781	$380	$384	$1,176,000	$1,068,838
Peoples	1,679	1,701	$357	$353	$599,616	$600,384
Equitable	988	1,067	$405	$396	$400,000	$422,500
NFG	268	289	$294	$267	$78,775	$77,261
PECO-Gas	391	255	$391	$280	$152,933	$71,418
PGW	2,085	2,257	$560	$998	$1,167,571	$2,252,986
UGI-Gas	657	913	$212	$254	$139,121	$232,262
UGI Penn Natural	360	675	$166	$376	$59,622	$253,530
Total	**9,521**	**9,938**			**$3,773,638**	**$4,979,179**
Weighted Avg.			**$396**	**$414**		

4. Small Utilities' Universal Service Programs

The Commission's universal service reporting requirements have fewer data requirements for small utilities than for the major utilities. EDCs with fewer than 60,000 residential customers and NGDCs with fewer than 100,000 residential customers must file their universal service plans with the Commission every three years, but the plans are not subject to the Commission's formal approval process. Instead, the plans are informally reviewed by the Bureau of Consumer Services. In addition to filing their plans with the Commission, the small utilities must describe the level of services provided by their plans, as well as the expenses associated with the programs. These requirements can be found at 52 Pa. Code, Chapter 54, Section 54.77 for EDCs and at 52 Pa. Code, Chapter 62, Section 62.7 for NGDCs.

As a result of the Electricity Generation Customer Choice and Competition Act and the Natural Gas Choice and Competition Act (the Acts), seven small utilities now have various universal service programs for their low income customers.

Citizens' Electric (Citizens), T.W. Phillips Gas and Oil Company, Valley Energy (Valley) and Wellsboro Electric (Wellsboro) operate hardship funds through the Dollar Energy Fund.

Pike County Power & Light (Pike) administers a variation of a CAP program (New Start) and operates its own hardship fund program (Neighbor Fund Program).

T.W. Phillips offers a full-scale CAP program serving approximately 1,603 customers as of Dec. 31, 2010. The company also operates a hardship fund through the Dollar Energy Fund and administers a LIURP program. In 2010, the company completed 28 LIURP jobs.

UGI-Central Penn Gas, formerly PPL Gas, offers a full-scale CAP program. As of December 2010, the program enrollment was approximately 2,392 customers. UGI-Central Penn Gas also operates a hardship fund through the Dollar Energy Fund and administers a LIURP program. In 2010, the company completed 14 LIURP jobs.

UGI Utilites Inc. (UGI-Electric) offers a full-scale CAP program with an enrollment of approximately 1,709 customers. The company operates its own hardship fund and also administers a LIURP program. In 2010, the company completed 115 LIURP jobs.

The small utilities also differ significantly in the total number of residential customers each serves. For example, UGI-Central Penn Gas, UGI Utilities Inc. and T.W. Phillips each serve more than 40,000 residential customers. Meanwhile, Citizens', Pike, Wellsboro and Valley each serve fewer than 5,000 residential customers.

In addition to the utility-sponsored programs, LIHEAP benefits will be available to all low income households who meet the income guidelines for LIHEAP eligibility.

5. Appendices

Appendix 1 - Grouping of Collection Data Tables

Number of Confirmed Low Income Electric Customers in Debt

Company	Number of Customers in Debt on an Agreement*	Number of Customers in Debt Not on an Agreement*	Total Number of Customers in Debt*
Allegheny	2,639	12,552	15,191
Duquesne	1,093	2,496	3,589
Met-Ed	13,613	8,025	21,638
PECO-Electric	1,770	8,351	10,121
Penelec	14,555	10,801	25,356
Penn Power	3,754	2,435	6,189
PPL	21,875	38,766	60,641
Total	**59,299**	**83,426**	**142,725**

**See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.*

Number of Confirmed Low Income Natural Gas Customers in Debt

Company	Number of Customers in Debt on an Agreement*	Number of Customers in Debt Not on an Agreement*	Total Number of Customers in Debt*
Columbia	3,469	3,916	7,385
Peoples	8,662	4,382	13,044
Equitable	3,348	2,585	5,933
NFG	2,012	1,466	3,478
PECO-Gas	578	1,493	2,071
PGW	7,772	24,853	32,625
UGI-Gas	2,310	5,904	8,214
UGI Penn Natural	1,840	3,471	5,311
Total	**29,991**	**48,070**	**78,061**

