



**Allegheny Power
Universal Service Programs
Final Evaluation Report**

July 2010

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Executive Summary

Allegheny Power has a set of Universal Service Programs to cost-effectively ensure that low-income, payment-troubled customers have access to affordable energy. The programs include the LIPURP program which provides reduced payments and arrearage forgiveness, LIURP which provides energy efficiency and energy education services, CARES which provides outreach and referral services, and the Dollar Energy Hardship Fund which provides energy assistance. This report presents the results from an evaluation of these programs.

Introduction

The goals of Allegheny's Universal Service Programs are to:

1. Establish affordable payment arrangements, which maintain electric service and guide customers toward self-sufficiency in paying their electric bill.
2. Provide assistance in reducing their energy consumption to a more affordable level.

The evaluation addresses the following issues:

- Characteristics of customers served by the programs.
- Barriers to program participation, recertification, and graduation.
- LIPURP retention rates.
- Linkages between LIPURP and other energy assistance programs.
- Cost effectiveness and efficiency of programs and LIPURP cost control features.
- Impact of LIPURP on payment behavior, arrearages, service terminations, and collections costs.
- Effectiveness of LIURP on reducing consumption and bill amounts.

To address these issues, the evaluation consisted of the following activities.

1. *Evaluation Planning and Background Research:* We developed an evaluation plan, and collected and reviewed all documents related to Allegheny Power's Universal Service Programs.
2. *Public Data Analysis:* We used the three years of American Community Survey (ACS) data (2006-2008) to develop information for Allegheny Power's service territory, including the number of low-income households in Allegheny Power's service territory, energy burden for these households, and demographic characteristics of those households.

3. *Program Database Analysis:* We requested information from program databases for the LIPURP, CARES, and Dollar Energy programs. We analyzed these databases and developed statistics on program participation, participant demographics (including poverty level), and services delivered. We selected a sample of LIPURP participants, past participants, and non-participants for the customer survey.
4. *Allegheny Power Manager and Staff Interviews:* We conducted on-site interviews with Allegheny Power's managers and staff that run Allegheny Power's Universal Service Programs. We conducted telephone interviews with Dollar Energy staff who administer Allegheny Power's Universal Service Programs. We interviewed and observed Universal Service representatives who work on the Universal Service Programs.
5. *CBO Interviews:* We conducted telephone interviews with managers and case workers at a sample of CBOs that administer LIPURP and a sample of CBOs that administer the Dollar Energy Fund Program.
6. *Customer Interviews:* We interviewed a sample of current LIPURP participants, previous participants, and low-income customers who have not participated in LIPURP. We asked the participants to report on their experiences in all aspects of the program from enrollment forward. We asked those who left the program about their reasons for removal. We asked the non-participants to report on the troubles they face in paying their electric bills and why they have not participated in the program.
7. *Billing and Collection Data Retrieval and Analysis:* We requested data from Allegheny Power for customers who have participated in LIPURP and a sample of low-income customers who have not received program services. We analyzed the impact of LIPURP on bill payment behavior, arrearages, service termination, and collection costs. We analyzed how long customers remain in the LIPURP and whether they are successful at having their arrearages forgiven.

Evaluation Questions

The evaluation addressed the following questions, posed by the Pennsylvania Public Utilities Commission.

- *Is the appropriate population being served?*

The analysis of participant data and of the survey data showed that the appropriate population is being served by the program. Program participants, especially those with income below 50 percent of the poverty level, have high energy burdens. They have a difficult time affording their energy bills and their other basic needs.

- *What is the customer distribution of each USP component by poverty guidelines, 0-50%, 51-100%, 101-150%, and 151-200%?*

About 30% of LIPURP participants have income below 50 percent of the poverty level, 45 percent have income between 50 and 100 percent of the poverty level, and 25 percent have income between 100 and 150 percent of the poverty level.

- *Do barriers to program participation exist? If so, what are they?*

The customer survey and interviews with Community Based Organizations showed no barriers to LIPURP participation. Ninety-three percent of current participants and 95 percent of past participants said it was not too difficult or not at all difficult to enroll in LIPURP.

- *What is the customer distribution by CAP payment plan?*

The analysis showed that customers fell into the following groups that correspond to different percentage of income payments.

- 6 percent had income below 50 percent of poverty and had electric heating.
- 12 percent had income below 50 percent of poverty and had electric water heating.
- 13 percent had income below 50 percent of poverty and were baseload customers.
- 9 percent had income between 51 and 100 percent of poverty and had electric heating.
- 19 percent had income between 51 and 100 percent of poverty and had electric water heating.
- 18 percent had income between 51 and 100 percent of poverty and were baseload customers.
- 5 percent had income between 101 and 150 percent of poverty and had electric heating.
- 11 percent had income between 101 and 150 percent of poverty and had electric water heating.
- 9 percent had income between 101 and 150 percent of poverty and were baseload customers.

- *Do barriers to program recertification exist? If so, what are they?*

The customer survey and interviews with Community Based Organizations showed no barriers to LIPURP recertification. Ninety-one percent of current participants and 97 percent of past participants said it was not too difficult or not at all difficult to recertify for LIPURP.

- *What are the CAP retention rates? Why do customers leave CAPs?*

Analysis showed that 98 percent receive LIPURP shortfall grants in the first month after enrollment, 90 percent in the 3rd month after enrollment, 69 percent in the 6th month after enrollment, 52 percent in the 9th month after enrollment, and 33 percent in the 12th month after enrollment. Customers leave LIPURP because they move, fail to make payments, or do not receive the LIHEAP cash grant.

- *Is there an effective link between CAP participation and energy assistance program participation?*

There is an effective link between LIPURP and energy assistance program participation. All customers are referred to LIHEAP and electric heating customers must receive a LIHEAP cash grant to remain in the program. While only 11 percent received LIHEAP in the year prior to LIPURP enrollment, 81 percent received LIHEAP in the year after enrollment, and 85 percent of the electric heating customers received LIHEAP in the year after LIPURP enrollment.

- *How effective are CAP control features at limiting program costs?*

Allegheny has minimum monthly payment amounts and maximum LIPURP shortfall amounts to limit program costs. LIHEAP cash grants help to cover the cost of the LIPURP shortfall (however, due to policy changes this approach will have to be changed in the next program year).

- *How effective is the CAP / LIURP link?*

The LIPURP/LIURP link is effective. Customers are evaluated for LIURP services when they enroll in LIPURP.

- *Does participation in CAPs improve payment behavior?*

Participation in LIPURP improves payment behavior.

- Customers increased the average number of cash payments made, from 8.6 in the year before enrollment to 9.4 in the year after enrollment.
- Customers increased their total coverage rates, the percent of the bill that is covered with cash and assistance payments, from 88 percent in the year before enrollment to 111 percent in the year after enrollment.
- While only one third paid their full bill in the year prior to enrollment, 68 percent paid the full bill in the year following enrollment.

- *Does participation in Universal Service Programs reduce arrearages?*

Participation in LIPURP reduces arrearages. Arrearages are reduced through the two percent arrearage forgiveness that customers receive each month they pay their bill and

through the \$5 monthly payment that customers make toward their arrearages. While customer arrearages averaged \$162 at the end of the pre treatment period, they averaged \$113 at the end of the post treatment period.

- *Does participation in Universal Service Programs decrease service terminations?*

Participation in LIPURP does not reduce service terminations. However, it does reduce the percentage of customers who have a collections status of “Termination Notice”. The percentage with this collections status declined from 68 percent in the year prior to enrollment to 48 percent in the year following enrollment.

- *Does participation in Universal Service Programs decrease collection costs?*

Participation in LIPURP does not reduce collections costs.

- *How can Universal Service Programs be more cost-effective and efficient?*

Allegheny’s Universal Service Programs are run effectively and efficiently. They have hired Dollar Energy to administer their programs and Dollar Energy does an excellent job in this task.

- *How can Universal Service Programs further assist customers with a growing shortfall while remaining cost-effective?*

Allegheny should continue to provide LIURP services and educate customers about energy conservation. They are doing a good job with these activities at the current time.

- *How effective is the rate code verification during intake and recertification?*

Universal Service representatives verify the source of heat and hot water at intake and recertification. They discuss high usage and increases in usage with customers to determine whether supplemental sources of heat are being used.

- *How effective is the program at successfully graduating customers from the program so they can continue to pay bills regularly? What barriers exist that prevent graduation?*

Customers are graduated at recertification if their arrearages are paid off. However, due to low income, many customers have trouble paying their bill and re-enter the program. High bills, low income, and past and additional rate increases are barriers that prevent graduation.

- *How effective are LIURP measures at reducing consumption and bill amounts?*

LIURP measures are effective at reducing consumption and bill amounts. Allegheny has targeted services toward electric heating customers, to serve those customers with the greatest opportunities for usage reduction. However, bill amounts continue to increase due to increases in rates.

Customer Needs Assessment

APPRISE analyzed American Community Survey (ACS) data for 2006, 2007, and 2008 to provide a description of the characteristics of households in Allegheny's Pennsylvania service territory.

- We estimated that there are approximately 194,000 Allegheny customers who meet the LIPURP income eligibility criteria. However, customers must also be payment troubled or past due on their Allegheny bill to be eligible for the program. All low-income customers are referred to Universal Services when they call Allegheny for payment assistance.
- The mean electric burden for electric heating households was 37 percent for households with income at or below 50 percent of poverty, ten percent for households with income between 50 and 100 percent of poverty, and seven percent for households with income between 100 and 150 percent of poverty.
- The mean electric burden for non-electric heating households was 31 percent for households with income at or below 50 percent of poverty, nine percent for households with income between 50 and 100 percent of poverty, and five percent for households with income between 100 and 150 percent of poverty.
- Households with income at or below 50 percent of poverty are more likely to have young children in the home and households with income above 200 percent of poverty are more likely to have no vulnerable household members.
- Two percent of households speak Spanish at home and five percent of households speak another language at home other than English.

Low-Income Payment Program and Usage Reduction Program

Allegheny has a Low-Income Payment and Usage Reduction Program (LIPURP) to help ensure that low-income payment troubled customers have access to affordable energy. The program provides a reduced payment plan and arrearage forgiveness to low-income customers.

Goals and Resources

The primary objectives of the LIPURP program are to:

- Administer a cost-effective program.
- Ensure that low-income, payment-troubled customers have access to affordable energy.
- Establish affordable payment arrangements, which maintain electric service and guide customers towards self-sufficiency in paying their electric bill.
- Provide assistance in reducing energy consumption to a more affordable level.

Allegheny's annual budget for LIPURP was \$5.88 Million for 2005 through 2010. Allegheny committed an additional \$1.075 million for the program through the Governor's Stay Warm Initiative in 2006 through 2009.

Participation

Participation in Allegheny's LIPURP program has been approximately 20,000 customers for the past few years. Participation does not fluctuate substantially throughout the year. Participation ranged from 19,376 in March 2008 to 21,313 in March 2010. While participation declined from 2008 to 2009, it increased again in 2010.

Management and Operations

Allegheny has one manager who is responsible for oversight of LIPURP and a staff member who assists with reports and data requests. Allegheny does not handle the day-to-day operations of LIPURP, as they have hired Dollar Energy to provide that administration.

Dollar Energy staff take inbound phone calls from customers who want to apply for LIPURP or who have questions about the program or their bill. Representatives at Dollar Energy have direct access to the Allegheny billing system and can see everything that Allegheny representatives can see. Dollar Energy uploads program enrollment information into Allegheny's system.

Eligibility and Benefits

Allegheny customers must meet the following criteria to be eligible for LIPURP.

- The household income must be at or below 150% of the federal poverty guidelines.
- The ratepayer must be a household member.
- The customer cannot have more than one household on LIPURP at any one time, unless they live in a duplex where the household occupies both halves.
- The customer cannot run a business out of the home.
- The customer must disclose all income and all household members.
- If the customer had a bounced check, Allegheny requires that the customer covers the bounced check before joining LIPURP.

The key benefits of LIPURP are the following.

1. A reduced monthly payment and/or a reduced installment payment on the pre-program arrearage. The supplemental grant covers the difference between the actual usage and the reduced monthly payment.
2. Arrearage forgiveness over a period of time.
3. Referrals to other community programs and services.

The customer's payment is calculated based on the federal poverty level and the rate code. Monthly payments range from five to 17 percent of the household's annual income. The difference between the customer's percent of income payment and the actual bill is covered by the LIPURP supplemental grant.

Once the customer exceeds the maximum annual shortfall, the difference between the monthly payment and the actual bill is added to the customer's total arrearage. At the time of recertification, this amount is added to the pre-program arrearage. The maximum shortfall is \$1400 for the year for all electric customers, \$560 for baseload/electric hot water customers with 1-3 household members, and \$750 for baseload/electric hot water customers with 4 or more.

Participants' pre-program arrearages are no longer subject to collections actions when the customer joins LIPURP. However, the customer's arrearage would again be the customer's responsibility if the customer left LIPURP or moved. Customers with pre-program arrearages have \$5 added to their percent of income payment each month to reduce their pre-program arrearages. Additionally, each month that the customer pays the LIPURP bill, two percent of the pre-program arrearages are forgiven.

Enrollment Procedures

The vast majority of customers enroll in the LIPURP by calling and providing information over the telephone. Back-up documentation to verify income eligibility or other household information is only collected from customers in certain circumstances, only in about ten percent of enrollments. This happens when there are notes in Allegheny's system that there is a potential case of fraud or any indication that there is more income than what the customer reports.

In rare cases CBOs complete applications and fax them to Dollar Energy. There are 39 CBOs who have done a LIPURP application at some point in time. However, many of the CBOs rarely do the applications.

Recertification and Graduation

Participants must recertify for LIPURP each year. They receive two notifications about the recertification. The process for recertification is the same as for the original LIPURP application. Customers call representatives to complete the LIPURP application. Most of the LIPURP recertifications are done by telephone, but they can be done on paper and faxed or mailed in. Agencies can do recertifications and fax them in, or customers can mail in the application.

Customers must pay the owed LIPURP amount, all of the missed LIPURP payments, to recertify. At that time, the shortfall grant for those payments will be applied to the customer's account. If the customer does not respond to the recertification notice, the LIPURP agreement will expire and the customer will get a bill for the full balance, including pre-program arrearages. The customer will receive a letter that states the customer has been removed from LIPURP because of a failure to recertify. The customer can call in at that time and request that Dollar Energy conduct the recertification and place the customer back in LIPURP.

Follow-up and Removal

Participants are removed from LIPURP for the following reasons:

- Failure to recertify
- Misrepresentation of household circumstances
- Failure to permit scheduled meter reading
- Refusal to accept weatherization services except for compelling reasons
- LIHEAP-eligible heating customer who does not apply for and receive LIHEAP benefits
- Refusal to accept changes to program
- Tampering with the meter (required to stay out for one year)
- Self reconnection of service (required to stay out for one year)
- Over income when they call in to report a change in income
- Failure to comply with program requirements
- Customer signed a 12-month stay-out letter

Customers are sometimes graduated from LIPURP at the time of recertification if all of their arrearages have been paid off and forgiven, if the customer has a credit on the account due to overpayment, or if the budget payment is lower than the LIPURP payment and it is not beneficial to the customer to remain on LIPURP.

Dollar Energy Hardship Program

Allegheny has a hardship fund program to help low-income customers who have had a temporary problem meeting their bill payment obligations, when other potential sources of assistance have already been accessed or are not available. The program provides a grant no more than once per year to help the customer maintain electric service or restore electric service that has been terminated. Grants are also available to customers who are not in danger of losing their electric service at certain times of the year when adequate resources are available.

Goals and Resources

The objectives of the Dollar Energy Hardship Fund program are to:

- Provide energy-related assistance to low-income families who, as a result of hardship circumstances, are having difficulty paying their energy bills.
- Offer financial assistance to low-income customers who are ineligible for federally funded Low-Income Home Energy Assistance Program (“LIHEAP”).
- Coordinate and expand the activities of CBOs that provide energy-related assistance.
- Administer a year-round cost-effective program.

Allegheny’s annual budget was \$150,000 each year from 2008 through 2010. The program is also funded by customer contributions and other fundraising activities.

Participation and Expenditures

Allegheny’s projected number of customers to be served under the program is 1,400 each year from 2008 to 2010. In the 2008 to 2009 program year, there were 1,563 customers who received \$479,800 in grant assistance.

Management and Operations

Allegheny's hardship fund program is administered by Dollar Energy and a network of 47 CBOs throughout Allegheny's service territory. The hardship fund applications are completed at the CBOs and the CBO intake workers enter the data into Dollar Energy's IPartner data system.

The data entered by the CBOs into the IPartner system is submitted electronically to Dollar Energy. Dollar Energy's program manager reviews the electronic data, determines the grant amount, and enters it into the IPartner system.

Eligibility and Benefits

Allegheny customers must meet the following criteria to be eligible for hardship fund grants.

- Income at or below 200 percent of the Federal Income Guidelines.
- Payment-troubled – at least a \$100 balance on the account (customers age 62 or older can have a zero balance.)
- Paid at least \$150 or three monthly payments in the past 90 days (customers age 62 or older must have paid at least \$100 or three monthly payments in the past 90 days).
- Apply for LIHEAP cash and/or Crisis before applying to the Dollar Energy Fund.
- Experiencing a temporary hardship.
- Benefits are available once a year.

Requirements with respect to service status vary throughout the year.

- From October 1 to November 30, the program is open to customers whose electric service is terminated or in threat of termination.
- From December 1 to January 31, the program is open to customers whose electric service is terminated.
- From February 1 to February 28, the program is open to customers whose electric services is terminated or in threat of termination.
- From March 1 to September 30, the program is open to all eligible customers who need assistance until only 10 percent of the funds are left – at that point, grants are only provided to customers who are shut off.

The hardship fund grant amount is based on the customer's need, but it cannot exceed \$500. The amount of the grant is the amount needed to restore service or prevent danger of shutoff. If the customer needs more than \$500, the customer must come up with the additional funds before the Dollar Energy grant is awarded.

Customer Assistance and Referral Evaluation Service Program

Allegheny's CARES Program is a special service for customers who are unable to pay their electric bills due to a temporary hardship. The program addresses special needs of

customers. The Allegheny Power CARES Representative works with customers on a personal basis to help them secure various forms of assistance funds.

Goals and Resources

The goal of Allegheny Power's Customer Assistance and Referral Evaluation Service is to provide support, direction, and help to qualified customers who have shown an effort toward paying their bills. The annual funding for CARES was \$75,000 and the annual expected number of customers assisted was 175 in 2008, 2009 and 2010.

Management and Operations

Allegheny has one CARES Representative who has been working on the program since its inception. The CARES representative conducts outreach to hardship customers and networks with community agencies.

Allegheny Power Customer Service Representatives, the PUC, customers, social service agencies, and legislators refer customers to CARES. The CARES Representative talks to customer on the phone, reviews the customer's payment history, income and expenses, and types of income. The Representative reviews the information with the customer and discusses what assistance is needed.

Eligibility and Benefits

There are no income guidelines to qualify for the CARES Program. The CARES eligible customer must be payment-troubled and experiencing a temporary hardship.

The CARES Program benefits are as follows:

- Affordable Monthly Payment based on LIPURP guidelines
- Budget Counseling
- Home Visit and/or phone call by CARES Representative
- Information on Reducing Your Electric Use
- Referral to Allegheny Power Programs (LIPURP/LIURP)
- Referrals to Community Assistance
- Assistance with program applications

When CARES has helped to minimize or eliminate the hardship, the customer is released from the program.