**See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.*

Percent of Confirmed Low Income Electric Customers in Debt

Company	Percent of Customers in Debt on an Agreement*	Percent of Customers in Debt Not on an Agreement*	Total Percent of Customers in Debt*
Allegheny	6%	29%	35%
Duquesne	2%	5%	7%
Met-Ed	26%	15%	41%
PECO-Electric	1%	5%	6%
Penelec	21%	15%	36%
Penn Power	21%	14%	35%
PPL	15%	27%	42%
Total	**11%**	**15%**	**26%**

**See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.*

Percent of Confirmed Low Income Natural Gas Customers in Debt

Company	Percent of Customers in Debt on an Agreement*	Percent of Customers in Debt Not on an Agreement*	Total Percent of Customers in Debt*
Columbia	5%	6%	11%
Peoples	14%	7%	21%
Equitable	8%	6%	14%
NFG	6%	4%	10%
PECO-Gas	1%	4%	5%
PGW	5%	16%	21%
UGI-Gas	7%	17%	24%
UGI Penn Natural	8%	15%	23%
Total	**7%**	**10%**	**17%**

**See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.*

Percent of Debt on an Agreement - Confirmed Low Income Electric Customers

Company	Percent of Dollars Owed – on an Agreement*	Percent of Dollars Owed – Not on an Agreement*
Allegheny	13%	87%
Duquesne	26%	74%
Met-Ed	81%	19%
PECO-Electric	23%	77%
Penelec	80%	20%
Penn Power	83%	17%
PPL	27%	73%
Total	**45%**	**55%**

**See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.*

Percent of Debt on an Agreement - Confirmed Low Income Natural Gas Customers

Company	Percent of Dollars Owed – on an Agreement*	Percent of Dollars Owed – Not on an Agreement*
Columbia	76%	24%
Peoples	78%	22%
Equitable	75%	25%
NFG	58%	42%
PECO-Gas	24%	76%
PGW	25%	75%
UGI-Gas	35%	65%
UGI Penn Natural	38%	62%
Total	**43%**	**57%**

**See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.*

Average Arrearage - Confirmed Low Income Electric Customers

Company	Average Arrearage on an Agreement*	Average Arrearage Not on an Agreement*	Overall Average Arrearage*
Allegheny	$182	$252	$239
Duquesne	$667	$852	$795
Met-Ed	$798	$314	$619
PECO-Electric	$746	$528	$566
Penelec	$637	$216	$458
Penn Power	$939	$299	$688
PPL	$507	$794	$690
Total	**$629**	**$552**	**$584**

**See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.*

Average Arrearage - Confirmed Low Income Natural Gas Customers

Company	Average Arrearage on an Agreement*	Average Arrearage Not on an Agreement*	Overall Average Arrearage*
Columbia	$821	$224	$504
Peoples	$810	$451	$689
Equitable	$900	$383	$675
NFG	$543	$536	$540
PECO-Gas	$1,047	$1,318	$1,243
PGW	$898	$826	$843
UGI-Gas	$471	$349	$383
UGI Penn Natural	$601	$528	$554
Total	**$792**	**$645**	**$702**

**See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.*

Residential Revenues (Billings) - Electric Customers

Company	Annual Residential Billings
Allegheny	$682,938,695
Duquesne	$511,240,918
Met-Ed	$690,183,918
PECO-Electric	$2,066,593,813
Penelec	$503,077,503
Penn Power	$179,027,401
PPL	$1,856,148,702
Total	**$6,489,210,950**

Residential Revenues (Billings) - Natural Gas Customers

Company	Annual Residential Billings
Columbia	$359,493,889
Peoples	$215,310,143
Equitable	$282,496,294
NFG	$183,821,950
PECO-Gas	$463,652,519
PGW	$553,513,141
UGI-Gas	$280,090,582
UGI Penn Natural	$186,321,235
Total	**$2,524,699,753**

Residential Revenues (Billings) - Confirmed Low Income Electric Customers

Company	Annual Residential Billings
Allegheny	$61,344,289
Duquesne	$53,383,486
Met-Ed	$94,197,110
PECO-Electric	$116,871,415
Penelec	$92,662,400
Penn Power	$29,276,203
PPL	$244,520,302
Total	**$692,255,205**

Residential Revenues (Billings) - Confirmed Low Income Natural Gas Customers

Company	Annual Residential Billings
Columbia	$62,515,974
Peoples	$41,390,482
Equitable	$39,236,633
NFG	$21,384,060
PECO-Gas	$15,706,684
PGW	$140,564,923
UGI-Gas	$37,063,578
UGI Penn Natural	$32,106,220
Total	**$389,968,554**

Terminations - Residential Electric Customers

Company	2008 Terminations	2009 Terminations	2010 Terminations	Percent Change in # 2008-10
Allegheny	19,650	17,057	16,803	-14%
Duquesne	22,081	23,143	21,915	-1%
Met-Ed	16,359	12,915	10,676	-35%
PECO-Electric	83,559	76,123	77,674	-7%
Penelec	13,442	9,878	6,750	-50%
Penn Power	4,030	3,196	1,705	-58%
PPL	38,917	33,247	33,534	-14%
Total	**198,038**	**175,559**	**169,057**	**-15%**

Terminations - Residential Natural Gas Customers

Company	2008 Terminations	2009 Terminations	2010 Terminations	Percent Change in # 2008-10
Columbia	12,188	11,662	9,878	-19%
Peoples	7,867	7,640	7,135	-9%
Equitable	11,979	10,836	10,967	-8%
NFG	11,022	12,290	9,296	-16%
PECO-Gas	27,388	23,836	23,637	-14%
PGW	28,674	38,536	29,865	4%
UGI-Gas	16,415	14,891	11,885	-28%
UGI Penn Natural	7,735	8,672	8,569	11%
Total	**123,268**	**128,363**	**111,232**	**-10%**

Number of Residential Electric Customers in Debt

Company	2008 Total Number of Customers in Debt*	2009 Total Number of Customers in Debt*	2010 Total Number of Customers in Debt*	Percent Change in # 2008-10
Allegheny	71,649	75,880	77,713	8%
Duquesne	22,227	22,659	22,685	2%
Met-Ed	49,658	49,824	52,968	7%
PECO-Electric	187,022	111,493	106,883	-43%
Penelec	54,689	52,927	53,496	-2%
Penn Power	13,929	13,943	14,068	1%
PPL	129,233	131,421	138,857	7%
Total	**528,407**	**458,147**	**466,670**	**-12%**

**See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.*

Number of Residential Natural Gas Customers in Debt

Company	2008 Total Number of Customers in Debt*	2009 Total Number of Customers in Debt*	2010 Total Number of Customers in Debt*	Percent Change in # 2008-10
Columbia	24,514	21,011	20,920	-15%
Peoples	42,792	38,704	26,740	-38%
Equitable	16,259	12,872	16,162	-1%
NFG	9,886	10,077	8,430	-15%
PECO-Gas	61,108	32,474	29,616	-52%
PGW	105,647	100,763	94,928	-10%
UGI-Gas	21,803	21,807	21,991	1%
UGI Penn Natural	14,819	15,139	12,733	-14%
Total	**296,828**	**252,847**	**231,520**	**-22%**

**See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.*

Dollars in Debt - Residential Electric Customers

Company	2008 Total Dollars in Debt*	2009 Total Dollars in Debt*	2010 Total Dollars in Debt*	Percent Change in # 2008-10
Allegheny	$6,260,535	$7,421,127	$8,674,666	39%
Duquesne	$10,742,379	$11,507,309	$12,233,979	14%
Met-Ed	$21,877,462	$22,071,794	$25,850,553	18%
PECO-Electric	$82,045,877	$55,855,273	$47,990,936	-42%
Penelec	$19,890,741	$18,629,141	$19,773,600	-1%
Penn Power	$6,875,205	$7,573,412	$7,865,105	14%
PPL	$56,432,641	$59,338,909	$66,589,533	18%
Total	**$204,124,840**	**$185,396,965**	**$188,978,372**	**-7%**

**See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.*

Dollars in Debt - Residential Natural Gas Customers

Company	2008 Total Dollars in Debt*	2009 Total Dollars in Debt*	2010 Total Dollars in Debt*	Percent Change in # 2008-10
Columbia	$10,062,370	$10,915,244	$7,724,506	-23%
Peoples	$25,385,023	$22,779,857	$13,240,714	-48%
Equitable	$8,068,719	$5,625,100	$7,777,224	-4%
NFG	$4,840,113	$5,205,905	$3,400,468	-30%
PECO-Gas	$39,487,026	$30,458,071	$22,418,932	-43%
PGW	$49,851,372	$51,204,586	$43,281,880	-13%
UGI-Gas	$8,040,405	$7,444,741	$6,070,447	-25%
UGI Penn Natural	$5,504,910	$7,275,775	$5,438,788	-1%
Total	**$151,239,938**	**$140,909,279**	**$109,352,959**	**-28%**