Program Statistics

The number of referrals and home visits has declined over the past few years. This is consistent with the experience of other utilities' CARES programs after the introduction and expansion of Customer Assistance Programs. The CAP programs (LIPURP for Allegheny) have met the needs of many customers who were previously served through CARES. While the CARES Representative reported that he has less time than he previously did to manage agency relationships and assist CARES customers, the demand for the program has likely declined due to the availability of LIPURP to meet customers' payment assistance needs.

Low-Income Usage Reduction Program

Allegheny Power has a Low-Income Usage Reduction Program (LIURP) that was created to achieve bill reduction through usage reduction. Allegheny Power has provided usage reduction measures to heating, water heating, and base load low-income customers for many years. Participants are provided energy education, budget counseling, and usage reduction measures in an effort to reduce their consumption and assist them in better managing personal funds.

Goals and Resources

The goals of Allegheny's LIURP program are to:

- Reduce participants' energy usage through the delivery of measures that meet the 7-year payback.
- Achieve bill reduction through usage reduction.
- Change participants' attitudes toward conservation.

Allegheny's annual budget for LIURP is \$2.02 Million for 2008 through 2010. The focus of the program has shifted to all electric homes, as those customers have the greatest usage and the greatest opportunities for savings. The completions in 2009 were 510 electric heating jobs, 118 electric water heating jobs, and 34 baseload jobs.

Management and Operations

Allegheny's LIURP manager oversees the Dollar Energy contract for LIURP administration. Allegheny is not involved in the day-to-day LIURP program issues, but handles reporting, program changes, and unique issues that sometimes arise. Allegheny has contracted with Dollar Energy to manage LIURP. Dollar Energy conducts outreach, convenes annual contractor meetings, manages the service delivery providers, and serves as a liaison between the providers and Allegheny.

Allegheny contracts with 12 community action agencies and three private contractors for service delivery. They are currently planning on hiring four additional contractors to provide additional service in some of the more remote counties.

Dollar Energy introduced a new on-line weatherization database for managing LIURP in early 2010. The data system currently produces some management reports, but because the system is new, they are still working on additional reports.

Targeting and Referrals

For the past two years Allegheny has received a Governor's list of customers who are targeted for LIURP. These are high usage customers who have received LIHEAP, and they are given priority for LIURP. At least 75 percent of LIURP participants have come from these lists over the past two years.

Eligibility

Allegheny customers must meet the following qualifications to participate in LIURP.

- Income at or below 150 percent of poverty.
- The customer uses a minimum of 8,000 kWh per year, no matter how they heat their home.
- Must have at least 12 months of usage history.
- Must plan to live at the residence for at least 12 months after program services.
- Accept energy education.
- Allow access for bimonthly meter readings.
- Electric heating – single family, mobile homes and duplexes which are individually metered. Also do oil and gas propane heating homes.
- Have not participated in past seven years.

Special needs customers who have an arrearage or high usage with income between 150 and 200 percent of poverty can comprise up to 20 percent of Allegheny's LIURP budget.

Enrollment

Dollar Energy's Customer Service Representatives (CSRs) call customers who qualify for LIURP to enroll them in the program. The CSRs ask the customers to provide information to complete the LIURP application and demographic survey over the telephone.

Dollar Energy's administrative assistants or auditors check the applications and make sure the customer has not received LIURP in the past seven years. If the customer is a renter, Dollar Energy will obtain landlord consent prior to sending the job to the contractor. Dollar Energy's auditors refer jobs to the contractors and keep track of the number of jobs that each contractor has.

The contractor is sent the information from the customer's application and the customer's annual electric usage. After the contractor receives the customer's demographic survey, the contractor schedules the customer for an energy audit to evaluate the home and determine which measures should be installed.

Job Types

Allegheny has three job types:

- Electric space heating – provides services to single-family homes, mobile homes, and duplexes that are individually metered.
- Electric water heating – provides services to customers with non-electric heating.
- Baseload – provides services to customers with non-electric heating and non-electric water heating.

There is no maximum amount that can be spent in a home, as long as the measures meet the PUC payback criteria. However, there is a soft spending cap of \$5,000. Repairs that will

improve the effectiveness of space heating or water heating measures are also considered. There is a cap of \$500 for incidental repairs that is not included in the \$5,000.

The most common measures are CFLs, blower door tests, air sealing, and general repairs. Other more common measures are window and door repair or replacement, refrigerator metering, wall insulation, floor insulation, refrigerator or freezer replacement, and health and safety measures. The most costly measures are insulation, refrigerators, window and door replacement, and water heater replacement.

Contractors

The 15 contractors are responsible for conducting the audits and installing the measures. With the exception of four agencies/contractors, they have been working with the same group for at least 11 years. Jobs are allocated to contractors by geographic territory. Dollar Energy has been very pleased with the quality of the work provided by the contractors. Recently, they have been disappointed in the amount of work that the agencies complete, because the agencies are very busy with the stimulus funds.

Energy Education

All LIURP participants receive energy education. The goals of the energy education are to get the customer to buy into the program and to change energy usage habits. Allegheny requires that the education is interactive and lasts at least half an hour. During the visit, the contractor will develop a personal conservation plan that is tailored for the customer and the home. The plan reviews the customer's usage, the LIPURP payment, the supplemental grant, and the arrearage forgiveness. The customer signs a form that has a goal for monthly usage reduction.

Quality Control

Dollar Energy's auditors check the contractors' paperwork for accuracy and inspect at least 10 percent of the completed jobs. They inspect 25 percent of new contractors' work, or more if needed. During the inspections they review the application and invoice, and check the work that was done.

Customer Survey

APPRISE conducted a survey with Allegheny LIPURP current participants, past participants, and low-income non-participants to develop information on customer knowledge, understanding, and satisfaction with LIPURP. The key findings from the survey are described below.

- *Income Source:* LIPURP participants are unlikely to have wages or self employment income – only 21 percent of current participants reported this income source. An additional 17 percent reported that they received retirement income. Current participants were much more likely to report receipt of non-cash benefits (74%) and public assistance (51%). Past participants were more likely than the other groups to

have employment income and non-participants were more likely to have retirement income.

- *Unemployment:* A significant percentage of respondents reported that someone in the household had been unemployed and looking for work in the past 12 months. Forty-one percent of current participants, 33 percent of past participants, and 20 percent of non-participants said that someone in the household had been unemployed.
- *Ease of Enrollment:* Participants do not feel that LIPURP enrollment and recertification are difficult. Only 6 percent of current participants and 5 percent of past participants said that the enrollment process was somewhat or very difficult, and only nine percent of current participants and three percent of past participants said that the recertification process was very or somewhat difficult.
- *LIPURP Benefits:* Customers were most likely to state that the benefit of LIPURP participation is a lower energy bill. However, many customers also cited the even monthly payments as a benefit of the program. When asked about the most important benefit of the program, 15 percent of current participants and 19 percent of past participants cited the even monthly payments.
- *Arrearage Forgiveness:* Our analysis of Allegheny's database showed that 84 to 94 percent of LIPURP customers receive arrearage forgiveness. However, most customers, 92 percent, reported that they do not know how much arrearage forgiveness they receive each month as a result of the participation in LIPURP. This is important because all of the customers who did know how much forgiveness they received said that the forgiveness made them more likely to pay their electric bill.¹
- *LIPURP Targeting:* LIPURP appears to be reaching the customers who need the assistance the most. The non-participants were less likely than the participants to report that their Allegheny bill is very difficult to pay; to report that they delayed expenditures for food, medicine, mortgage or rent, and other bills; to say that they used their kitchen stove or oven for heat; and to say that there was a time in the past year when they wanted to use their heating system but their main source of heat was broken.
- *LIPURP Impacts:* Customers are very likely to perceive that the LIPURP program increased their ability to pay both their Allegheny bill and to meet other financial obligations. While 57 percent of current participants said that it was very difficult to pay their Allegheny bill prior to LIPURP participation, only ten percent said it was very difficult for them to pay their Allegheny bill while participating in the program. While 61 percent of current LIPURP participants said that they delayed purchases of food in the year prior to the program, only 25 percent said that they did so while participating in LIPURP.

¹ The Allegheny bill has a line item labeled "other adjustment" that shows the customer's monthly arrearage forgiveness. However, if the customer has other items for that month, they would be included in the same line item.

- *LIHEAP Application:* While the majority of those surveyed reported that they applied for LIHEAP benefits, there were customers who said that they did not apply for the program because they did not know about it or did not think they were eligible.
- *LIPURP Satisfaction:* Satisfaction with the LIPURP program is very high. Eighty-seven percent of current participants said that the program is very important in helping them meet their needs and 95 percent of current participants said that they are very or somewhat satisfied with the program.

LIPURP Program Characteristics and Impacts

Allegheny provided APPRISE with customer demographic data, LIPURP program data, billing and payment data, and collections data. These data were furnished for current LIPURP participants, past LIPURP participants, and low-income non-participants who received energy assistance grants. APPRISE used these data to analyze LIPURP customer characteristics, customers' retention in LIPURP, and the impact of LIPURP on affordability, bill payment, arrearages, collections actions, collections costs, and service terminations.

The key findings from the analysis are summarized below.

- *New Enrollees:* Most of the customers who are currently enrolling in LIPURP have previously participated in the program. While there were nearly 30,000 customers who participated in LIPURP at some point in 2009, there were only 67 who enrolled in 2009 and had not participated in LIPURP in the two years prior to enrollment.
- *Account History:* Many customers have short account histories. Of the 1,682 customers who enrolled in LIPURP in 2008 and did not participate in the LIPURP in the year prior to this enrollment, less than 25 percent had opened this account at least a year prior to the enrollment date.
- *Demographic Data:* Demographic data, including presence of elderly household members and young children, are missing for a large percentage of program participants. Allegheny reported that there are system limitations with historical demographic data in the collections system and Universal Services systems.
- *Account Status:* Many customers do not maintain their accounts. While only 76 percent of customers who participated in LIPURP at some point in 2009 had active accounts at the end of 2009, only 46 percent of those who enrolled in 2008 (and did not participate in LIPURP in the year prior to this enrollment) had an active account one year after the enrollment.
- *LIPURP Shortfall Grant:* The LIPURP Shortfall Grant covers the difference between the customer's actual usage and the amount that the customer is asked to pay in

LIPURP. Most customers do not receive LIPURP shortfall grants every month. An analysis of the 2008 enrollees shows that while 98 percent received LIPURP shortfall grants in the first two months after enrollment, only 90 percent received shortfall grants by month three, 69 percent received shortfall grants by month six, 52 percent received shortfall grants by month nine, and 33 percent received shortfall grants by month 12.

- *Arrearage Forgiveness:* Balances averaged \$222 for the 2008 enrollee treatment group at the time of LIPURP enrollment. Ninety-four percent received at least one month of arrearage forgiveness, and they averaged 6.7 months of arrearage forgiveness receipt. The mean amount of arrearages forgiven was \$26 as a result of the two percent forgiveness each month. The participants also contributed an average of \$55 toward their arrearages with their \$5 monthly arrearage payments.
- *Affordability Impacts:* Customers received an average LIPURP shortfall grant of \$201 in the year following enrollment. Their net change in energy burden (the percent of income that is spent on the Allegheny bill) was a decline of three percentage points. The lowest poverty group had much greater shortfall grants than the other groups. Of all 2009 LIPURP participants with income at or below 50 percent of the poverty level, 75 percent had a shortfall grant of \$217 or more, 50 percent had a shortfall grant of \$495 or more, and 25 percent had a shortfall grant of \$882 or more.
- *Energy Burden Targets:* Most LIPURP participants with income at or below 50 percent of the poverty level have energy burdens that exceed the PUC's targets. For example, non electric heating customers with income below 50 percent of the poverty level who had a full year of data had a mean energy burden of 23 percent and 94 percent of those customers had an energy burden that exceeded the PUC's targeted range of two to five percent. There are several reasons why these customers may exceed the PUC target of two to five percent for the energy burden for non electric heating customers, including that many customers do not participate in LIPURP for the full year, there is a minimum monthly payment, and while baseload customers have a percent of income payment that is 5 percent of their income, water heating customers have a percent of income payment that is 8 percent of their income.
- *Payment Impacts:* Customers improve their payment behavior after enrolling in LIPURP. Customers increase the number of cash payments made from 8.6 in the year prior to enrollment to 9.4 in the year following enrollment. They also increase the amount that they pay. LIPURP participants increased the amount of cash payments made by an average of \$40 in the year following enrollment.
- *LIHEAP Assistance:* The percent of customers who received LIHEAP cash assistance increased from 11 percent in the year prior to enrollment to 81 percent in the year following enrollment. Eighty-five percent of electric heating customers received LIHEAP. LIHEAP payments received by the treatment group increased from \$28 in the year prior to enrollment to \$215 in the year following enrollment.

- *Total Coverage Rate:* The total bill coverage rate is the percent of the bill that is covered with cash and assistance payments, but excludes LIHEAP payments when the customer is participating in LIPURP. This rate increased from 88 percent in the pre-treatment period to 111 percent in the LIPURP participation period. The net change in the total coverage rate was an increase of 30 percentage points. The percent of customers who paid at least their full bill increased from 33 percent in the year prior to enrollment to 68 percent in the year following enrollment.
- *Payments Missed:* The difference between the bill and the customer's total payments declined by \$163, from \$111 in the pre-treatment period, to a payment that exceeded the asked to pay amount by \$51 on average in the post treatment period. The net change was a decline of \$218.
- *Balance:* The balance at the end of the pre treatment period was \$162 and the balance at the end of the post treatment period was \$113, a gross decline of \$49 and a net decline of \$63. The change in the balance during the pre treatment period was an increase of \$127 and the change during the post period was a decline of \$109, a gross decline of \$235 and a net decline of \$289.
- *Security Deposits:* Security deposits are often required for LIPURP participants. We found that 45 percent of customers had security deposits in the post treatment period and that the security deposits averaged \$100 over all customers in the group. For all 2009 participants, 50 percent had a security deposit of \$53 or more, 25 percent had a security deposit of \$215 or more, and ten percent had a security deposit of \$357 or more.
- *Maximum LIPURP Shortfall:* The difference between the customer's percent of income payment and the actual bill is covered by the LIPURP supplemental grant. Once the customer exceeds the maximum annual shortfall, the difference between the monthly payment and the actual bill is added to the customer's total arrearage. While a large percentage of customers receive less than 25 percent of the maximum shortfall grant, especially electric heating customers, a significant percentage of customers receive the maximum shortfall grant. This is greatest for the electric water heating customers, where 15 percent of these customers receive the maximum shortfall grant.
- *Collections Impacts:* There were no significant changes in the incidence of collections actions after enrollment in LIPURP.
- *Termination Impacts:* While there is a reduction in the frequency that customers have a collections status of "termination notice", there is not a significant change in the frequency of terminations.

Strengths of Allegheny's Universal Service Programs

1. Universal Services Administration

Allegheny has contracted with Dollar Energy to manage their LIPURP, LIURP, and hardship fund. Dollar Energy has done an excellent job establishing program procedures, training staff, and implementing the programs. Interviews with managers and staff and observations at the Universal Services call center, as well as high customer satisfaction levels found in the customer survey all show that the programs are working well.

2. LIHEAP Outreach

Allegheny should continue to emphasize that Allegheny representatives and Universal Service Program Representatives conduct education about LIHEAP to all low-income customers. Customers who enrolled in LIPURP were much more likely to receive LIHEAP. However, those who did not apply for LIHEAP were most likely to say that it was because they did not know about the program.

3. Energy Conservation

When asked what their responsibility in LIPURP was, a significant percentage of customers noted that it was to conserve energy. During our observations of Dollar Energy Universal Service Representatives, APPRISE noted that representatives were consistent in reminding customers to conserve. This practice should continue to be stressed.

Recommendations

This section provides recommendations that result from all of the evaluation research.

General Recommendations

General recommendations relate to CBO training, providing a budget bill, and the Universal Services telephone system.

1. CBO Training - CBO managers and caseworkers who have previously done LIPURP intake and those that currently do Dollar Energy intake did not always understand LIPURP. Dollar Energy should include a detailed review of LIPURP in their annual Dollar Energy Hardship Fund training that is provided to all agencies that do these applications. The training should be in person, as opposed to via webinar as it was done this past year.
2. Budget Bill - Many customers cited even monthly payments as an important benefit of LIPURP. Allegheny offers an average payment plan that fluctuates each month but smooths out payments over the year. Allegheny should consider increasing their

outreach about the average payment plan for low-income customers who may benefit greatly from this bill payment option even if they do not need or desire to participate in LIPURP.

3. Dollar Energy Phone System – Dollar Energy Universal Services staff reported that the current phone system could be improved. APPRISE noted that the phone system performed adequately during our observations. Allegheny should explore whether they could resolve some of the issues that Universal Services staff commented on.

LIPURP Recommendations

Recommendations about LIPURP relate to retaining customer data, redesigning customer bills, changing security deposit policies, and reassessing the supplemental grant limit for electric water heating customers.

1. Customer Data - Customer demographic data were missing for a large percentage of LIPURP participants. Allegheny reported that this is a problem with retaining and not overwriting data. Allegheny should review their data system and determine whether adjustments can be made to allow for the data to be retained.
2. Customer Bills - Allegheny should try to design a new bill for LIPURP customers that clearly documents all of the program parameters. One important parameter is the customer's arrearage forgiveness. Only a small percentage of customers noted that they know the amount of arrearages that are forgiven each month. However, all of those who did say they knew the amount that was forgiven said that this forgiveness made them more likely to pay their Allegheny bill. Another important parameter is the supplemental grant amount and the amount that has been used by the customer. Many customers reported that they did not know how much LIPURP saved them.
3. Security Deposits - Analysis of Allegheny data showed that security deposit requirements could have a large impact on affordability for LIPURP participants. The analysis showed that a large percentage of the customers with the longest account histories (those with enough data to be included in the full analysis) had large security deposits imposed on their accounts after enrollment in LIPURP. Allegheny should consider removal of this requirement for LIPURP enrollees.
4. LIPURP Shortfall Limit - Customers who exceed their LIPURP shortfall limit have their overage added to their total arrearages and then to their preprogram arrears at the time of recertification. Electric water heating customers are most likely to reach the limit because they have the same shortfall limit as baseload customers. Allegheny should investigate the relationship of the limit to the current PUC CAP Policy Statement and consider increasing the shortfall limit for these customers.

Dollar Energy Hardship Fund Recommendations

Recommendations about the Dollar Energy Hardship Fund relate to targeting elderly customers, referrals for assistance, and program funds running out.

1. Assistance for Elderly Customers - Agency staff noted that elderly customers are often not able to obtain Dollar Energy Hardship Fund Assistance because funds are short or depleted after providing assistance to customers who are shut off or threatened with termination. Allegheny should ask Dollar Energy to consider prioritizing elderly households for receipt of Dollar Energy grants when the program opens up to all customers from March 1 through September 30th. One potential design is to accept these applications for a period of time and provide grants to elderly customers first, rather than providing them in the order that the applications are received.
2. Referrals to the Hardship Fund - Agency staff noted that they find that customers are referred to them for Dollar Energy hardship fund assistance when they are out of funds. Universal Service Representatives and Allegheny customer service representatives should be aware of Dollar Energy funding remaining and refrain from referring customers to Dollar Energy when funds have been depleted.
3. Fund Depletion - Agency staff noted that Dollar Energy at times will close the program due to lack of funds without advance notice. Dollar Energy should attempt to let agencies know when they are close to running out of funds.