**See Appendix 2 for a chart showing the different methods companies use to determine overdue accounts and how they compare to BCS's preferred method. See Appendix 3 for the methods companies use to determine when an account is removed from active status after termination of service or discontinuance of service.*

Gross Write-Offs Ratio - Residential Electric Customers

Company	2008 Gross Write-Offs Ratio*	2009 Gross Write-Offs Ratio*	2010 Gross Write-Offs Ratio*	Percent Change 2008-10
Allegheny	1.01%	0.93%	0.93%	-8%
Duquesne	1.26%	1.76%	1.14%	-10%
Met-Ed	1.91%	1.71%	1.68%	-12%
PECO-Electric	2.25%	2.60%	1.99%	-12%
Penelec	2.00%	1.76%	1.67%	-17%
Penn Power	1.81%	1.82%	1.61%	-11%
PPL	1.78%	2.36%	2.13%	20%
Total	**1.85%**	**2.10%**	**1.78%**	**-4%**

**Does not include CAP Credits or Arrearage Forgiveness.*

Gross Write-Offs Ratio - Residential Natural Gas Customers

Company	2008 Gross Write-Offs Ratio*	2009 Gross Write-Offs Ratio*	2010 Gross Write-Offs Ratio*	Percent Change 2008-10
Columbia	2.26%	3.11%	2.27%	<1%
Peoples	2.87%	4.06%	3.59%	25%
Equitable	3.46%	2.97%	2.19%	-37%
NFG	2.09%	2.33%	3.39%	62%
PECO-Gas	1.63%	0.85%	1.17%	-28%
PGW	7.08%	8.45%	8.44%	19%
UGI-Gas	3.39%	3.08%	2.43%	-28%
UGI Penn Natural	3.57%	3.83%	2.75%	-32%
Total	**3.52%**	**3.92%**	**3.66%**	**4%**

**Does not include CAP Credits or Arrearage Forgiveness.*

Percent of Revenues (Billings) in Debt - Residential Electric Customers

Company	2008	2009	2010	Percent Change 2008-10
Allegheny	1.1%	1.2%	1.3%	18%
Duquesne	2.3%	2.5%	2.4%	4%
Met-Ed	3.7%	3.5%	3.8%	3%
PECO-Electric	4.3%	3.2%	2.3%	-47%
Penelec	4.3%	4.0%	3.9%	-9%
Penn Power	3.7%	4.1%	4.4%	19%
PPL	3.9%	4.0%	3.6%	-8%
Total	**3.6%**	**3.3%**	**2.9%**	**-19%**

Percent of Revenues (Billings) in Debt - Residential Natural Gas Customers

Company	2008	2009	2010	Percent Change 2008-10
Columbia	2.1%	2.8%	2.2%	5%
Peoples	7.7%	8.8%	6.2%	-19%
Equitable	2.2%	1.8%	2.8%	27%
NFG	1.7%	2.0%	1.9%	12%
PECO-Gas	7.4%	5.9%	4.8%	-35%
PGW	7.7%	8.1%	7.8%	1%
UGI-Gas	2.3%	2.4%	2.2%	-4%
UGI Penn Natural	2.4%	3.0%	2.9**%**	**21%**
Total	**4.7%**	**4.8%**	**4.3%**	**-9%**

Appendix 2 - When is an Account Considered to be Overdue?

Company	When is Day Zero (0)	How Many Days Overdue	Days of Variance from BCS Interpretation*
Allegheny	Bill Due Date	10 Days	20 Days Sooner
Duquesne	Bill Due Date	30 Days	0 Days
Met-Ed and Penelec	Bill Due Date	30 Days	0 Days
PECO-Electric	Bill Transmittal Date	30 Days	20 Days Sooner
Penn Power	Bill Due Date	30 Days	0 Days
PPL	Bill Transmittal Date	60 Days	10 Days Later
Columbia	Bill Due Date	30 Days	0 Days
Peoples	Bill Transmittal Date	30 Days	20 Days Sooner
Equitable	Bill Due Date	30 Days	0 Days
NFG	Bill Rendition Date**	60 Days	9 Days Later
PECO-Gas	Bill Transmittal Date	30 Days	20 Days Sooner
PGW	Bill Transmittal Date	30 Days	20 Days Sooner
UGI-Gas	Bill Due Date	30 Days	0 Days
UGI Penn Natural	Bill Due Date	30 Days	0 Days