CARES Recommendations

The one recommendation with respect to CARES is to reassess the level of resources that are allocated to this program. While the need for the program has declined with the introduction and expansion of LIPURP, CARES still provides valuable assistance for customers with temporary hardships. Allegheny's CARES resources meet the needs of customers who are currently referred to CARES, but they should reassess their CARES investment to ensure that referrals are made when needed, that relationships with agencies and social service providers are maintained, and that relationships with new agencies or agencies that address a new set of customer needs are developed.

LIURP Recommendations

The one recommendation with respect to LIURP is to formalize the coordination with other weatherization programs. Allegheny's LIURP is coordinated with the Weatherization Assistance Program (WAP) and some gas utility weatherization programs. The process is informal and the coordinated jobs are not tracked. Allegheny has begun to track coordination of Act 129 program jobs with the gas utility programs. They should consider tracking coordination of LIURP jobs as well and documenting the full scope of services that LIURP recipients receive, even if they are funded through other programs.²

² Allegheny noted that they are working to improve their LIURP data system and tracking of coordinated LIURP jobs.

I. Introduction

Allegheny Power has a set of Universal Service Programs to cost-effectively ensure that low-income, payment-troubled customers have access to affordable energy. The programs include the Low-Income Payment and Usage Reduction Program (LIPURP) which provides reduced payments and arrearage forgiveness, the Low-Income Usage Reduction Program (LIURP) which provides energy efficiency and energy education services, the Customer Assistance Referral Evaluation Service Program (CARES) which provides outreach and referral services, and the Dollar Energy Hardship Fund which provides energy assistance. This report presents the results from an evaluation of these programs.

A. Evaluation

The goals of Allegheny's Universal Service Programs are to:

1. Establish affordable payment arrangements, which maintain electric service and guide customers toward self-sufficiency in paying their electric bill.
2. Provide assistance in reducing their energy consumption to a more affordable level.

The evaluation addresses the following questions:

1. Is the appropriate population being served?
2. What is the customer distribution of each USP component by poverty guidelines, 0-50%, 51-100%, 101-150%, and 151-200%?
3. Do barriers to program participation exist? If so, what are they?
4. What is the customer distribution by LIPURP payment plan?
5. Do barriers to program recertification exist? If so, what are they?
6. What are the LIPURP retention rates? Why do customers leave LIPURP?
7. Is there an effective link between LIPURP participation and energy assistance program participation?
8. How effective are LIPURP control features at limiting program costs?
9. How effective is the LIPURP / LIURP link?
10. Does participation in LIPURP improve payment behavior?

11. Does participation in Universal Service Programs reduce arrearages?
12. Does participation in Universal Service Programs decrease service terminations?
13. Does participation in Universal Service Programs decrease collection costs?
14. How can Universal Service Programs be more cost-effective and efficient?
15. How can Universal Service Programs further assist customers with a growing shortfall while remaining cost-effective?
16. How effective is the rate code verification during intake and recertification?
17. How effective is the program at successfully graduating customers from the program so they can continue to pay bills regularly? What barriers exist that prevent graduation?
18. How effective are LIURP measures at reducing consumption and bill amounts?

To answer these questions, the evaluation consisted of the following activities.

1. *Evaluation Planning and Background Research:* We developed an evaluation plan, and collected and reviewed all documents related to Allegheny Power's Universal Service Programs.
2. *Public Data Analysis:* We used the three years of American Community Survey (ACS) data (2006-2008) to develop information for Allegheny Power's service territory in Pennsylvania, including the number of low-income households, energy burden for these households, and energy usage for these households.
3. *Program Database Analysis:* We requested information from program databases for the LIPURP, LIURP, CARES, and Dollar Energy programs. We analyzed these databases and developed statistics on program participation, participant demographics (including poverty level), and services delivered. We selected a sample of LIPURP participants, past participants, and non-participants for the customer survey.
4. *Allegheny Power Manager and Staff Interviews:* APPRISE conducted on-site interviews with Allegheny Power's managers and staff that run Allegheny Power's Universal Service Programs. We conducted telephone interviews with Dollar Energy staff who administer Allegheny Power's Universal Service Programs. We interviewed and observed Universal Service representatives who work on the Universal Service Programs.
5. *CBO Interviews:* We conducted telephone interviews with managers and case workers at a sample of CBOs that administer LIPURP and a sample of CBOs that administer the Dollar Energy Fund Program.

6. *Customer Interviews:* We interviewed a sample of current LIPURP participants, previous participants, and low-income customers who have not participated in LIPURP. We asked the participants to report on their experiences in all aspects of the program from enrollment forward. We asked those who left the program about their reasons for removal. We asked the non-participants to report on the troubles they face in paying their electric bills and why they have not participated in the program.
7. *Billing and Collection Data Retrieval and Analysis:* We requested data from Allegheny Power for customers who have participated in LIPURP and a sample of low-income customers who have not received program services. We analyzed the impact of LIPURP on bill payment behavior, arrearages, service termination, and collection costs. We analyzed how long customers remain in LIPURP and whether they are successful at having their arrearages forgiven.

B. Organization of the Report

Nine sections follow this introduction.

- 1) *Section II – Customer Needs Analysis:* Provides a description of the characteristics of households in Allegheny’s Pennsylvania service territory using American Community Survey Data for 2006, 2007, and 2008.
- 2) *Section III - LIPURP Program Description:* Provides a detailed description of Allegheny’s Low-Income Payment and Usage Reduction Program.
- 3) *Section IV – Dollar Energy Program Description:* Provides a detailed description of the Dollar Energy Hardship Fund program.
- 4) *Section V – CARES Program Description:* Provides a detailed description of the Customer Assistance Referral Evaluation Service program.
- 5) *Section VI – LIPURP Program Description:* Provides a detailed description of the Low-Income Usage Reduction Program.
- 6) *Section VII - Customer Survey Results:* Provides a summary of the findings from the survey of LIPURP recipients.
- 7) *Section VIII – LIPURP Program Characteristics and Impacts:* Provides an analysis of the characteristics of LIPURP participants. Analyzes the impact of LIPURP on affordability, payments, arrearages, collections actions, and collections costs.
- 8) *Section IX – Summary of Findings and Recommendations:* Provides a summary of the findings and recommendations from all of the evaluation activities.

APPRISE prepared this report under contract to Allegheny. Allegheny facilitated this research by furnishing program data to APPRISE. Any errors or omissions in this report are the responsibility of APPRISE. Further, the statements, findings, conclusions, and recommendations are solely those of analysts from APPRISE and do not necessarily reflect the views of Allegheny.

II. Customer Needs Analysis

APPRISE analyzed American Community Survey (ACS) data for 2006, 2007, and 2008 to provide a description of the characteristics of households in Allegheny's Pennsylvania service territory. The ACS is a nationwide survey that collects essentially the same information on people and housing that was collected on the long-form questionnaire used in Census 2000. The ACS is a continuous survey, in which each month a sample of housing unit addresses receives a questionnaire. About three million addresses are surveyed each year.

A. Methodology

For the analyses presented in this report, we used data from the American Community Survey for 2006-2008 for the counties in Pennsylvania that are in Allegheny's service territory. The three years of data are used to provide greater confidence around the estimate than would be obtained from the 2008 data alone.

Allegheny Power identified 23 counties in its service territory. The area that Allegheny serves in eight of these 23 counties is very small. Since the smallest geographic unit in ACS is the Public Use Microdata area (PUMA), we need to match the PUMAs with the counties. To decide which PUMAs to include in the analysis, we compared the population of the counties Allegheny Power serves within each PUMA with the total population of the PUMA. A PUMA was included in the analysis if the population of the counties that Allegheny Power serves in the PUMA is larger than 50% of the PUMA population.

B. Poverty Level

Table II-1 provides an estimate of the number of households who are potentially eligible for Allegheny's LIPURP, based upon the poverty level for households in Allegheny's service territory, and responsibility for paying an electric bill. The table shows that there are estimated to be approximately 194,000 eligible households with income at or below 150 percent of the poverty guidelines. However, customers must also be payment troubled or past due on their Allegheny bill to be eligible for LIPURP.

Table II-1
Number of Households by Poverty Group

	Total Households		Households with An Electric Bill	
	Number of Households	Percentage	Number of Households	Percentage
<= 50%	45,336	4.0%	38,195	3.5%
50% - 100%	77,630	6.8%	63,915	5.9%
100% - 150%	105,414	9.2%	93,237	8.6%
150% - 200%	110,513	9.7%	103,881	9.6%

	Total Households		Households with An Electric Bill	
	Number of Households	Percentage	Number of Households	Percentage
>200%	804,552	70.4%	782,177	72.3%
Total	1,143,445	100.0%	1,081,405	100.0%

Note: Household income was adjusted to 2008 dollars, and poverty group was created using the 2008 HHS poverty guidelines.

C. Energy Costs

Table II-2 displays statistics on the total annual energy costs by poverty groups for households in Allegheny's service territory. The table shows that total energy costs average over \$2,000 for households with income at or below 50 percent of the poverty level and that 25 percent of these households have total energy costs that exceed \$2,691.

Table II-2
Total Annual Energy Costs by Poverty Group

	Number of Households	Mean	Percentile		
			25	50	75
<= 50%	34,447	\$2,095	\$1,122	\$1,745	\$2,691
50% - 100%	57,262	\$2,270	\$1,200	\$1,922	\$2,920
100% - 150%	84,349	\$2,364	\$1,371	\$2,077	\$2,991
150% - 200%	95,573	\$2,458	\$1,460	\$2,178	\$3,120
>200%	738,269	\$2,731	\$1,680	\$2,435	\$3,440
Total	1,009,900	\$2,626	\$1,560	\$2,347	\$3,332

Note: 12% of households were missing electricity costs, main heating costs, or both. These households were excluded from the energy cost and energy burden tables.

Table II-3 displays the main heating fuel used by poverty group. The table shows that 23 percent of households with income at or below 50% of poverty heat with electricity, 20 percent with income between 50 and 100 percent of poverty heat with electricity, and 17 percent with income between 100 and 150 percent of poverty heat with electricity.

Table II-3
Main Heating Fuel by Poverty Group

	<= 50%		50 - 100%		100 - 150%	
	Number	Percentage	Number	Percentage	Number	Percentage
Gas	29,370	65%	48,780	63%	68,122	65%
Electricity	10,528	23%	15,555	20%	17,769	17%
Solar Energy	10	0%	0	0%	0	0%
Other Fuel	4,921	11%	13,045	17%	19,311	18%

	<= 50%		50 - 100%		100 - 150%	
	Number	Percentage	Number	Percentage	Number	Percentage
No Fuel Used	507	1%	250	0%	212	0%
Total	45,336	100%	77,630	100%	105,414	100%

Table II-4A displays total annual electric costs for electric heating households in Allegheny's service territory. The table shows that electric costs average over \$1,000 for households with income at or below 50 percent of poverty, and that 25 percent have annual electric costs that exceed \$1,246.

Table II-4A
Total Annual Electric Costs by Poverty Group
Electric Heating Households

	Number of Households	Mean	Percentile		
			25	50	75
<= 50%	7,767	\$1,007	\$600	\$872	\$1,246
50% - 100%	10,942	\$1,087	\$498	\$840	\$1,410
100% - 150%	13,539	\$1,193	\$513	\$1,025	\$1,620
150% - 200%	13,472	\$1,253	\$600	\$1,025	\$1,560
>200%	93,107	\$1,618	\$960	\$1,440	\$2,050
Total	138,827	\$1,465	\$769	\$1,246	\$1,920

Note: 5% of households were missing electric costs. These households were excluded from the electric cost tables.

Table II-4B displays total annual electric costs for non-electric heating households in Allegheny's service territory. The table shows that electric costs average \$920 for households with income at or below 50 percent of poverty, and that 25 percent have annual electric costs that exceed \$1,153.

Table II-4B
Total Annual Electric Costs by Poverty Group
Non-Electric Heating Households

	Number of Households	Mean	Percentile		
			25	50	75
<= 50%	30,428	\$920	\$498	\$748	\$1,153
50% - 100%	52,973	\$939	\$513	\$748	\$1,153
100% - 150%	79,698	\$931	\$498	\$748	\$1,153
150% - 200%	90,409	\$953	\$513	\$769	\$1,200
>200%	689,070	\$1,105	\$641	\$960	\$1,320

	Number of Households	Mean	Percentile		
			25	50	75
Total	942,578	\$1,060	\$623	\$897	\$1,281

Note: 5% of households were missing electric costs. These households were excluded from the electric cost tables.

D. Energy Burden

Table II-5 displays the total energy burden by poverty group. The table shows that energy burden averaged 54 percent for households with income at or below 50 percent of poverty, 21 percent for households with income between 50 and 100 percent of poverty, 14 percent for households with income between 100 and 150 percent of poverty, 10 percent for households with income between 150 and 200 percent of poverty, and 4 percent for households with income between 200 and 300 percent of poverty.

Table II-5
Total Energy Burden by Poverty Group

	N	Mean	Percentile		
			25	50	75
<= 50%	27,656	54%	26%	45%	92%
50% - 100%	57,262	21%	11%	18%	27%
100% - 150%	84,349	14%	8%	12%	18%
150% - 200%	95,573	10%	6%	9%	13%
>200%	738,269	4%	2%	4%	6%
Total	1,003,109	8%	3%	5%	9%

Table II-6A displays the electric energy burden by poverty group for electric heating households. The table shows that the mean electric burden was 37 percent for households with income at or below 50 percent of poverty and that 25 percent of these households had an electric burden of more than 49 percent.

Table II-6A
Electric Burden by Poverty Group
Electric Heating Households

	N	Mean	Percentile		
			25	50	75
<= 50%	6,238	37%	15%	27%	49%
50% - 100%	10,942	10%	5%	8%	12%
100% - 150%	13,539	7%	4%	6%	10%
150% - 200%	13,472	5%	3%	4%	6%
>200%	93,107	3%	1%	2%	3%

	N	Mean	Percentile		
			25	50	75
Total	137,298	6%	2%	3%	5%

Note: 6% of households were missing electricity costs or zero income. These households were excluded from the electric burden tables.

Table II-6B displays the electric energy burden by poverty group for non-electric heating households. The table shows that the mean electric burden was 31 percent for households with income at or below 50 percent of poverty and that 25 percent of these households had an electric burden of more than 36 percent.

Table II-6B
Electric Burden by Poverty Group
Non-Electric Heating

	N	Mean	Percentile		
			25	50	75
<= 50%	24,545	31%	12%	20%	36%
50% - 100%	52,973	9%	5%	7%	10%
100% - 150%	79,698	5%	3%	4%	6%
150% - 200%	90,409	4%	2%	3%	4%
>200%	689,070	2%	1%	1%	2%
Total	936,695	3%	1%	2%	3%

Note: 6% of households were missing electricity costs or zero income. These households were excluded from the electric burden tables.

Table II-7 displays the percent of households that fall into total energy burden ranges by poverty group. The table shows that 77 percent of households with income at or below 50 percent of poverty have a total energy burden that exceeds 25 percent, seven percent have a total energy burden between 20 and 25 percent, eight percent have a total energy burden between 15 and 20 percent, five percent have a total energy burden between ten and 15 percent, and four percent have a total energy burden between five and ten percent.

Table II-7
Energy Burden Group by Poverty Group

Energy Burden	Poverty Level					Total
	<=50%	50% - 100%	100% - 150%	150% - 200%	>200%	
<=5%	0%	5%	9%	20%	69%	54%
5 - 10%	4%	17%	28%	39%	25%	25%
10 - 15%	5%	19%	27%	25%	5%	10%
15 - 20%	8%	18%	17%	9%	1%	4%
20 - 25%	7%	12%	9%	4%	0%	2%

Energy Burden	Poverty Level					Total
	<=50%	50% - 100%	100% - 150%	150<-200%	>200%	
> 25%	77%	29%	10%	3%	0%	5%
Total	100%	100%	100%	100%	100%	100%

Table II-8A displays the percent of electric heating households that fall into electric energy burden ranges by poverty group. The table shows that 52 percent of households with income at or below 50 percent of poverty have an electric energy burden that exceeds 25 percent, seven percent of households with income between 50 and 100 percent have an electric energy burden that exceeds 25 percent, and one percent of households with income between 100 and 150 percent of poverty have an electric energy burden that exceeds 25 percent.

Table II-8A
Electric Burden Group by Poverty Group
Electric Heating Households

Electric Burden	Poverty Level					Total
	<=50%	50% - 100%	100% - 150%	150<-200%	>200%	
<=5%	2%	24%	40%	60%	89%	72%
5 - 10%	12%	38%	35%	29%	10%	17%
10 - 15%	13%	22%	17%	9%	1%	5%
15 - 20%	12%	6%	6%	2%	<1%	2%
20 - 25%	9%	2%	1%	<1%	<1%	1%
> 25%	52%	7%	1%	0%	0%	3%
Total	100%	100%	100%	100%	100%	100%

Table II-8B displays the percent of non-electric heating households that fall into electric energy burden ranges by poverty group. The table shows that 40 percent of households with income at or below 50 percent of poverty have an electric energy burden that exceeds 25 percent and three percent of households with income between 50 and 100 percent have an electric energy burden that exceeds 25 percent.

Table II-8B
Electric Burden Group by Poverty Group
Non-Electric Heating Households

Electric Burden	Poverty Level					Total
	<=50%	50% - 100%	100% - 150%	150<-200%	>200%	
<=5%	4%	27%	58%	82%	98%	86%

Electric Burden	Poverty Level					Total
	<=50%	50% - 100%	100% - 150%	150<-200%	>200%	
5 - 10%	17%	45%	33%	16%	2%	9%
10 - 15%	14%	16%	6%	1%	<1%	2%
15 - 20%	14%	6%	1%	<1%	<1%	1%
20 - 25%	10%	1%	1%	<1%	<1%	<1%
> 25%	40%	3%	<1%	<1%	<1%	1%
Total	100%	100%	100%	100%	100%	100%

E. Demographics

Table II-9 displays the percentage of households with vulnerable household members by poverty group. Young child is defined as a person 5 years or younger and elderly as a person 60 years or older. The table shows that households with income at or below 50 percent of poverty are more likely to have young children in the home and households with income above 200 percent of poverty are more likely to have no vulnerable household members.

**Table II-9
Presence of Vulnerable Household Members by Poverty Group**

	Poverty Level					Total
	<=50%	50% - 100%	100% - 150%	150<-200%	>200%	
Young Child	23%	16%	11%	11%	11%	12%
Elderly	22%	35%	53%	51%	33%	36%
Disabled³	37%	49%	47%	39%	22%	29%
No Vulnerable	36%	25%	23%	27%	48%	42%
Total	100%	100%	100%	100%	100%	100%

Table II-10 displays the language spoken at home by poverty group. The table shows that two percent of households speak Spanish at home and five percent of households speak another language at home other than English.

³ 2006-2008 3 Year ACS does not report the person with disability. In order to get the number of households with a person with disability, we combined 2006 ACS, 2007 ACS, 2008 ACS using the weight from 2006-2008 3 Year ACS.

Table II-10
Language Spoken at Home by Poverty Group

Language	Poverty Level					Total
	<=50%	50% - 100%	100% - 150%	150<-200%	>200%	
English	92%	93%	94%	93%	93%	93%
Spanish	3%	2%	2%	2%	2%	2%
Other	6%	5%	4%	5%	5%	5%
Total	100%	100%	100%	100%	100%	100%

III. Low-Income Payment and Usage Reduction Program Description

Allegheny has a Low-Income Payment and Usage Reduction Program (LIPURP) to help ensure that low-income payment troubled customers have access to affordable energy. The program provides a reduced payment plan and arrearage forgiveness to low-income customers.

This section describes Allegheny's LIPURP program. The information in this section of the report was obtained from review of Allegheny's program documents, discussion with Allegheny managers and staff, discussion with Allegheny's Dollar Energy Universal Service LIPURP manager, discussion with Allegheny agency managers and caseworkers, and direct observation of Allegheny's Dollar Energy Universal Service Representatives.

A. Goals and Resources

The primary objectives of the LIPURP program are to:

- Administer a cost-effective program.
- Ensure that low-income, payment-troubled customers have access to affordable energy.
- Establish affordable payment arrangements, which maintain electric service and guide customers towards self-sufficiency in paying their electric bill.
- Provide assistance in reducing participants' energy consumption to a more affordable level.

Table III-1 displays the program budget and expenditures for 2008 through 2010. Allegheny's annual budget for LIPURP was \$5.88 Million for 2005 through 2010. Allegheny committed an additional \$1.075 million for the program through the Governor's Stay Warm Initiative in 2006 through 2009. The table shows that the LIPURP budget was not sufficient to cover costs for participants. Total costs were \$7.68 Million in 2008 and \$7.923 in 2009.

However, Allegheny participants received LIHEAP benefits that covered the cost of some of the LIPURP grants, reducing the amount that was spent over budget. The total LIHEAP Cash grants received by Allegheny LIPURP customers was \$1.269 Million in 2008 and \$0.902 Million in 2009. For some customers the LIHEAP grant is greater than the LIPURP shortfall, so some of the grant is applied to the customer's pre-program arrearage at recertification.⁴

⁴ Analysis of Allegheny's database showed that 81 percent of all LIPURP participants and 85 percent of electric heating LIPURP participants received LIHEAP in the year after LIPURP enrollment.

Table III-1
LIPURP Budget and Spending (\$Millions)

	2008	2009	2010
Allegheny LIPURP Funding	\$5.88	\$5.88	\$5.88
Governor's Stay Warm Initiative	\$1.075	\$1.075	--
Total LIPURP Funding	\$6.955	\$6.955	\$5.88
LIPURP Grant	\$5.556	\$5.838	
Arrearage Forgiveness (2%)	\$1.495	\$1.509	
Administrative Costs	\$0.629	\$0.576	
Total LIPURP Costs	\$7.680	\$7.923	
Spending Over Budget	\$0.725	\$0.968	
Total LIHEAP Cash Grants for LIPURP Customers	\$1.269	\$0.902	

B. Program Participation

Participation in Allegheny's LIPURP program has been approximately 20,000 customers for the past few years. Table III-2 displays the monthly participation levels for 2008, 2009, and 2010. The table shows that participation does not fluctuate substantially throughout the year. Participation has ranged from 19,376 in March 2008 to 21,313 in March 2010. While participation declined from 2008 to 2009, it increased again in 2010.

Table III-2
LIPURP Monthly Participation

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2008	20,279	20,429	19,376	19,716	20,285	20,235	20,329	20,351	20,244	20,268	20,067	19,858
2009	19,872	19,799	19,464	19,856	19,954	19,625	19,920	20,005	20,174	19,990	20,079	20,094
2010	20,338	20,629	21,313	20,653								

Table III-3 displays average monthly participation, LIPURP grants, number of customers making payments, and arrearage forgiveness. The table shows that average participation was 20,120 in 2008, 19,903 in 2009, and 20,733 in 2010. The LIPURP budget projections estimated annual participation of approximately 20,000 customers. If participation continues to increase, this may require an increase in the annual LIPURP budget.

The average annual grant increased from \$276 in 2008 to \$293 in 2009. The table shows that the average number of customers making monthly payments was approximately 14,000, so a significant number of customers miss some of their monthly payments. Only about half of the customers receive monthly arrearage forgiveness. Many do not receive arrearage forgiveness because they do not have pre-program arrearages, but many do not receive

arrearage forgiveness due to missed payments. The average amount of arrearage forgiveness received by customers who receive forgiveness is \$148.

Table III-3
LIPURP Average Monthly Participation, Grants, and Forgiveness

	2008	2009	2010
Average Monthly Participation	20,120	19,903	20,733
Average Annual Grant	\$276	\$293	
Average Monthly # Customers Who Made Payments	14,444	14,241	14,044
Average Monthly # Customers Who Received Arrearage Forgiveness	10,096	10,226	10,663
Average Arrearage Forgiveness Received	\$148	\$148	

Table III-4 displays the annual number of approved applications, successful removals and defaulted removals for 2008 and 2009. The table shows that approximately 18,000 customers had approved applications each year including the recertifications, 8,000 were successfully removed and 10,000 were removed due to defaults. Allegheny classifies both moves and graduations as successful removals. The defaulted removals include those customers who did not pay to restore service after termination and those customers who failed to recertify.

Table III-4
LIPURP Applications and Removals

	2008	2009
Approved Applications	17,898	18,003
Successful Removals	8,374	7,900
Defaulted Removals	10,387	9,342

C. Management and Operations

Allegheny has one manager who is responsible for oversight of LIPURP and a staff member who assists with reports and data requests. Allegheny does not handle the day-to-day operations of LIPURP, as they have hired Dollar Energy to provide that administration. The Allegheny manager responsible for LIPURP focuses on higher level program issues, including changes to the program design, evaluation, external issues with LIHEAP and DPW, and contracting for program administration.

Allegheny's LIPURP is administered by Dollar Energy. The staff of this nonprofit organization take inbound phone calls from customers who want to apply for LIPURP or who have questions about the program or their bill. The Dollar Energy representatives also complete the LIPURP application over the telephone with the customer, discuss LIPURP

and the program requirements with the customer, enroll customers in LIPURP, complete LIPURP recertifications, and make referrals to LIURP.

Dollar Energy has nine customer service representatives who take these calls, as well as a lead representative who provides oversight and training to the other representatives. About half of the calls received are from customers with questions about their bill or how much they owe. The questions about the bill are generally from LIPURP customers, but some are not, and are from customers who have general questions about their Allegheny bill. The representatives can often answer these questions, but they sometimes refer the customer back to Allegheny if they cannot. Some customers call Dollar Energy instead of Allegheny because they were previously in LIPURP and they had the telephone number, or because they saw the phone number on a brochure. The other half of the calls are for customers who are calling to complete applications and get enrolled in LIPURP.

Representatives at Dollar Energy have direct access to the Allegheny billing system and can see everything that Allegheny representatives can see. Dollar Energy representatives can also make edits to the system. For example, they can change rate codes, change mailing addresses, or change last names. They can also change a customer's income and expenses, household information, and phone number.

Dollar Energy uploads program enrollment information right into Allegheny's system. The program enrollment data is entered online in Allegheny's USS program software, not directly into Allegheny's system. Then Dollar Energy uploads the enrollment information into Allegheny's system. The representatives may be able to upload the LIPURP enrollment to Allegheny's system while on the phone with the customer, depending on the circumstances. If the customer needs to make an upfront payment, needs to call back with additional information, or is waiting for a payment to post, the representative will not be able to upload the data during the phone call. Allegheny updates their system data over night, so if the representative makes a change to the rate code, it has to go over the nightly processing, and the enrollment can be uploaded the next day. There is a tickle file that reminds Dollar Energy when the data uploads need to be done. Dollar Energy has one representative who takes care of these uploads.

Dollar Energy has useful reports with all of the information they feel they need to manage the program. Table III-5 displays the data and information that are contained in the reports that Dollar Energy uses to manage LIPURP.

**Table III-5
LIPURP Management Report Data**

Participation	Billing and Payments	Arrearages	Applications	Phone System
Total participants	Total billed	Participant arrearages	Applications done over the phone, mailed in, and at CBOs	Number of messages left for Dollar Energy
Successful removals	Amount of LIPURP bills paid	Number of participants with arrearages	CBO payments for completed applications	Number of messages returned
Defaulted removals	Average LIPURP payments/month	Arrearage forgiveness	Applications approved	
Number of stay outs signed	LIPURP grants		Applications declined	
Number reinstated in LIPURP	Hardship grants		Applications completed in computer system	
Weekly number added to LIPURP	Payments 30,60 and 90 days late		Recertifications completed in computer system	
	Number of accounts finalized			

D. Eligibility and Benefits

This section summarizes information on LIPURP eligibility criteria and benefits that are provided to program participants.

LIPURP Eligibility

Allegheny customers must meet the following criteria to be eligible for LIPURP.

- The household income must be at or below 150% of the federal poverty guidelines.
- The ratepayer must be a household member.
- The customer cannot have more than one household on LIPURP at any one time, unless the customer lives in a duplex where the household occupies both halves.
- The customer cannot run a business out of the home.
- The customer must disclose all income and all household members.
- If the customer had a bounced check, Allegheny requires that the customer covers the bounced check before joining LIPURP.

The customer is not required to be payment troubled to join LIPURP.

LIPURP Benefits

The key benefits of LIPURP are the following.

1. A reduced monthly payment and/or a reduced installment payment on the pre-program arrearage. The supplemental grant covers the difference between the actual usage and the reduced monthly payment.
2. Arrearage forgiveness over a period of time.
3. Referrals to other community programs and services.

LIPURP Payment Plan

The customer's payment is calculated based on the federal poverty level and the rate code, as shown in Table III-6. Monthly payments range from five to 17 percent of the household's annual income.

**Table III-6
Percent of Income Payment**

Rate Code	Minimum Monthly Payment	Poverty Level		
		<50%	51%-100%	101%-150%
Heating	\$50	13%	15%	17%
Water Heating	\$30	8%	12%	14%
Baseload	\$25	5%	6%	7%

The difference between the customer's percent of income payment and the actual bill is covered by the LIPURP supplemental grant. The shortfall grants are paid to the customer's account only after the customer makes the monthly payment. For example, if the customer is three months behind and then makes three months of payments, all three months of shortfall grants will be applied at that time.

Once the customer exceeds the maximum annual shortfall, the difference between the monthly payment and the actual bill is added to the customer's total AP arrearage, the total amount that is owed to Allegheny. At the time of recertification, this amount is added to the pre-program arrearage. The maximum shortfall, shown in Table III-7, is \$1400 for the year for all electric customers, \$560 for baseload/electric hot water customers with 1-3 household members, and \$750 for baseload/electric hot water customers with 4 or more.

**Table III-7
Maximum Annual Shortfall**

Rate Code	Number of Household Members	
	1-3	4 or More
Heating	\$1400	\$1400
Water Heating	\$560	\$750
Baseload	\$560	\$750

Pre-Program Arrearages

Participants' pre-program arrearages are no longer subject to collections actions when the customer joins LIPURP. However, the customer's arrearage would again be the customer's responsibility if the customer left LIPURP or was final billed.

Customers with pre-program arrearages have \$5 added to their percent of income payment each month to reduce their pre-program arrearages. Additionally, each month that the customer pays the LIPURP bill, two percent of the pre-program arrearages are forgiven. The customer is not required to pay the bill on time to receive the two percent arrearage forgiveness, and will receive the forgiveness at the time that late bills are made up.

Customers who exceed the shortfall limitation are not asked to pay the shortfall overage at the time of recertification. Instead, when the customer recertifies, the shortfall overage is added to the pre-program arrears. This amount is then eligible for arrearage forgiveness during the following program year.

Customer Payments

If the customer pays more than the monthly LIPURP payment or pays extra months' payments in advance, the customer's extra payment is applied to the preprogram arrearage, not to future LIPURP payments. Dollar Energy reported that they inform customers that they should not pay more than their current amount due, however many customers still make advance payments. Dollar Energy will make an adjustment one time for customers who paid extra and said that they did not know that the extra payment would not be applied to their LIPURP obligation. However, they will only do this once.

E. Assistance Grants

The LIHEAP Cash grant is applied to the customer's LIPURP shortfall, as opposed to the customer's monthly LIPURP payment obligation. If the grant is more than enough to cover that cost, it is then applied to cover the customer's pre-program arrearage. The LIHEAP Crisis grant and all other assistance grants are applied to the current LIPURP arrearage.

Table III-8 displays the number of customers who received LIHEAP Cash, LIHEAP Crisis, and Dollar Energy Fund grants, the total dollars received, and the average grant amounts. The table shows that only about 3,000 or 4,000 of the 20,000 LIPURP customers receive LIHEAP Cash grants. However, many of these customers may use a fuel other than electric for heating, and therefore apply the LIHEAP Cash grant to that other fuel. Only about 1,500 to 2,000 participants receive LIHEAP Crisis and/or Dollar Energy Fund Grants, indicating that most of the LIPURP participants are able to cover their LIPURP bill payment obligations (or if not, they are terminated.) This issue is studied in the impact analysis.

**Table III-8
LIPURP Customer Grants**

	2008	2009
LIHEAP CASH		
# of customers	4,340	3,050
Total dollars	\$1,269,289	\$902,072
Average for recipients	\$292	\$296
LIHEAP CRISIS		
# of customers	1,438	2,320
Total dollars	\$442,012	\$943,583
Average for recipients	\$307	\$407
DOLLAR ENERGY FUND		
# of customers	1,746	1,986
Total dollars	\$513,898	\$562,554
Average for recipients	\$294	\$283

There have been recent LIHEAP policy changes which affect how LIHEAP grants can be credited to customer accounts. Based on the most recent guidance from the Federal LIHEAP office, it appears that Allegheny will not be allowed to continue to credit LIHEAP cash grants to LIPURP customer accounts in the manner described above. Instead, the grants must be applied directly to the customer's monthly asked to pay amount. This means that some customers may have several months where no payment is required. It also will increase the cost of LIPURP to Allegheny, unless they offset these additional costs in some other manner.

F. Program Outreach and Referrals

The Dollar Energy lead representative attends various types of meetings in Allegheny's service territory to provide LIPURP outreach. She attends Head Start meetings and public housing meetings where tenants come to the meeting hall. She hands out brochures and explains the program. She visits food pantries and talks to clients and hands out brochures while they are waiting for their number to be called.

Referrals to LIPURP are provided by Allegheny and other utility customer service representatives, friends and relatives, the Public Utilities Commission, and CBOs.

G. Enrollment Procedures

The vast majority of customers enroll in the LIPURP by calling the Dollar Energy representatives and providing information over the telephone. Back-up documentation to verify income eligibility or other household information is only collected from customers in

certain circumstances, only in about ten percent of enrollments. This happens when there are notes in Allegheny's system that there is a potential case of fraud or any indication that there is more income than what the customer reports. Sometimes there are notes by Allegheny that another individual lives in the home or that the social security number is incorrect. In those cases, the customer is required to send in back-up documentation. The required information is usually documentation of income, such as pay stubs. Dollar Energy also requires proof of income if the customer claims that his or her income has declined in order to reduce the monthly payment. The customer would need to send in documentation that the household income had changed. Sometimes the customer is asked to send a copy of the driver's license to verify residency, or sometimes the social security card to verify the social security number. The information is entered into Allegheny's system and then the documentation is shredded.

Dollar Energy has paper LIPURP applications that they can send to the customer if they cannot reach the customer on the telephone, and some customers prefer to do the application on their own. In the high season, Dollar Energy gets about ten to 20 applications per week mailed in. In April, Dollar Energy completed 936 applications and 657 recertifications over the telephone.

There are CBOs who do applications and fax them to Dollar Energy, but Dollar Energy does the enrollments because the CBOs do not have access to Allegheny Power's system. There are 39 CBOs who have done a LIPURP application at some point in time. However, many of the CBOs rarely do the applications. Allegheny pays the CBOs \$15 for each complete application that they submit. Most of the time, the CBOs provide all of the needed information. If the application is incomplete, Dollar Energy will call customer directly or call the CBO. If the application is incomplete, Dollar Energy will not pay the CBO \$15. In April, Dollar Energy received approximately 20 applications from outside agencies.

When Dollar Energy first began having the CBOs complete LIPURP applications about ten years ago, there would have been an initial training. No formal training has been provided to the CBOs since that time. However, the Dollar Energy lead representative has frequent conversations with CBOs over the telephone and answers any questions that they have. Dollar Energy does not conduct formal assessments of the CBOs' work. If the applications they receive are not complete, Dollar Energy will inform the CBO that they can redo the application or Dollar Energy can contact the customer and then the CBO will not receive the \$15 payment for the application.

In the case of someone who has never been on the program, the Dollar Energy representative would take the following steps.

- Explain to the customer that LIPURP is a low-income payment and usage reduction program. Explain that the payment is based upon income, usage, and how many live in the home. The payment is like a budget plan, and they add \$5 per month for arrearage reduction. Every month two percent of the pre-program arrearage is reduced when the

customer pays the bill. They explain that there is a supplemental grant to pay for additional usage beyond the monthly payment amount.

- If the customer wants to proceed, the representative will ask for the customer's name, date of birth, social security number, and income for everyone in the household. If the customer has all of this information, the representative will pull up the USS system and complete the application. The representative will also ask for landlord information, whether the customer rents or owns, township, and county. The representative will ask for the type, source, and amount of income.
- The representative will ask about the customer's home to determine whether a LIURP referral should be made. They collect information on the home type – apartment, duplex, single family, square feet or number of rooms, and year built. They will ask about heating and hot water fuels, air conditioning, supplemental heat, and fireplaces. They also ask additional questions about specific appliances if the customer has high usage to help determine the potential problem.
- The representative collects information on expenses, including food costs, food stamps, rent, utilities, phone, gas, sewage, and water.
- After this application is completed, the representative can determine the customer's monthly payment, based on the percent of income. The representative will tell the customer what the monthly payment would be and ask if the customer is interested. If the customer agrees, the representative will proceed with the enrollment.
- The representative will explain that the customer is required to make a payment each month and to report any changes in income. The representative will ask the customer to make an effort to conserve energy. They let the customer know what other programs might be available and when.
- The representative tells electric heating customers that they are required to get a LIHEAP cash grant, and if they don't get the grant, they are removed and cannot get back on LIPURP unless they receive LIHEAP.
- They make sure that the customer has Dollar Energy contact information, and tell them when to expect the next bill. The customer will receive the LIPURP bill on the next billing cycle. The representative advises the customer if there is a shutoff notice that has been stopped, and if there are any security deposits that the customer has to pay.

Potential Barriers to Enrollment

There are temporary barriers to enrollment that do defer some customers, such as those who are required to make a payment up front. This is only required for re-enrollees. If the customer was not previously on the program but had not made a payment for many months, they will ask the customer if there is anything that the customer could pay at that point. The customer may say that he/she can pay \$100, and in that case they will wait for the

customer to make the payment. If the customer has never been on LIPURP before, they will put the customer on the program even if the customer does not make any payment. The payment is only required if the customer defaulted on a previous LIPURP agreement.