**BCS considers Day Zero to be the bill due date and the applicable regulations require companies to report arrearages beginning at 30 days overdue.*

***Bill Rendition Date is one day prior to the Bill Transmittal Date.*

Appendix 3 - When Does an Account Move from Active to Inactive Status?

Company	After an Account is Terminated	After an Account is Discontinued
Allegheny	10 Days after Termination Date	0 to 1 Day after Final Bill Transmittal Date
Duquesne	7 Days after Termination Date	3 to 5 Days after Discontinuance
Met-Ed and Penelec	10 Days after Termination Date	Same Day as Discontinuance
PECO-Electric	30 to 32 Days after Termination Date	Same Day as Discontinuance
Penn Power	10 Days after Termination Date	Same Day as Discontinuance
PPL	5 to 8 Days after Termination Date	Bill Transmittal Date
Columbia	5 to 7 Days after Termination Date	Same Day as Discontinuance
Peoples	10 Days after Termination Date	10 Days after Discontinuance
Equitable	3 Days after Termination Date	3 Days after Discontinuance
NFG	Same Day as Termination Date	Same Day as Discontinuance
PECO-Gas	30 to 32 Days after Termination Date	Same Day as Discontinuance
PGW	0 to 30 Days after Termination Date	0 to 1 Day after Final Bill Transmittal Date
UGI-Gas	Same Day as Termination Date	Same Day as Discontinuance
UGI Penn Natural	Same Day as Termination Date	Same Day as Discontinuance

Appendix 4 - 2011 Federal Poverty Guidelines

2011 Annual Federal Poverty Income Guidelines				
Size of Household	**0-50% of Poverty**	**51-100% of Poverty**	**101-150% of Poverty**	**151-200% of Poverty**
1	$5,445	$10,890	$16,335	$21,780
2	$7,355	$14710	$22,065	$29,420
3	$9,265	$18,530	$27,795	$37,060
4	$11,175	$22,350	$33,525	$44,700
5	$13,085	$26,170	$39,255	$52,340
6	$14,995	$29,990	$44,985	$59,980
7	$16,905	$33,810	$50,715	$67,620
8	$18,815	$37,630	$56,445	$75,260
For each additional person, add	$1,910	$3,820	$5,730	$7,640
Income reflects upper limit of the poverty guideline for each column.				
Effective: 1/20/11. SOURCE: Federal Register, Vol. 76, No. 13, January 20, 2011, pp. 3637-3638.				

Appendix 5 - Source of Income for Universal Service Participants

Source of Income for Electric Universal Service Participants

	LIURP	CAP	Hardship Fund
Employment	35%	27%	40%
Public Assistance	4%	6%	7%
Pension or Retirement	11%	15%	14%
Unemployment Compensation	24%	7%	12%
Disability	17%	18%	16%
Other	9%	27%	11%

Source of Income for Natural Gas Universal Service Participants

	LIURP	CAP	Hardship Fund
Employment	28%	32%	43%
Public Assistance	3%	9%	6%
Pension or Retirement	28%	22%	11%
Unemployment Compensation	13%	7%	10%
Disability	15%	21%	16%
Other	13%	9%	14%

Appendix 6 - Percent of Spending by CAP Component

Percent of Electric Total CAP Spending by CAP Component

Company	2009			2010		
	Admin Costs	CAP Credits	Arrearage Forgiveness	Admin Costs	CAP Credits	Arrearage Forgiveness
Allegheny	7%	74%	19%	7%	76%	17%
Duquesne	7%	78%	15%	6%	80%	14%
Met-Ed	5%	79%	16%	4%	77%	19%
PECO-Electric	3%	70%	27%	3%	83%	14%
Penelec	4%	81%	15%	5%	77%	18%
Penn Power	4%	76%	20%	3%	76%	21%
PPL	8%	62%	30%	5%	72%	23%
Weighted Avg.	**4%**	**72%**	**24%**	**5%**	**77%**	**18%**