During the busiest application season, a customer may have difficulty reaching Dollar Energy and may be required to leave a voicemail. Dollar Energy does have someone dedicated to returning messages, and they are currently responding to messages received within 24 hours. However, while they usually have a representative available at all times to take calls, there may be times during the busiest season when it may be 24 to 72 hours until a representative can return a phone call. This may be a barrier to enrollment.

H. Referrals for Other Services

Dollar Energy provides customers with the phone number to call the LIHEAP county office and the dates when the LIHEAP applications are taken. They have a list of counties and assistance offices. Dollar Energy also has LIHEAP applications that are pre-stamped for certain counties and some blank applications and will sometimes mail the applications to a customer if the customer specifically requests an application.

If other programs are open, such as the hardship fund and LIHEAP Crisis, they will refer customers to these programs. Dollar Energy has a list of potential referrals, and will make those referrals depending on the particular customer's issue. If the customer is having trouble paying the Allegheny bill, Dollar Energy can refer the customer to agencies that have grants such as Catholic Charities or the Salvation Army. Dollar Energy can refer customers to the Cancer Society, housing authorities if they need new place to live or have difficulty paying rent, or CARES. Dollar Energy does not keep track of the referrals that they make.

I. Recertification and Graduation

Participants must recertify for LIPURP each year. They receive two notifications about the recertification. The first notice is printed on the customer's monthly bill two months prior to the end of the LIPURP agreement. The second notice, a reminder letter, is sent within a month of when the participant must recertify.

The process for recertification is the same as for the original LIPURP application. Customers call Dollar Energy and the Dollar Energy representative completes the LIPURP application. The representative updates the household income and number in the household. The representative informs the customer if he/she is approved for LIPURP recertification. If the customer is current on the LIPURP bill, that is the extent of the process.

Most of the LIPURP recertifications are done by telephone, but they can be done on paper and faxed or mailed in. Agencies can do recertifications and fax them in, or customers can mail in the application. Customers sometimes leave a voicemail asking for the

recertification application to be sent to them and Dollar Energy will mail the application to the customer. Customers are not required to come in person. The customers are sometimes required to provide documentation. This is required if they claim that they have no income for two or more years in a row.

Customers must pay the owed LIPURP amount, all of the missed LIPURP payments, to recertify. At that time, the shortfall grant for those payments will be applied to the customer's account. If the customer does not recertify, the shortfall grant will not be applied to the account for those bills that were missed.

If the customer does not respond to the recertification notice, the LIPURP agreement will expire and the customer will get a bill for the full balance, including pre-program arrearages. The customer will receive a letter that states the customer has been removed from LIPURP because of a failure to recertify. The customer can call in at that time and request that Dollar Energy conduct the recertification and place the customer back in LIPURP.

Many of the customers wait to receive the Allegheny bill that includes the pre-program arrearage before they recertify. LIPURP participants often report that they do not open their LIPURP bills because they know the amount that they pay each month. As a result, they miss the notice that it is time to recertify. Sometimes the customer will not realize that he/she has been removed from LIPURP until a few months later when the customer kept on paying the LIPURP amount and then received a termination notice.

J. Follow-up and Removal

Participants are removed from LIPURP for the following reasons:

- Failure to recertify
- Misrepresentation of household circumstances
- Failure to permit scheduled meter reading
- Refusal to accept weatherization services except for compelling reasons
- LIHEAP-eligible heating customer who does not apply and receive LIHEAP benefits
- Refusal to accept changes to program
- Tampering with the meter (required to stay out for one year)
- Self reconnection of service (required to stay out for one year)
- Over income when they call in to report a change in income
- Failure to comply with program requirements
- Customer signed a 12-month stay-out letter

Non Payment

LIPURP participants receive automatically generated letters if they are five days late with their payments. Following that letter, a termination notice is mailed. The customer is not removed from LIPURP for missing payments, unless the customer is shut off for more than 10 days and the account finals. The only thing that is required is that missed payments are

caught up when the customer recertifies. The customer can miss every payment and not be taken off program. But the customer may get a shutoff notice.

Reinstatement

If the customer is shut off and finaled, the customer would have to pay the restore amount to get turned back on. Therefore, the customer has generally made the payments needed to get back on LIPURP if the customer has made the necessary payments to have service restored. The customer would only need to complete the original LIPURP application to return to the program.

If the account did not final, the customer will automatically revert back to the LIPURP agreement. Because it takes 10 days for account to final, the customer usually has the power turned back on before being finaled and removed.

Usage

There are no restrictions on usage or usage increases after joining LIPURP. However, a customer will not be placed on LIPURP if the customer runs any type of business out of the home. Usage for these customers could be much higher than for a general residence.

Allegheny's CIS system does not have a flag that triggers review of the customer's usage, and they do not have a method in place to systematically review accounts with increasing usage.

LIURP

If the customer is offered LIURP and refuses, the customer will be removed from LIPURP. Not many LIPURP participants are removed from the program for this reason - less than 20 in the past year. Most participants are returned to LIPURP because they then accept weatherization. Sometimes there are compelling reasons for LIURP refusal, and they do make exceptions. For example, one customer was afraid of being evicted by the landlord so Dollar Energy made an exception. The landlord has to provide permission for LIURP, so it is easier for homeowners to participate.

LIHEAP

Electric heating customers who do not receive LIHEAP are automatically removed from LIPURP at the beginning of June through Allegheny's computer system. Prior to this time, customers receive two reminder notices and two telephone calls. In June 2009, 569 customers were removed and in June 2010, 809 customers were removed from LIPURP because they did not receive LIHEAP.

Stay Out Period

Customers must stay out of the program for one year if they make certain requests.

- The most common request is to allow the LIHEAP grant to be applied to the current account balance. Dollar Energy will only require the stay-out in this case if the customer is more than two months away from recertification.

- Avoid termination of electric service. For example, if the customer has a shutoff notice, the company may offer an agreement, but can't give an agreement if the customer is already on LIPURP. This solves the customer's immediate issue with the termination notice. Dollar Energy only had 18 of these cases between January and April 2010.
- Benefit from lower bills when current bill is less than LIPURP payment agreement amount – If usage dropped or if they could have lesser payment, the customer can request to come off LIPURP.

Graduation

Customers are sometimes graduated from LIPURP at the time of recertification if all of their arrearages have been paid off and forgiven, if the customer has a credit on the account due to overpayment, or if the budget payment is lower than the LIPURP payment and it is not beneficial to the customer to remain on LIPURP. The Dollar Energy representative will usually talk with the customer prior to graduating the customer from LIPURP, and if the customer wishes to remain, the representative will complete the recertification process. If a customer is graduated without his or her knowledge, the customer can be put back on LIPURP.

General Follow-up

Follow-up is not done unless there is a particular need. Dollar Energy sometimes has a large delinquency list from Allegheny, and they will have the representatives call these customers with an extra reminder that the customer needs to make a payment, or that energy assistance is available. Dollar Energy only makes these calls if they have the manpower to do so.

K. Customer Feedback

Dollar Energy generally does not receive feedback from customers unless the customer is asked to provide documentation. The customer may complain if required to make a payment. This would happen if the customer was previously on LIPURP and had not paid all of the LIPURP bills before the agreement expired. If the customer was on LIPURP previously and the customer owed for three months of bills, the representative would ask for that payment before setting up a new agreement. This is the most common complaint that Dollar Energy receives. They receive some complaints when they ask customers for social security numbers. If a customer refuses to provide the social security number, Dollar Energy will complete the application and enroll the customer in the program without the social security number. Customers who are asked to provide income verification are unhappy because the customer must fax or mail the documentation to Dollar Energy. This can be a problem for the customer if the customer has a termination notice and has to provide the information before the shut off occurs.

L. Challenges

While the Allegheny LIPURP bill clearly displays the customer's monthly owed amount under the program, the bill does not do a good job of showing what the customer owes. The bill shows the pre-program arrears and the arrearage forgiveness, but the LIPURP arrears are included in the amount due line. The bill also does not display the supplemental grant.

Dollar Energy reported that their phone system they use to service Allegheny's Universal Service customers poses some challenges.

- The system does not allow the lead Dollar Energy representative to remotely monitor the calls of the other representatives.
- The system does not allow for monitoring the time of each call, only an average call length.
- The phone system does not automatically bring up the customer account on screen.
- The phone system's queue gets filled up and customers are sometimes forced to leave a message rather than being given the option to stay on hold.
- Dollar Energy must manually retrieve customer messages.

Despite the challenges noted above, our observations of the Universal Services telephone center staff showed that the system met the needs of the staff handling calls at the time.

M. CBO Manager and Caseworker Interviews

There are 39 CBOs who have done LIPURP applications and faxed them to Dollar Energy at some point in time since the agencies were first allowed to take LIURP applications. However, applications are completed at CBOs in only a small minority of cases. Information provided by Dollar Energy shows that only 37 applications were taken in total at CBOs in January through April of 2010. These 37 applications were taken by five agencies.

APPRISE selected a sample of eight agencies to include for interviews with managers and caseworkers about the LIPURP application process. The most active agencies were selected, as well as some that had only done a few applications and some that had not taken any LIPURP applications during the beginning four months of 2010. Dollar Energy provided names and contact information for managers at those agencies who are responsible for LIPURP applications. We conducted complete interviews with six agency managers and abbreviated interviews with two agency managers who stated that they are not taking LIPURP applications. We completed interviews with caseworkers at the two agencies that had one or more additional staff who take LIPURP applications.

The demographic analysis of Allegheny's service territory showed that two to three percent of eligible households have Spanish as the first language spoken in the home. We asked the agency managers if they have staff who take LIPURP applications who can communicate

with the applicants in Spanish. Four of the six interviewed managers said that they do have staff with this capability and one said that they don't have a staff member, but they have access to an interpreter if needed.

We asked several questions about LIPURP application and enrollment. All of the managers felt that the LIPURP guidelines were well documented and easy to understand. Only one manager had recommendations for the form. These recommendations included allowing monthly income to be recorded on the application instead of annual income, that it was difficult to write down all of the customer's expenses, and that many applicants did not know the square footage and year of construction of their homes.

When asked whether they felt that there were barriers to LIPURP enrollment, the following barriers were cited:

- The manager was unsure who qualifies for LIPURP and needed a better understanding of the income guidelines.
- The requirement for bringing in the necessary documentation.
- Lack of awareness about LIPURP.
- The manager felt that the income cutoffs are too low, and that Allegheny should take the customer's expenses into account along with the customer's income when determining the applicant's eligibility.

Two of the managers said that they didn't feel there were any barriers.

When asked how they explain LIPURP to the customers, there were a variety of responses received. However, some of the key points were only mentioned by a few of the agencies, which suggest that additional training on the program is needed. Of the six managers interviewed the following number covered the key points listed below.

- LIPURP can lower the monthly electric bill (1 manager).
- Allegheny will reduce their past arrearages if they make their monthly payments (4 managers).
- Customers must pay their bills every month (5 managers).
- Heating customers must apply for LIHEAP (3 managers). Some of these managers did not say they only told customers they must apply for LIHEAP if they are electric heating customers.
- Customers should try to conserve electricity (2 managers).

When asked whether they provided any information to customers about conservation when they apply for LIPURP, three managers said that they did not. One manager said that she provides specific recommendations, one said that she provides materials from Universal Services about conservation, and one said that she tells customers that they must conserve electricity.

We asked the managers whether they ask the clients to complete the LIHEAP application when they come in to apply for LIPURP. Five of the six managers said that they did, and three of the six said that they provide assistance with the LIHEAP application.

When asked what types of referrals they make to LIPURP applicants, the most common referrals mentioned were other heat and utility assistance (5 managers); housing assistance and food banks (4 managers); and health care and budget counseling (3 managers). Other referrals mentioned were food stamps, job search assistance, education, clothing assistance, telephone assistance, counseling, legal assistance, and services for the elderly.

When asked about challenges that the agency faces with LIPURP enrollment, the following issues were mentioned.

- The manager was not sure how LIPURP works with Crisis and LIHEAP.
- Universal Services does not inform the agency if clients are successfully enrolled in LIPURP.
- It is difficult to get applicants to bring the proper documentation into the office.
- Concern that the customer's LIPURP bills might exceed the pre program bills.
- It is difficult to convince some clients to enroll, even if it would benefit them.
- Clients have difficulty filling out the year the home was built and the square footage of the home.

Two of the managers said that they did not face any challenges.

Managers reported that client feedback about LIPURP was largely positive. Most said that the clients were happy with the program because it lowers the payment or prevents their electric service from being terminated. They said that some clients do not understand the program, are not happy that LIHEAP is not applied to the current bill, or that their clients said that they did not receive notice that they needed to apply for LIHEAP.

When asked how the application process could be improved, the following ideas were mentioned.

- Inform the agency if the LIPURP application was approved.
- Provide an alternate contact at Universal Services if the main contact is not available.
- Provide a handout that explains the programs to clients.
- Provide more training, so that others at the agency understand LIPURP and enroll clients in the program.

Three of the six managers had no recommendations for changes.

Interviews with the two caseworkers provided similar information. One of the caseworkers said that she felt that the LIPURP guidelines are difficult to understand. She said that she does not know which clients she should refer to the program, because she does not know if they need to have a shutoff notice or be a certain amount behind on their bills. She felt that

the guidelines for the program should be clearer. She also has problems explaining the program benefits and arrearage forgiveness to customers. She commented that she does not receive feedback as to whether her applications are successfully enrolled.

We conducted abbreviated interviews with two agencies who were not currently taking LIPURP applications. One manager said that in the past the staff were uncomfortable with their level of knowledge about the program, were intimidated by the paperwork, and were afraid of making a mistake and jeopardizing customer benefits. The other manager said that it seemed easier for clients to call Universal Services directly and apply over the telephone. She noted that some customers come to the agency so that they can fax their required documentation to Universal Services.

IV. Dollar Energy Hardship Fund Program Description

Allegheny has a hardship fund program to help low-income customers who have had a temporary problem meeting their bill payment obligations, when other potential sources of assistance have already been accessed or are not available. The program provides a grant no more than once per year to help the customer maintain electric service or restore electric service that has been terminated. Grants are also available to customers who are not in danger of losing their electric service at certain times of the year when adequate resources are available.

This description of Allegheny's Dollar Energy Hardship Fund Program is based on program documentation, a detailed interview with the Dollar Energy manager for Allegheny's hardship fund program, and interviews with managers and caseworkers at CBOs that take Dollar Energy hardship fund applications.

A. Goals and Resources

The objectives of the Dollar Energy Hardship Fund program are to:

- Provide energy-related assistance to low-income families who, as a result of hardship circumstances, are having difficulty paying their energy bills.
- Offer financial assistance to low-income customers who are ineligible for the federally funded Low-Income Home Energy Assistance Program ("LIHEAP").
- Coordinate and expand the activities of CBOs that provide energy-related assistance.
- Administer a year-round cost-effective program.

Table IV-1 displays Allegheny's budget for 2008 through 2010. Allegheny's annual budget was \$150,000 each year from 2008 through 2010. The program is also funded by customer contributions and other fundraising activities. Customers can contribute to the hardship fund by adding a monthly donation to their electric bill or by sending a lump sum check. Customers contributed \$192,500 in the 2008-2009 program year. The total program funds available that year were \$579,000.

Table IV-1
Dollar Energy Hardship Fund Budget and Spending (\$Millions)

	2008	2009	2010
Allegheny Budget	\$150,000	\$150,000	\$150,000

Program funding was depleted earlier in 2010 than it has been in the past. This year, the program was not opened to customers who were not shut off or threatened with shutoff. The program normally opens up and then closes again when only ten percent of funding is left. However, this year less than ten percent of funding remained at the time that the program would have opened to all applicants. It is unusual that this happens, however, there

was less money available this year than in past years and there was higher demand. The total grant funding available was down from \$579,800 last year to \$300,000 this year. There were 1,050 applications between October 2009 and February 2010 this year, as compared to 682 for the same time period in the previous year. Part of the increase in demand was due to the fact that LIHEAP crisis applications were not distributed until January 1, whereas they are usually distributed earlier. Therefore, many customers applied for hardship fund grants when they would have previously been able to receive LIHEAP crisis grants.

B. Program Participation and Expenditures

Allegheny's projected number of customers to be served under the program is 1,400 each year from 2008 to 2010, as shown in Table IV-2.

Table IV-2
Projected Dollar Energy Hardship Fund Grants

	2008	2009	2010
Projected Grants	1,400	1,400	1,400

Table IV-3 displays the total grants awarded and the total number of customers served for program years from 2005 through 2009.

Table IV-3
Actual Dollar Energy Hardship Fund Grants

Program Year	Total Grants	Total Customers
2005-2006	\$450,000	1,624
2006-2007	\$569,000	1,864
2007-2008	\$525,000	1,639
2008-2009	\$479,800	1,563

C. Management and Operations

Allegheny's hardship fund program is administered by Dollar Energy and a network of 47 CBOs throughout Allegheny's service territory. The hardship fund applications are completed at the CBOs and the CBO intake workers enter the data into Dollar Energy's IPartner data system. The CBOs use this system for all utilities that Dollar Energy Fund works with on hardship grants.

The data entered by the CBOs into the IPartner system is submitted electronically to Dollar Energy. Dollar Energy's lead representative reviews the electronic data. The lead representative looks at the customer's account in Allegheny's billing system, verifies that the \$100 co-pay was made, checks the customer's service status (at certain times of the year,

the customer must be threatened with shutoff or already shut off to receive the grant), and checks the amount needed to have the customer's service restored or the shutoff cancelled. The lead representative then determines the grant amount and enters it into the IPartner system. The lead representative also changes the customer's status if necessary, to stop the shutoff or to restore service.

There are rare cases where Dollar Energy representatives take hardship fund applications over the telephone. This is done only if there are compelling reasons, such as shut-ins and customers who live too far away from a CBO. Dollar Energy requires proof of income for every application, so these customers must fax or mail their income documentation. The Dollar Energy lead representative would then enter these customers' application information into IPartner. All other applicants are required to visit a CBO to apply for a hardship grant and present their income documentation.

Grants for customers who are not terminated or threatened with termination are done through the Dollar Energy Fund office in Pittsburgh. The customer submits their bill with the application at the CBOs, like with the other applications, but when the grant is entered into the system, it is sent directly to Pittsburgh if the CBO does not mark that the customer is shut off or threatened with shutoff.

Every week or every two weeks, Dollar Energy sends Allegheny a check for all grants awarded over that time period and a list of the grant amounts for each account. The funds are credited directly to the customer's account and the customer is mailed a letter from Dollar Energy notifying the customer about the grant award and the grant amount.

The Dollar Energy lead representative can access the IPartner system to monitor the progress of the program. The system provides information on the number of grants awarded, the number of grants denied, the grant amount awarded, and the amount of funding remaining.

Dollar Energy provides an annual training for the CBOs each year. Additional oversight is provided only when needed. The Dollar Energy lead representative reported that she has good relationships with the CBOs, and that the CBOs call her if they have any questions or concerns.

D. Eligibility and Benefits

This section summarizes information on Dollar Energy eligibility criteria and benefits.

Dollar Energy Hardship Fund Eligibility

Allegheny customers must meet the following criteria to be eligible for hardship fund grants.

- Income at or below 200 percent of the Federal Income Guidelines.
- Payment-troubled – at least a \$100 balance on the account (customers age 62 or older can have a zero balance.)

- Paid at least \$150 or three monthly payments in the past 90 days (customers age 62 or older must have paid at least \$100 or three monthly payments in the past 90 days).
- Apply for LIHEAP cash and/or Crisis before applying to the Dollar Energy Fund.
- Experiencing a temporary hardship.
- Benefits are available once a year.

A challenge that was noted by Dollar Energy is that it is possible for the customer's time to shutoff to run out before the customer receives a grant, as customers are required to provide their proof of income, they may have to make security deposit payments and reconnect payments, or they may have to make a good faith payment. Therefore, service is sometimes terminated before Dollar Energy can award the grant.

Requirements with respect to service status vary throughout the year.

- From October 1 to November 30, the program is open to customers whose electric service is terminated or in threat of termination.
- From December 1 to January 31, the program is open to customers whose electric service is terminated.
- From February 1 to February 28, the program is open to customers whose electric services is terminated or in threat of termination.
- From March 1 to September 30, the program is open to all eligible customers who need assistance until only 10 percent of the funds are left – at that point, grants are only provided to customers who are shut off.

Grant Determination

The hardship fund grant amount is based on the customer's need, but it cannot exceed \$500. The amount of the grant is the amount needed to restore service or prevent danger of shutoff. If the customer needs more than \$500, the customer must provide the additional funds before the Dollar Energy grant is awarded. The Dollar Energy grant does not cover reconnect fees or security deposits. The minimum grant is \$100.

During the period when the grant is open to all eligible customers, the grant amount is based on the customer balance. It is usually \$100, unless the customer balance exceeds that amount.

E. Program Outreach and Referrals

The Dollar Energy lead representative attends various types of meetings in Allegheny's service territory to provide outreach for all available programs, including the hardship fund and LIPURP.

Referrals to the Dollar Energy hardship fund are made by Allegheny, the PUC, the CBOs, friends, and family. Dollar Energy also does commercials on television, and there is a radio warmathon in February.

Customers who apply for Dollar Energy hardship fund grants are referred for application to LIPURP and other available assistance programs.

F. CBO Manager and Caseworker Interviews

APPRISE selected a sample of 12 agencies that do intake for Dollar Energy Hardship grants to conduct interviews with and completed interviews with 11 of these 12 agencies. We selected some of the most active agencies, and some who take a smaller number of applications. We spoke to managers at 11 agencies and caseworkers at ten of these same agencies.

Seven of the ten managers reported that there was someone at the agency who could communicate with clients in Spanish, and one of the managers did not know.

Most of the managers and caseworkers felt that the Dollar Energy grant guidelines are well documented and easy to understand. Only one of caseworkers said that they were not easy to understand and that Dollar Energy makes changes to the guidelines during the program year and does not inform the staff until they reject an application.

When asked about the documentation that customers were required to bring to the agency when applying for a grant, all of the caseworkers mentioned that the customers needed proof of their utility bill payment. Only one of the caseworkers and one of the managers said that the agency did make an effort to target grants to clients above LIHEAP eligibility level who were eligible for the hardship fund grant.

Barriers to Dollar Energy grant application reported by the managers were meeting the income guidelines, obtaining or bringing in required documentation, and travelling to the agency to do the application. Six of the managers felt that there were no barriers to the application. Barriers that the caseworkers mentioned included the requirement for good faith payments, awareness of the availability of assistance, and the income guidelines. Six of the caseworkers did not cite any barriers.

When asked whether they provide information about conservation when the customer applies for the Dollar Energy Hardship fund, four caseworkers said that they did not. Three caseworkers said that they discuss methods to reduce the bill, two said that they discuss usage with the client if the bill is high, and two said that they provide literature about conservation.

We asked the caseworkers whether they ask customers to fill out a LIPURP application when they come in to apply for the Dollar Energy Hardship fund. A few said that they did not know enough about LIPURP and a couple expressed a concern that if the customer applied for LIPURP they would no longer be in danger of shutoff and could not receive the grant. Six of the caseworkers said that they did not, two said that they asked customers to fill out the application, and two said that they provided information about the program.

Three of the managers said that they ask clients to fill out the application and one said that they sometimes do so.

When asked about LIHEAP, all managers and caseworkers except one either stated that a LIHEAP application is required prior to Dollar Energy application or that they do ask the customer to apply for LIHEAP.

The most common types of referrals that were reported were food banks (5 caseworkers), food stamps (4 caseworkers), and rental or mortgage assistance (3 caseworkers). Other types of referrals noted were clothing assistance, other utility bill assistance, case management, Head Start, weatherization, LIPURP, child care assistance, domestic violence programs, GED, and medical transportation.

The caseworkers reported that client feedback was mostly positive. Customers were happy to receive grants and appreciated that Dollar Energy stopped them from being shut off. Complaints noted were that customers wanted larger grants, they didn't like to have to come to the agency office to apply, and they were upset that a recent payment had not yet gone through so they could not yet qualify for the grant.⁵

Most of the managers and caseworkers reported that the Dollar Energy program is working very well and has helped many people. One manager noted that she had some concerns about the program and one noted that it works for clients if they know about it.

Challenges noted by the managers included the following.

- Applicants forget to bring in required documentation or they don't know how to get the documentation they need.
- Many applicants exceed the income guideline by a small amount.
- Elderly customers can't get help because most of the time they don't have a shutoff notice.
- There is not enough funding for the program.
- The same customers receive grants every year and others don't know about the program.
- Customers who don't pay their bills receive grants first and there is not enough help for everyone.
- They are overwhelmed with the levels of applications.
- The money runs out quickly and then Dollar Energy cuts the program on a minute's notice.

Challenges noted by the caseworkers included the following.

- \$500 is not enough.
- There are clients who don't want to make the good faith payment.
- It is difficult to get the clients to bring in the required documents.
- The need for the program can be overwhelming.

⁵ Allegheny reported that they receive immediate notification when customers pay their bills at Allegheny's authorized agents. However, despite Allegheny's instructions to customers, some still pay at unauthorized agents.

- Clients do not understand their rights and responsibilities with their utilities.
- They do not understand what is accepted as a good faith payment.
- Customers have trouble making the good faith payments.
- Customers have difficulty providing documentation, especially social security cards or a bank statement.
- Allegheny Power makes referrals to Dollar Energy when Dollar Energy is out of funds.
- The program is already out of money when it opens up to customers who have paid their bills and are not in danger of shutoff.

Recommendations made by the managers included increasing program funding, providing more communication to customers about the program, having a minimum monthly payment requirement, giving lower priority to customers who have received grants in the past, and enrolling more elderly in the program.

Recommendations made by the caseworkers included improving the clarity of program guidelines, opening up the program to customers who do not have a termination notice or service shut off, changing the way that good faith payments are determined so that the seniors who pay their bills every month are more likely to receive benefits, and providing energy efficiency services to customers so they are less dependent on assistance.

V. Customer Assistance Referral and Evaluation Service Program Description

Allegheny's CARES Program is a special service for customers who are unable to pay their electric bills due to a temporary hardship. The program addresses special needs of customers.

The purpose of the CARES program is to provide a cost-effective service that helps selected payment-troubled customers maximize their ability to pay utility bills. The Allegheny Power CARES Representative works with customers on a personal basis to help them secure various forms of assistance funds.

In addition to directly providing assistance to needy customers, the CARES representative works to strengthen and maintain a network of community organizations and government agencies that can provide services to the program client.

A. Goals and Resources

The goal of Allegheny Power's Customer Assistance and Referral Evaluation Service is to provide support, direction, and help to qualified customers who have shown an effort toward paying their bills. Qualified customers are guided towards self-sufficiency in paying their bills and in managing their personal funds.

The annual funding for CARES and expected number of customers assisted is shown in the table below for 2008, 2009 and 2010.

**Table V-1
CARES Funding and Expected Service Level**

Year	Funding Level	Expected Number of Customers Served
2008	\$75,000	175
2009	\$75,000	175
2010	\$75,000	175

B. Management and Operations

Allegheny has one CARES Representative, a trained social worker, who has been working on the program since its inception in 1994. The CARES representative conducts outreach to hardship customers and networks with community agencies. He worked full time on CARES until about a year ago, and now divides his time between CARES and energy assistance grants.

CARES Referrals are made by Allegheny Power Customer Service Representatives, the PUC, customers, social service agencies, and legislators. Referrals are directed to the CARES Representative for review.

Referrals to CARES are based on the information provided by the customer regarding the individual situation. The Universal Service Representative can choose to refer customers to CARES based on the customer's need, however if the customer is income eligible, the customer will be enrolled into LIPURP, and referred to the CARES Representative to do a consult to assist the customer.

Reasons for CARES referral are:

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

The CARES Representative talks to the customer on the phone, reviews the customer's payment history, income and expenses, and types of income. The Representative reviews the information with the customer and discusses what assistance is needed. They discuss the customer's ability to get around, and whether the customer has a support system. The Representative makes sure that the customer understands the requirement to make a payment every month if the customer is placed on a payment agreement.

The CARES Representative enters information in the CARES database, including the customer narrative, phone numbers, income, and expenses. He enters information on the referrals made. The CARES Representative updates the database with an entry each time he speaks with the customer.

C. Eligibility and Benefits

There are no income guidelines to qualify for the CARES Program. The CARES eligible customer must be payment-troubled and experiencing a temporary hardship.

The CARES Representative provides individual programs to meet the needs of each participant. The program is designed to work with customers on a personal basis through a home visit, phone conversations, energy education, financial management training, and agency referrals.

The CARES Program benefits are as follows:

- Affordable monthly payment based on LIPURP guidelines
- Budget counseling
- Home visit and/or phone call by CARES Representative
- Information on “Reducing Your Electric Use”
- Referral to Allegheny Power programs (LIPURP/LIURP)
- Referrals to community assistance such as:
 - Funding
 - Housing
 - Food programs
 - Employment
 - Counseling
 - Rehabilitation
 - Transportation
- Assistance with program applications

If the customer is not eligible for LIPURP, the CARES Representative can provide a CARES payment agreement. The CARES Representative can also place a shutoff protection on the customer’s account for up to sixty days.

The CARES Representative reviews accounts for active CARES participants every month. When the customer is sent a new bill, the CARES Representative receives a reminder to review the customer’s account. The CARES Representative prints a computer copy of the bill, and sends the customer a note thanking them for the last payment, highlighting what they need to pay, and letting them know that they should call if they have any problems.

When CARES has helped to minimize or eliminate the hardship, the customer is released from the program.

D. Statistics

Allegheny has monthly reports that show the number of customers who participated in CARES. Table V-2 provides the annual statistics. The table shows that the number of referrals and home visits has declined over the past few years. This is consistent with the experience of other utilities’ CARES programs after the introduction and expansion of Customer Assistance Programs. The CAP programs (LIPURP for Allegheny) have met the needs of many customers who were previously served through CARES.

**Table V-2
CARES Participation**

Year	Referrals	Home Visits	Enrolled	Denied	Consulted	Removed – Successful	Removed – Default
2007	118	36	54	4	33	96	21

Year	Referrals	Home Visits	Enrolled	Denied	Consulted	Removed – Successful	Removed – Default
2008	96	31	38	5	37	98	18
2009	89	13	54	1	34	57	12

E. Challenges

The CARES Representative noted that there have been restrictions on the time that he can allocate to the program and to travel. This is expected with the ability of LIPURP to serve many customers who previously were served through CARES. However, Allegheny should work to ensure that resources are sufficient so that referrals are made when needed, relationships with agencies and social service providers are maintained, and relationships with new agencies or agencies that address a new set of customer needs are developed.

VI. Low-Income Usage Reduction Program Description

Allegheny Power has a Low-Income Usage Reduction Program (LIURP) that was created to reduce the bills of low-income customers by reducing their electric usage. Allegheny Power has provided usage reduction measures to heating, water heating, and base load low-income customers for many years. Participants are provided with energy education, budget counseling, and usage reduction measures in an effort to reduce their consumption and assist them in better managing personal funds.

A. Goals and Resources

The goals of Allegheny's LIURP program are to:

- Reduce participants' energy usage through the delivery of measures that meet the Public Utility Commission's required 7-year payback.
- Achieve bill reduction through usage reduction.
- Change participants' attitudes toward conservation.

Table VI-1 shows that Allegheny's annual budget for LIURP is \$2.02 Million for 2008 through 2010. However, in 2010, they had approximately \$3.1 Million available, due to under spending in previous years.

Table VI-1
LIURP Budget and Expenditures

	2008	2009	2010
Budget	\$2,020,760	\$2,020,760	\$2,020,760
Expenditures	\$1,537,800	\$1,157,947	\$3,100,963 (planned)

Table VI-2 displays original service delivery targets and actual services delivered for 2008 through 2010. The focus of the program has been shifted to all electric homes, as those customers have the greatest usage and the greatest opportunities for savings.

Table VI-2
LIURP Targets and Service Delivery

	2008		2009		2010	
	Original Target	Delivered	Original Target	Delivered	Target	Current Plan
Heating	300	371	300	510	300	1,214
Water Heating	1,000	443	1,000	118	1,000	278
Baseload	600	146	600	34	600	72

	2008		2009		2010	
	Original Target	Delivered	Original Target	Delivered	Target	Current Plan
Total	1,900	960	1,900	662	1,900	1,564

B. Management and Operations

Allegheny's LIURP manager oversees the Dollar Energy contract for LIURP administration. Allegheny is not involved in the day-to-day LIURP program issues, but handles reporting, program changes, and unique issues that sometimes arise.

Allegheny has contracted with Dollar Energy to manage LIURP. Dollar Energy conducts outreach, convenes annual contractor meetings, manages the service delivery providers, and serves as a liaison between the providers and Allegheny.

Allegheny contracts with 12 community action agencies and three private contractors for service delivery. They are currently planning on hiring two additional contractors to provide services in some of Allegheny's more remote counties.

Dollar Energy holds an annual meeting to discuss changes to the contracts and to LIURP procedures. No other formal training is provided. Dollar Energy has had roundtable discussion groups that they have invited the LIURP contractors to join. They have asked the contractors to discuss which measures are most and least effective and what they would like to change about the program. The last roundtable meeting was about three years ago. If Dollar Energy experiences problems with a contractor or subcontractor, Dollar Energy provides specific training on the weak areas.

The Dollar Energy manager and staff speak with the contractors very often. The contractors call the auditors when they have questions about procedural issues and they call the administrative staff when they have questions about LIURP paperwork. They also communicate by email.

Dollar Energy introduced a new on-line weatherization database for managing LIURP in early 2010. The CSRs enter the application information when they take a LIURP application over the phone. Contractors log onto the system to complete information on measures installed and job costs. The data system is used for invoicing, as well as for contractor reporting. However, when contractors log on to the system, they cannot see the customers' personal information such as income and arrearages.

Data that are entered by the contractors are usually checked by two staff members, usually an auditor and an administrative assistant. The inspectors may also enter information about their inspection findings.

The data system currently produces some management reports, but because the system is new, they are still working on additional reports. They are currently discussing the additional reports that are needed. The current data that are provided through the system are as follows:

- Number of jobs completed in different time periods
- Number of jobs completed by job type
- Number of jobs completed by contractor
- Work done on each home
- Measures
- Job cost
- Heating source

The additional planned data that they are working on includes:

- Assumed savings
- Pre/post usage
- 7-year payback data

C. Targeting and Referrals

For the past two years Allegheny has received a Governor's list of customers who are targeted for LIURP. These are high usage customers who have received LIHEAP, and they are given priority for LIURP. At least 75 percent of LIURP participants have come from these lists over the past two years. Additionally, LIURP enrollees are asked questions about their usage to determine if they are good candidates for LIURP.

Allegheny also receives inquiries from interested customers as a result of LIURP pamphlets that are distributed and presentations made by Dollar Energy staff at groups that work with low-income clients. Other sources of referrals include:

- Allegheny Power's Customer Service Center
- Allegheny's Universal Services Center
- Social service agencies
- PUC
- State or county officials

Dollar Energy prioritizes the high users. However, they also work to balance the work between the contractors. In some counties, the contractor may be serving higher usage customers than in other counties, depending on the customers who are waiting for service delivery in each county. They try to keep all of their contractors working on Allegheny's LIURP.

D. Eligibility

Allegheny customers must meet the following qualifications to participate in LIURP.

- Income at or below 150 percent of poverty.
- The customer uses a minimum of 8,000 kWh per year, no matter how they heat their home.
- Must have at least 12 months of usage history.
- Must plan to live at the residence 12 months after program services.
- Accept energy education.
- Allow access for bimonthly meter readings.
- Electric heating – single family, mobile homes and duplexes which are individually metered. Also do oil and gas propane heating homes.
- Have not participated in the past seven years.

Special needs customers who have an arrearage or high usage with income between 150 and 200 percent of poverty can comprise up to 20 percent of Allegheny's LIURP budget. Usually this is done when there is a medical reason, such as high electric expenses due to medical costs or a health and safety issue. Another exception is a strong recommendation from an agency or a state.

E. Enrollment

Dollar Energy's Customer Service Representatives (CSRs) call customers who qualify for LIURP to enroll them in the program. The CSRs ask the customers to provide information to complete the LIURP application and demographic survey over the telephone. They collect the following information:

- Address
- Number of household members
- Age range of household members
- Monthly income
- Income sources
- Birth date
- Last 4 digits of Social Security number
- Type of home
- Square footage
- Heating source

Agencies can also complete applications with customers and fax the applications to Dollar Energy. Some of the agency staff talk to their clients about other programs that are available, and then complete the LIURP application if the customer is interested. Dollar Energy pays the agencies \$15 for every LIURP application that they receive. If an application is received by fax, the CSR would then enter the information into the LIURP data system, usually within 24 hours.

Dollar Energy's administrative assistants or auditors check the applications and make sure the customer has not received LIURP in the past seven years. If the customer is a renter,

Dollar Energy will obtain landlord consent prior to sending the job to the contractor. They do not require a monetary contribution from the landlord. Dollar Energy's auditors refer jobs to the contractors and keep track of the number of jobs that each contractor has.

The contractor is sent the information from the customer's application and the customer's annual electric usage. If the customer is in LIPURP, Dollar Energy will send the amount of the customer's monthly payment, so the contractor can talk to the customer about the payment. After the contractor receives the customer's demographic survey, the contractor schedules the customer for an energy audit to evaluate the home and determine which measures should be installed. Dollar Energy estimates that contractors are able to serve about 68 percent of the customers who are sent for LIURP services. They lose some of the customers who applied due to problems getting in touch with the customers and scheduling the customers for service delivery.

F. Job Types

Allegheny has three job types:

- Electric space heating – provides services to single-family homes, mobile homes, and side-by-side duplexes that are individually metered.
- Electric water heating – provides services to customers with non-electric heating.
- Baseload – provides services to customers with non-electric heating and non-electric water heating.

Measures that have been determined to meet the PUC's 7-year payback criteria have been approved for service delivery, as shown in the table below.