Percent of Natural Gas Total CAP Spending by CAP Component

Company	2009			2010		
	Admin Costs	CAP Credits	Arrearage Forgiveness	Admin Costs	CAP Credits	Arrearage Forgiveness
Columbia	4%	76%	20%	6%	83%	11%
Peoples	6%	90%	4%	10%	79%	11%
Equitable	3%	94%	3%	5%	91%	4%
NFG	5%	82%	13%	7%	68%	25%
PECO-Gas	5%	94%	1%	6%	71%	23%
PGW	2%	90%	8%	3%	86%	11%
UGI	6%	77%	17%	6%	76%	18%
UGI Penn Natural	3%	71%	26%	10%	48%	42%
Weighted Avg.	**3%**	**88%**	**9%**	**7%**	**75%**	**18%**

Appendix 7 - Instructions to Access Universal Service Plans and Evaluations on PUC Website - http://www.puc.state.pa.us

- From the PUC's website, click on "Consumer Concerns" in the General Navigation section on the left side of the website.

- From the Consumer Concerns page, under the section Energy Assistance Information, click on "Energy Assistance, Consumer Tips for saving energy and programs that are available to help low-income customers."

- From the Energy Assistance page, scroll down to the section titled "Energy Assistance," and click on "Assistance Programs."

- Scroll down to the section "Universal Service Plans and Evaluations," and click on either the Universal Service Plan or Universal Service Evaluation of the company of your choice.

Appendix 8 - Universal Service Programs 2010 Spending Levels & Cost Recovery Mechanisms

Company	Cost Recovery Mechanism[1]	Annual CAP Spending	Annual Total Universal Service Spending[2]	% of Univ. Service Spending Assessed on Residential Customers	Average # Residential Customers	Avg. Annual Univ. Service Spending per Residential Customer
Allegheny	Base Rates	$9,586,776	$11,416,768	100%	614,758	$18.57
Duquesne	Base Rates	$17,074,234	$19,464,980	100%	524,406	$37.12
Met-Ed	USC Rider-Annual	$24,391,452	$26,884,978	100%	485,991	$55.32
PECO-Electric	Base Rates & Univ. Service Fund Charge	$90,851,613	$97,736,062	100%	1,406,223	$69.50
Penelec	USC Rider-Annual	$27,498,718	$30,436,815	100%	505,397	$60.22
Penn Power	USC Rider-Annual	$10,151,973	$11,109,118	100%	140,101	$79.29
PPL	US Rider-Annual	$47,255,396	$55,095,434	100%	1,212,020	$45.46
EDC Total		**$226,810,162**	**$252,144,155**		**4,888,896**	
EDC Weighted Avg.						**$51.57**
Columbia	Rider CAP	$18,260,343	$21,875,493	100%	372,751	$58.69
Peoples	Base Rates	$5,772,862	$6,710,862	95.74%	326,915	$20.53
Equitable	Rider D	$14,810,218	$15,964,898	100%	237,688	$67.17
NFG	Rider F	$2,992,877	$4,298,336	100%	197,843	$21.73
PECO-Gas	Base Rates & Univ. Service Fund Charge	$9,367,329	$11,861,986	100%	446,813	$26.55
PGW	USEC Surcharge	$93,023,754	$96,192,935[4]	75%[3]	479,564	$200.58
UGI	Rider LISHP	$4,076,933	$4,931,486	100%	305,861	$16.12
UGI Penn Natural	Rider E	$2,291,790	$3,187,398	100%	144,594	$22.04
NGDC Total		**$150,596,106**	**$165,023,394**		**2,512,029**	
NGDC Weighted Avg.						**$65.69**

[1]*Riders and USEC/USFM Surcharge are charges for CAP costs, in addition to base rates, that are adjusted quarterly or annually.*
[2]*Universal Service costs include CAP costs, LIURP costs and CARES costs.*
[3]*CAP costs are assessed in following manner: residential (75 percent), commercial (20 percent), industrial (2 percent), municipal service (2 percent) and PHA (Philadelphia Housing Authority (1 percent).*
[4]*PGW universal service costs do not include Senior Citizen Discount (SCD) costs. Because income is not an eligibility criterion, the SCD does not meet the definition of universal service.*

Pennsylvania Public Utility Commission
Commonwealth Keystone Building
P.O. Box 3265
Harrisburg, PA 17105-3265
www.puc.state.pa.us