Table VI-3
LIURP Approved Measures

Electric Heating Jobs	Electric Water Heating Jobs	Baseload Jobs
Water Heater Jacket	Water Heater Jacket	Compact Fluorescent Lamps
Pipe Insulation	Hot Water Pipe Insulation	Refrigerator Replacement
Energy Efficient Lighting	Water Heater Temperature Set Back	Energy Education
Ceiling, Floor, Duct, or Wall Insulation	Energy Efficient Lighting	
Infiltration Reduction	Water Tank Replacement	
Storm Windows	Refrigerator Replacement	
Prime Windows (mobile homes)	Energy Education	
Exterior Doors		
Skirting Repair		
Water Tank Replacement		
Refrigerator Replacement		
Energy Education		

There is no maximum amount that can be spent in a home, as long as the measures meet the PUC payback criteria. However, there is a soft spending cap of \$5,000. Repairs that will improve the effectiveness of space heating or water heating measures are also considered. If there is mold, asbestos, or lead in the home, they tell the contractors to only do the basic measures, not the broader weatherization measures. If the customer makes repairs to the contractor's satisfaction, the contractor can return to complete the LIURP measures. Repairs to prevent unsafe or unhealthy conditions are considered "incidental repairs". There is a cap of \$500 for incidental repairs that is not included in the \$5,000.

If there is a need to exceed these spending guidelines, the contractor can call Dollar Energy or Allegheny and discuss the situation, and they will usually give special approval for the additional costs. There is no target for the average job cost.

The only measure that Dollar Energy must approve is a side-by-side refrigerator. If the customer needs a side by side refrigerator because someone in the home is disabled, the contractor will call Dollar Energy and they will approve the side by side refrigerator rather than the standard refrigerator.

Table VI-4 displays the frequency and costs of installed measures by job type for 2009 LIURP jobs. The table shows that the most common measures are:

- CFLS – these are installed on 96 percent of electric heating jobs, 97 percent of electric water heating jobs, and 100 percent of baseload jobs. All customers receive six CFLs, and if there are fewer bulbs in the home that need replacement, customers are provided with the remainder to install themselves at a later time.
- Blower door tests – these are done on 81 percent of electric heating jobs, 16 percent of electric water heating jobs, and 12 percent of baseload jobs.
- Air sealing – this is done on 61 percent of electric heating jobs, 11 percent of electric water heating jobs, and 18 percent of baseload jobs.
- General repairs – these are done on 59 percent of electric heating jobs, 23 percent of electric water heating jobs, and 21 percent of baseload jobs.
- Other common measures are window and door repair or replacement, refrigerator metering, wall insulation, floor insulation, refrigerator or freezer replacement, and health and safety measures.

The most costly measures are insulation, refrigerators, window and door replacement, and water heater replacement. Health and safety measure costs averaged \$133 for electric heating jobs, \$175 for electric water heating jobs, and \$257 for baseload jobs. Costs for incidental repairs averaged \$285 for electric heating jobs, \$321 for electric water heating jobs, and \$306 for baseload jobs.

**Table VI-4
LIURP Approved Measures**

	Electric Heating Jobs					Electric Water Heating Jobs					Baseload Jobs				
	# Received Measure	% Received Measure	Average # of Measures per Customer	Average Cost per Measure	Average Cost per Customer	# Received Measure	% Received Measure	Average # of Measures per Customer	Average Cost per Measure	Average Cost per Customer	# Received Measure	% Received Measure	Average # of Measures per Customer	Average Cost per Measure	Average Cost per Customer
AC Cover	4	1%	1.0	\$38	\$38	0	0%	0.0	\$0	\$0	0	0%	0.0	\$0	\$0
Aerator/ Shower head	79	16%	1.0	\$33	\$34	21	19%	1.0	\$30	\$30	2	6%	1.0	\$30	\$30
Air Sealing	306	61%	2.0	\$130	\$262	12	11%	2.2	\$112	\$242	6	18%	2.3	\$121	\$283
Attic Insulation	107	21%	1.9	\$551	\$1,036	8	7%	2.0	\$592	\$1,185	3	9%	2.3	\$393	\$916
Blower Door Test	408	81%	1.1	\$102	\$112	17	16%	1.0	\$102	\$102	4	12%	1.0	\$120	\$120
CFLs	482	96%	1.0	\$60	\$62	105	97%	1.0	\$59	\$59	34	100%	1.0	\$59	\$61
Door Sweep	127	25%	1.1	\$29	\$31	8	7%	1.0	\$38	\$38	5	15%	1.2	\$28	\$33
Dryer Venting	98	19%	1.0	\$55	\$56	6	6%	1.0	\$55	\$55	3	9%	1.0	\$55	\$55
Exhaust Fan	27	5%	1.0	\$147	\$153	1	1%	1.0	\$150	\$150	0	0%	0.0	\$0	\$0
Floor Insulation	165	33%	1.1	\$1,049	\$1,163	3	3%	1.0	\$534	\$534	3	9%	1.3	\$817	\$1,090
Furnace Filter Replace	37	7%	1.0	\$12	\$12	0	0%	0.0	\$0	\$0	0	0%	0.0	\$0	\$0
Furnace Tune-Up	0	0%	0.0	\$0	\$0	15	14%	1.0	\$125	\$125	5	15%	1.2	\$125	\$150
Health and Safety	110	22%	1.1	\$124	\$133	4	4%	1.0	\$175	\$175	3	9%	1.3	\$193	\$257
Insulation	53	11%	1.1	\$1,130	\$1,236	2	2%	1.0	\$428	\$428	0	0%	0.0	\$0	\$0
Knee Wall Insulation	24	5%	1.0	\$111	\$116	1	1%	1.0	\$120	\$120	0	0%	0.0	\$0	\$0
Refrigerator Metering	207	41%	1.0	\$10	\$11	47	44%	1.0	\$10	\$10	16	47%	1.1	\$10	\$11

	Electric Heating Jobs					Electric Water Heating Jobs					Baseload Jobs				
	# Received Measure	% Received Measure	Average # of Measures per Customer	Average Cost per Measure	Average Cost per Customer	# Received Measure	% Received Measure	Average # of Measures per Customer	Average Cost per Measure	Average Cost per Customer	# Received Measure	% Received Measure	Average # of Measures per Customer	Average Cost per Measure	Average Cost per Customer
Refrigerator/ Freezer Replace	114	23%	1.1	\$621	\$659	24	22%	1.0	\$619	\$646	9	26%	1.1	\$707	\$785
Repairs	295	59%	1.9	\$146	\$285	25	23%	2.0	\$161	\$321	7	21%	2.6	\$119	\$306
Thermostat	86	17%	1.1	\$283	\$307	1	1%	1.0	\$375	\$375	0	0%	0.0	\$0	\$0
Vapor Barrier	92	18%	1.0	\$268	\$271	3	3%	1.0	\$250	\$250	0	0%	0.0	\$0	\$0
Wall Insulation	177	35%	1.1	\$332	\$362	3	3%	1.3	\$386	\$514	4	12%	2.0	\$241	\$483
Water Heater Insulation	31	6%	1.0	\$85	\$88	4	4%	1.0	\$16	\$16	1	3%	1.0	\$16	\$16
Water Heater Jacket	60	12%	1.1	\$58	\$66	3	3%	1.0	\$233	\$233	2	6%	1.0	\$50	\$50
Water Heater Replace	94	19%	1.0	\$599	\$618	12	11%	1.0	\$629	\$629	0	0%	0.0	\$0	\$0
Water Heating Setback	26	5%	1.0	\$12	\$11	13	12%	1.0	\$10	\$10	2	6%	1.0	\$10	\$10
Windows/ Door Repair/ Replace	209	42%	1.5	\$544	\$841	11	10%	1.3	\$460	\$585	5	15%	0.0	\$500	\$600

G. Contractors

The 15 contractors are responsible for conducting the audits and installing the measures. When Allegheny originally introduced LIURP, they were encouraged to use Community Action Agencies to provide program services. The agencies have done a very good job with the program, so they have continued to work with the agencies. With the exception of four agencies/contractors, they have been working with the same group for at least 11 years.

If there are subcontractors, the contractor is fully responsible for their work. If the contractor brings on a new subcontractor, the contractor must inspect the work before they send the job to Dollar Energy. The subcontractors are also required to attend the annual LIURP meetings.

Jobs are allocated to contractors by geographic territory. While the agencies do not cross county lines, the three private contractors do. Therefore, if an agency has more work than they can handle, Dollar Energy will reassign the work. The agency is supposed to return the jobs to Dollar Energy if they cannot do the work within 60 days.

Dollar Energy has been very pleased with the quality of the work provided by the contractors. Recently, they have been disappointed in the amount of work that the agencies complete, because the agencies are very busy with the stimulus funds.

H. Service Delivery

The contractors are supposed to contact the customer within 30 days after receiving the demographic survey. If the contractor cannot contact the customer, the contractor is to notify Dollar Energy. Contractors are not required to verify the customer's eligibility for service delivery.

Following service delivery, contractors are required to submit the detailed payment invoice and any issues that were encountered when working in the home. Contractors are to give customers warranties, business contact information, and do a complete walk through of the measures completed.

I. Energy Education

All LIURP participants receive energy education. The goals of the energy education are to get the customer to buy into the program and to change energy usage habits. The energy education usually occurs during the audit visit. However, if the contractor returns to install a programmable thermostat, the education would continue at that point. If the home is inspected, the Dollar Energy auditor will conduct education at that time as well.

Allegheny requires that the education is interactive and lasts at least half an hour. During the visit, the contractor will develop a personal conservation plan that is tailored for the customer and the home. The plan reviews the customer's usage, the LIURP payment, the

supplemental grant, and the arrearage forgiveness. The customer signs a form that has a goal for monthly usage reduction.

Allegheny provides energy education materials for distribution to the customers. The materials include the following:

- “100 Ways to Help Control Your Electric Bill” – a pamphlet with tips on reducing heating, water heating, cooling, refrigeration, cooking, lighting, laundering, and other uses.
- “Take Control of Your Electric Bill” – a pamphlet with information on calculating the costs of electric usage, the costs of operating various appliances, factors that affect the electric bill, and tips for reducing usage.
- Energy Wheel (developed by Niagara Conservation) that provides information on electric usage and tips for reducing usage.
- Water Conservation Wheel (developed by Niagara Conservation) that provides information on hot water usage and tips for reducing hot water usage.

Follow-up education is not conducted unless the customer’s usage spikes after LIURP services are delivered. If that happens, Dollar Energy will contact the customer and discuss the customer’s usage. Sometimes a phone call reveals that the household composition changed. If an additional home visit is required to discuss the usage changes, a Dollar Energy staff person, rather than a contractor, will usually conduct the visit.

J. Program Coordination

Allegheny’s LIURP is informally coordinated with the Weatherization Assistance Program (WAP) and some gas utility weatherization programs. As most of Allegheny’s contractors are agencies and also provide services through WAP, and many through the gas programs, Allegheny requests that the agencies coordinate jobs whenever possible. Allegheny is able to prioritize jobs on the agencies’ WAP list for LIURP services and the agencies can prioritize the WAP jobs that are going out for LIURP service delivery to improve coordination. The process is informal and the coordinated jobs are not tracked.

Allegheny has recently formalized coordination between LIURP and the gas company weatherization program for Allegheny’s new Act 129 program, but these jobs are counted toward the Act 129 goal and are not counted as LIURP jobs. Dollar Energy is tracking the coordinated jobs with the new database. The 2010 goal for coordination with the gas company program is 1,000 jobs.

While Dollar Energy reports that the contractors see the value of coordination, Dollar Energy noted that there have been some barriers to the coordination. These barriers include customer privacy issues, scheduling problems, and the impact of the stimulus funds on the agencies’ workload, which has made them too busy at times to focus on the coordination.

K. Quality Control

Dollar Energy's auditors check the contractors' paperwork for accuracy and inspect at least 10 percent of the completed jobs. They inspect 25 percent of new contractors' work, or more if needed. During the inspections they review the application and invoice, and check the work that was done.

If there is an issue with the contractor, they will inspect quite often, and will do unannounced inspections. However, Dollar Energy does not experience problems with the contractors very often because the contractors have been working for Allegheny for 11 years. Sometimes a contractor will hire a new staff person and will then need additional inspections.

If there is a complaint, Dollar Energy will call the contractor to return to the home. If Dollar Energy does an inspection and does not feel that the job was done correctly, Dollar Energy will call the contractor to return to the home. Dollar Energy estimates that this only happens in about two percent of completed jobs. The contractors have 30 days to do the corrections, but they usually do the corrections right away.

L. Customer Feedback

Customers have been very pleased with the LIURP contractors. Dollar Energy sometimes receives calls from customers praising the contractors. If Dollar Energy receives feedback that a customer is not happy with the contractor's work, Dollar Energy calls the contractor right away to talk about the problem.

While Dollar Energy has not conducted a formal customer satisfaction survey, the auditors discuss the work that was completed and ask the customers about satisfaction. Dollar Energy also makes some calls to customers. Dollar Energy is currently working on a more formal customer satisfaction survey.

M. Challenges

Dollar Energy and Allegheny do not face many challenges in LIURP because it is a long-standing and well-established program. However, it is a challenge that Allegheny's service territory is spread out through 23 counties. They report that LIURP probably does the most jobs in the counties that are closest to where they are located. While these are the most populated counties, they believe that they may be able to do a better job of reaching customers in the counties that are further away. Allegheny is planning on hiring two additional contractors in those counties to meet this need.

Another challenge that Allegheny has faced in the past year is that the agencies have been extremely busy providing services under the Weatherization Assistance Program (WAP), which was expanded with the ARRA stimulus funding, and therefore have not been as

available to provide LIURP services. This is another reason that Allegheny has a need for the additional contractors.

VII. Customer Survey

APPRISE conducted a survey with Allegheny LIPURP current participants, past participants, and low-income non-participants to develop information on customer knowledge, understanding and satisfaction with LIPURP. This section describes the survey methodology and the findings from the survey research.

A. Methodology

Below we describe the methodology for the customer survey, including procedures for sample selection and survey implementation, and response rates.

1. Survey Implementation

APPRISE retained OpinionAmerica Group to conduct the telephone survey through its call center. A researcher from APPRISE trained OpinionAmerica's employees on the survey instrument and monitored survey implementation. OpinionAmerica's manager in charge of the survey instructed interviewers how to use the computerized version of the survey to record customer responses.

Interviewer training provided interviewers with an overview of the project, purpose behind questions asked, and strategies to provide accurate clarification and elicit acceptable responses through neutral probing techniques.

Interviewer monitoring allowed APPRISE researchers to both listen to the way interviewers conducted surveys and see the answers they chose on the computerized data entry form. OpinionAmerica's manager facilitated open communication between the monitors and interviewers, which allowed the monitors to instruct interviewers on how to implement the survey and accurately record customer responses.

Telephone interviews were conducted in May and June 2010. During this time period, 227 interviews were completed.

2. Sample Selection and Response Rates

The survey sample was designed to furnish data on LIPURP current participants, past participants, and non-participants. Customers were placed into these categories based on the following criteria:

- **Current Participants:** We received a file of all customers who participated in LIPURP in 2007, 2008, 2009, and 2010. The data extended through March 2010. We included customers for selection if they participated in LIPURP in January 2010, February 2010, and March 2010.

- **Past Participants:** The goal was to speak to customers who had recently ended their LIPURP participation. Therefore, we selected customers who participated in LIPURP in January 2010 but did not participate in March 2010.
- **Non-Participants:** We selected the sample from a file of customers who had received LIHEAP but had not participated in LIPURP.

At the beginning of the survey, all customers were asked if they were currently participating in LIPURP. Customers who said that they were not currently participating were asked if they had ever participated. The sample was recoded as follows.

- **Current Participants:** If they said they were not currently participating but had previously participated, they were recoded as previous participants. If they said they were not currently participating and had never participated in LIPURP, they were recoded as non-participants.
- **Past Participants:** If they said they were currently participating, they were recoded as a current participant. If they said they were not currently participating and had never participated, they were recoded as a non-participant.
- **Non-Participants:** If they said they were currently participating, they were recoded as a current participant. If they said they were not currently participating but had previously participated, they were recoded as a previous participant.

Table VII-1 details the number of customers selected to complete the survey, the number of completed interviews, cooperation rates, and response rates for each of the three groups. The table presents the following information for the sample:

- **Number selected:** There were 225 current participants, 150 past participants, and 150 non-participants initially chosen for the survey sample. Due to recoding based on respondent answers to questions about LIPURP participation, and wrong or bad phone numbers, an additional 100 cases were selected each for the past-participant and non-participant samples. Based on recoded respondents, there were 273 current participants, 222 past participants, and 230 non-participants selected for the survey sample.
- **Unusable:** There were 68 current participant cases, 102 past-participant cases, and 116 non-participant cases deemed unusable because no one was present in the home during the survey who was able to answer questions related to the household electric bills and LIPURP, or because phone numbers were unavailable, disconnected, or incorrect. These households are not included in the denominator of the response rate or the cooperation rate. They are included in the denominator of the completed interview rate.

- **Non-Interviews:** There were 6 current participant cases, 10 past participant cases, and 10 non-participant cases classified as non-interviews because the qualified respondent refused to complete the interview, or because the respondent asked the interviewer to call back to complete the interview at a later time, but did not complete the interview during the field period. Participants who were screened out of the survey due to not remembering the program are also counted as non-interviews. These households are included in the denominator of the cooperation rate, the response rate, and the completed interview rate.
- **Unknown eligibility:** There were 66 current participant cases, 67 past participant cases, and 53 non-participant cases that were determined to have unknown eligibility to complete the interview, due to answering machines, no answers, and language barriers. These households are not included in the denominator of the cooperation rate. They are included in the denominator of the response rate and the completed interview rate.
- **Completed interviews:** The completed interviews are households that were reached and that answered the full set of survey questions. There were 133 interviews with current participants, 43 interviews with past-participants, and 51 interviews with non-participants, based on recoding due to survey answers.
- **Cooperation rate:** The cooperation rate is the percent of eligible households contacted who completed the survey. This is calculated as the number of completed interviews divided by the interviews plus the number of non-interviews (refusals plus non-completed call backs⁶). Overall, this survey achieved a 96 percent cooperation rate for current participants, an 81 percent cooperation rate for past participants, and an 84 percent cooperation rate for non-participants.
- **Response rate:** The response rate is the number of completed interviews divided by the number of completed interviews plus the number of non-interviews (refusals plus non-completed call backs) plus all cases of unknown eligibility (due to answering machines and language barriers). This survey attained a 65 percent response rate for current participants, a 36 percent response rate for past-participants, and a 45 percent response rate for non-participants.

Table VII-1
Sample and Response Rates

	Current Participants	Past Participants	Non-Participants
Selected (Original)	225	250	250
Selected (Re-coded)	273	222	230

⁶ Non-completed callbacks include respondents who asked the interviewer to call back at a later time to complete the interview, but did not complete the interview by the end of the field period.

	Current Participants		Past Participants		Non-Participants	
Completed (Re-coded)	133		43		51	
(Re-coded Rates)	#	%	#	%	#	%
Unusable	68	25%	102	46%	116	50%
Non-Interviews	6	2%	10	5%	10	4%
Unknown eligibility	66	24%	67	30%	53	23%
Completed interviews	133	49%	43	19%	51	22%
Cooperation rate	96%		81%		84%	
Response rate	65%		36%		45%	

B. Demographics

Table VII-2 displays the change in participation status from the initial sample selection to the completed interview.

- Current Participants – 96 percent of the customers who were LIPURP participants at the time of the file download were still LIPURP participants at the time of the survey and 2 percent were past-participants.
- Past-Participants – 48 percent of customers who were past participants at the time of file download said that they were currently participating in LIPURP. These customers were recoded as Current Participants. 45 percent of customers who had previously participated in LIPURP at the time of the file download reported that they had participated in the program at some point in time, but were not currently participating.
- Non-Participants – 63 percent of the customers who had not participated in LIPURP at the time of the file download reported that they had never participated in the program, 24 percent reported that they were currently participating, and 13 percent reported that they had previously participated in LIPURP.

Table VII-2
Change in Participation Status

	Original Status		
Recoded Status	Current Participant	Past Participant	Non-Participant
Current Participant	96%	48%	24%
Past Participant	2%	45%	13%
Non-Participant	1%	7%	63%

Table VII-3 displays responses to the question about whether the customer was participating in LIPURP. The table shows that 96 percent of current participants reported that they were participating in LIPURP at the time of the survey. Of the three who said that they were not currently participating, two said that they had previously participated.

Table VII-3
Customer Report of Current Participation in LIPURP

	Are you currently participating in LIPURP?		Have you ever participated in LIPURP?	
Current Participant	89		3	
Yes	85	96%	2	67%
No	3	3%	1	33%
Don't know	1	1%	0	0%

Customers were asked whether they own or rent their home. Table VII-4 shows that 43 percent of current participants, 40 percent of past participants, and 39 percent of non-participants reported that they own their homes.

Table VII-4
Own or Rent Home

	Do you own or rent your home?		
	Current Participant	Past Participant	Non-Participant
Own	43%	40%	39%
Rent	53%	47%	61%
Other	4%	14%	0%

Customers were asked to report their main heating fuel. Table VII-5 shows that 47 percent of current participants reported that their main fuel was natural gas, 29 percent reported that their main heating fuel was electricity, and 16 percent reported that their main heating fuel was fuel oil. Percentages for the past participants are very similar, but the non-participants are much more likely to have electricity as their main heating fuel. The same difference is seen in the customer data analysis that is presented in Section VIII.

Table VII-5
Main Heating Fuel

	What is your main heating fuel?		
	Current Participant	Past Participant	Non-Participant
Natural Gas	47%	47%	20%
Electricity	29%	26%	71%
Fuel Oil	16%	16%	4%

	What is your main heating fuel?		
	Current Participant	Past Participant	Non-Participant
Other	7%	12%	4%
Don't know	1%	0%	2%

Table VII-6 displays information about vulnerable household members. Customers were not asked about elderly household members and children because that information was in the customer data obtained from Allegheny. However, a significant percentage of households were missing data on whether there are elderly household members or children in the household. Table VII-6 shows that 15 percent of current participants have elderly household members and 59 percent have children in the home. Respondents were asked whether there was a disabled household member. The table shows that 50 percent of current participants, 44 percent of past participants, and 53 percent of non-participants reported that there was a disabled household member.

**Table VII-6
Vulnerable Household Members**

	Is anyone in your home disabled? (Elderly and child status are from Allegheny database)		
	Current Participant	Past Participant	Non-Participant
Elderly	15% (15% missing)	12% (26% missing)	4% (86% missing)
Child	59% (15% missing)	53% (26% missing)	12% (86% missing)
Disabled	50%	44%	53%

Table VII-7 displays the customers' marital status. The table shows that 31 percent of current participants, 40 percent of past participants, and 24 percent of non-participants reported that they are married.

**Table VII-7
Marital Status**

	What is your marital status?		
	Current Participant	Past Participant	Non-Participant
Married	31%	40%	24%
Not Married	69%	60%	76%

Table VII-8 displays the highest level of education in the household. The table shows that 80 percent of current participants, 88 percent of past participants, and 86 percent of non-participants have a high school diploma or more education.

**Table VII-8
Education Level**

	What is the highest level of education reached by you or any member of your household?		
	Current Participant	Past Participant	Non-Participant
Less than High School	20%	12%	14%
High School Diploma / GED	44%	23%	51%
Some College / Associate's Degree	23%	37%	25%
Bachelor's Degree	4%	19%	4%
Master's Degree or higher	2%	5%	2%
Vocational training	5%	5%	4%
Don't know	1%	0%	0%

Respondents were asked to report whether any member of their household received employment income, retirement income, public assistance, and noncash benefits. The past participants were more likely than the other groups to report that they received wages or self employment income. Only 21 percent of current participants and 22 percent of past participants reported that they received employment income, compared to 47 percent of past participants. Non-Participants were more likely to report receipt of retirement income. The table shows that 29 percent of non-participants reported that they received retirement income, compared to 17 percent of current participants and 19 percent of past participants. Fifty-one percent of current participants reported that they received public assistance and 74 percent reported that they received noncash benefits.

**Table VII-9
Type of Income and Benefits Received**

	In the past 12 months, did you or any member of your household receive employment income from wages and salaries or self-employment from a business or farm? Retirement income from Social Security or pensions and other retirement funds? Benefits from Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), or general assistance or public assistance? Receive Food Stamps or live in public/subsidized housing?		
	Current Participant	Past Participant	Non-Participant
Wages or Self-employment income	21%	47%	22%
Retirement income	17%	19%	29%
Public assistance	51%	44%	39%
Non-cash benefits	74%	70%	71%

Respondents were asked whether any member of the household was unemployed and looking for work over the past 12 months. Table VII-10 shows that 41 percent of current participants, 33 percent of past participants, and 20 percent of non-participants reported that a member of the household was unemployed at some point during the past year.

**Table VII-10
Unemployment**

	In the past 12 months, were you or any member of your household unemployed and looking for work?		
	Current Participant	Past Participant	Non-Participant
Yes	41%	33%	20%
No	59%	67%	78%
Refused	1%	0%	2%

Respondents were asked to report their annual household income. The data displayed in the table below were taken from the customer database first, and from the survey if there was no income available in the customer database. The table below shows that 90 percent of current participants, 67 percent of past participants, and 70 percent of non-participants have income at or below \$20,000.

**Table VII-11
Annual Household Income**

	Income data from Allegheny Database (If income data is missing from database, then it is taken from the survey data)		
	Current Participant	Past Participant	Non-Participant
≤ \$ 10,000	50%	37%	27%
\$10,001 - \$20,000	40%	30%	43%
\$20,001 - \$30,000	10%	16%	4%
\$30,001 - \$40,000	0%	9%	6%
> \$40,000	1%	7%	6%
Missing	0%	0%	14%

Table VII-12 displays the customer's poverty level. The table shows that 27 percent of current participants have income at or below 50 percent of the poverty level, 35 percent have income between 51 and 100 percent, and 23 percent have income between 101 and 150 percent. Data are missing for 15 percent of these customers because the Allegheny customer database did not have information on the number of household members.

Table VII-12
Poverty Level

	Current Participant	Past Participant	Non-Participant
≤ 50%	27%	12%	0%
51% - 100%	35%	37%	4%
101% - 150%	23%	23%	10%
>150%	0%	2%	0%
Missing	15%	26%	86%

C. Participation, Enrollment, and Recertification

Respondents were asked how they learned about LIPURP. The most common method was through an agency, followed by an Allegheny representative, and then a friend or relative.

Table VII-13
How the Customer Learned About LIPURP

	How did you find out about the LIPURP Program?	
	Current Participant	Past Participant
Agency	35%	40%
Allegheny Representative	24%	23%
Friend or Relative	22%	12%
Print information material	5%	5%
Other	3%	0%
Don't know	12%	23%

*Note: The sum of the percentages exceeds 100% as some of the respondents have given more than one response.

Respondents were asked why they decided to enroll in LIPURP. Table VII-14 shows that the most common reason reported was that it reduced their bills, followed by the statements that they were facing a hardship, they were low-income, or they wanted to reduce their arrearages. Other less common reasons were the even monthly payments and to prevent their service from being terminated.

Table VII-14
Reason for Participation

	Why did you decide to enroll in the LIPURP Program?	
	Current Participant	Past Participant
Reduce bills	53%	47%
Hardship	20%	23%

	Why did you decide to enroll in the LIPURP Program?	
	Current Participant	Past Participant
Low-income	17%	16%
Reduce arrearages	14%	12%
Even monthly payments	2%	0%
Prevent shut-off	2%	0%
Good program	2%	0%
Don't know	0%	2%

* Note: The sum of the percentages exceeds 100% as some of the respondents have given more than one response.

Customers were asked how difficult it was to enroll in LIPURP. Table VII-15 shows that only two percent of current participants said it was very difficult and four percent said it was somewhat difficult. None of the past participants said enrollment was very difficult and only five percent said it was somewhat difficult. Most respondents said it was not at all difficult to enroll in LIPURP.

Those customers who said that it was very or somewhat difficult to enroll were asked to report what was difficult about the enrollment process. Customers were most likely to say that it was contacting the agency, completing the application, or providing proof of income.

**Table VII-15
Difficulty of LIPURP Enrollment**

	How difficult was it to enroll in the LIPURP Program?	
	Current Participant	Past Participant
Very difficult	2%	0%
Somewhat difficult	4%	5%
Not too difficult	20%	30%
Not at all difficult	73%	65%
Don't know	2%	0%

Current and past participants were asked whether they have ever recertified for LIPURP. Table VII-16 shows that 77 percent of current and 67 percent of past participants reported that they have recertified.

**Table VII-16
LIPURP Recertification**

	Have you ever recertified for LIPURP?	
	Current Participant	Past Participant
Yes	77%	67%
No	22%	28%

	Have you ever recertified for LIPURP?	
	Current Participant	Past Participant
Don't know	2%	5%

Customers who said that they recertified were asked how difficult it was for them to recertify. Table VII-17 shows that 91 percent of current participants and 97 percent of past participants said that it was not at all difficult or not too difficult.

Table VII-17
Difficulty of LIPURP Recertification

	How difficult was it to recertify for LIPURP?	
	Current Participant	Past Participant
Observations	102	29
Very difficult	3%	0%
Somewhat difficult	6%	3%
Not too difficult	14%	14%
Not at all difficult	77%	83%

Customers who reported that recertification was difficult were asked to report the difficult parts. They mentioned completing the application, providing proof of income, and contacting the agency.

D. Understanding of LIPURP

Current and past participants were asked several questions to assess their understanding of the program. Table VII-18 shows that 93 percent of current and past participants felt that they had a good understanding of the program.

Table VII-18
LIPURP Understanding

	Do you feel you have a good understanding of the services provided by Allegheny's LIPURP program?	
	Current Participant	Past Participant
Yes	93%	93%
No	5%	7%
Don't know	2%	0%

Customers were asked what they felt their responsibility in LIPURP was. Table VII-19 shows that the most common response was that their responsibility was to keep up with their payments. Ninety percent of current participants and 95 percent of past participants said that this was their understanding of the program. Many customers also stated that their

responsibility was to conserve energy. Less common responses were to report their income, accept weatherization services, and apply for LIHEAP.

**Table VII-19
Customer Responsibility in LIPURP**

	What is your understanding of your responsibility in this program?	
	Current Participant	Past Participant
Keep up with payments	90%	95%
Conserve energy	9%	8%
Report income/information truthfully	3%	8%
Accept weatherization services	2%	0%
Apply for LIHEAP	2%	0%
Pay additional \$5 monthly	1%	0%
Re-Apply	0%	3%

*Note: The sum of the percentages exceeds 100% as some of the respondents have given more than one response.

Customers were asked to report what they feel are the benefits of LIPURP. The most common response was a lower energy bill. Sixty-two percent of current participants and 51 percent of past participants stated that a lower energy bill was a benefit of LIPURP. Other common responses were even monthly payments, maintaining electric service, and reducing their arrearages.

**Table VII-20
Benefits of LIPURP (Unprompted)**

	What do you feel are the benefits of the program?	
	Current Participant	Past Participant
Lower energy bill	62%	51%
Even monthly payments	20%	29%
Maintaining electric service	13%	15%
Reduced arrearages	12%	17%
Reduced stress/More comfort	4%	2%
Teaches us to save energy	3%	0%
Nothing	3%	2%

* Note: The sum of the percentages exceeds 100% as some of the respondents have given more than one response.

Customers were then asked whether they felt lower energy bills, a reduction in past due balances, and maintaining electric service were benefits of LIPURP participation. Table VII-21 shows that 98 percent of current and past participants agreed that a lower energy bill

was a benefit of the program, 86 percent of current participants and 77 percent of past participants agreed that reduced arrearages were a benefit, and 91 percent of current and past participants agreed that maintaining electric service was a benefit of the program.

Table VII-21
Benefits of LIPURP (Prompted)

	Do you feel lower energy bills are a benefit of the program? Do you feel a reduction in your past due balance or in the amount of past bills that were not paid is a benefit of the program? Do you feel not having your electric service turned off is a benefit of the program?	
	Current Participant	Past Participant
Lower energy bill	98%	98%
Reduced arrearages	86%	77%
Maintaining electric service	91%	91%

Customers were asked to report what they felt was the most important benefit of LIPURP. Table VII-22 shows that they were most likely to report that the most important benefit was a lower energy bill and maintaining energy service. The next most common response was even monthly payments. Other customers stated that the most important benefit was a better view of the utility, that it teaches the customer to save energy, and increased comfort.

Table VII-22
Most Important Benefit of LIPURP?

	What do you feel is the most important benefit of the program?	
	Current Participant	Past Participant
Lower energy bill	33%	21%
Maintaining electric service	32%	42%
Even monthly payments	15%	19%
Reduced arrearages	5%	5%
Better view of utility	3%	5%
Teaches us to save energy	2%	0%
Increased comfort	0%	2%
Nothing	6%	5%
Don't know	5%	2%

* Note: The sum of the percentages exceeds 100% as some of the respondents have given more than one response.

Customers were asked to estimate their monthly savings on LIPURP. Table VII-23 shows that seven percent of current participants and nine percent of past participants said that it saved them less than \$25 per month. Twenty-eight percent of current participants and 16 percent of past participants said it saved them \$26 to \$50 per month, and 23 percent of

current participants and 19 percent of past participants said that it saved them between \$51 and \$100 per month. Thirteen percent of current participants and 14 percent of past participants said that it saved them more than \$100 per month. Many customers reported that they did not know how much it saved them.

Table VII-23
Monthly Savings with LIPURP

	How much money does the LIPURP program save you on a typical monthly electric bill?	
	Current Participant	Past Participant
\$0	1%	2%
\$1 - \$25	6%	7%
\$26 - \$50	28%	16%
\$51 - \$100	23%	19%
\$101 or more	13%	14%
Don't know	29%	42%

Customers were asked if they knew how much Allegheny forgives of their past arrearages every month. Table VII-24A shows that 92 percent said that they did not know. Only four percent reported that they had two percent of the arrearages forgiven. Customers who reported a dollar amount or percentage were asked whether the arrearage forgiveness makes them more likely to pay their bills and all of these customers said that it did.

Table VII-24
Monthly Arrearage Forgiveness with LIPURP

	If you owe Allegheny for past-due balances, \$5 of your payment each month goes to your past bills. Do you know how much Allegheny will forgive in addition to this \$5 that you pay?
	Current Participants
Dollar amount given	2%
Percent amount given	6%
Don't know	92%

E. Financial Obligations and Bill Payment Difficulties

Current and past participants were asked to report how difficult it is for them to make their monthly Allegheny bill payments prior to LIPURP participation and during LIPURP participation, and non-participants were asked how difficult it currently is to make their Allegheny bill payments. Table VII-25 shows that both current and past LIPURP participants are much less likely to say that their Allegheny bills were very difficult to pay while participating in LIPURP than they were prior to participation. While 57 percent of

current LIPURP participants said that their bills were very difficult to pay prior to LIPURP participation, only ten percent said that they are very difficult to pay while participating in LIPURP. While 53 percent of past LIPURP participants said that their bills were very difficult to pay before LIPURP participation, only nine percent said that they were very difficult to pay while participating. Twenty-seven percent of non-participants said that their bills are currently very difficult to pay. Approximately one third of participants said that the bills were somewhat difficult to pay while participating in LIPURP and about one third of non-participants said that their Allegheny bills are currently somewhat difficult to pay.

**Table VII-25
Bill Payment Difficulty**

	How difficult was it to make your monthly Allegheny payments before participating in Allegheny's LIPURP Program? Would you say it was very difficult, somewhat difficult, not too difficult, or not at all difficult? While participating in the program, how difficult is it to make your monthly electric bill payments? Would you say it is very difficult, somewhat difficult, not too difficult, or not at all difficult?				How difficult is it currently to make your monthly electric bill payments? Would you say it is very difficult, somewhat difficult, not too difficult, or not at all difficult?
	Current Participant		Past Participant		Non-Participant
	Before LIPURP	In LIPURP	Before LIPURP	In LIPURP	
Very difficult	57%	10%	53%	9%	27%
Somewhat difficult	30%	31%	30%	28%	33%
Not too difficult	5%	33%	7%	37%	16%
Not at all difficult	8%	26%	5%	26%	20%
Don't know	0%	1%	5%	0%	4%

Customers were asked whether they had difficulty paying other bills prior to and before LIPURP participation for current and past LIPURP participants and currently for non-participants. Table VII-26A shows that current and past participants were less likely to say that they had to delay or skip paying for food medicine, medical or dental care, mortgage or rent, telephone or cable, credit card or loan, and car payments when they were participating in LIPURP. For example, while 61 percent of current LIPURP participants said that they had to skip paying for food prior to participating in LIPURP, only 25 percent said that they had to do so while they were participating in LIPURP.

**Table VII-26A
Financial Obligations – Ever Had Problem**

	In the year BEFORE participating in the LIPURP Program, did you ever have to delay or skip paying the following bills or purchases in order to make ends meet? While participating in the LIPURP Program, do you currently or have you had to delay or skip paying the following bills or purchases in order to make ends meet?				In the past 12 months have you had to delay or skip paying the following bills or purchases in order to make ends meet?
	Current Participant		Past Participant		Non-Participant
	Before LIPURP	In LIPURP	Before LIPURP	In LIPURP	
Food	61%	25%	47%	23%	33%
Medicine	36%	20%	40%	23%	25%
Medical or dental	33%	20%	37%	28%	31%
Mortgage or rent	41%	18%	44%	26%	12%
Telephone or cable	56%	32%	67%	42%	29%
Credit card or loan payment	27%	14%	26%	23%	18%
Car payment	17%	5%	23%	12%	8%

Table VII-26B displays the percent that always or frequently had the problem paying these bills. The table shows that while 30 percent of past participants said that they always or frequently had to delay paying for telephone or cable, nine percent said they always or frequently had to do so while participating in LIPURP.

**Table VII-26B
Financial Obligations – Always or Frequently Had Problem**

	Always or frequently had to delay or skip paying the following bills or purchases in order to make ends meet?				
	Current Participant		Past Participant		Non-Participant
	Before LIPURP	In LIPURP	Before LIPURP	In LIPURP	
Food	29%	10%	32%	9%	12%
Medicine	11%	5%	17%	7%	12%
Medical or dental	15%	10%	21%	14%	16%
Mortgage or rent	13%	4%	11%	5%	2%
Telephone or cable	20%	6%	30%	9%	14%
Credit card or loan payment	13%	6%	21%	11%	8%
Car payment	6%	2%	7%	4%	2%

Respondents were asked whether they used their kitchen stove or oven to provide heat. Table VII-27A shows that while 31 percent of current participants said that they did so prior participating in LIPURP, 20 percent said that they did so while participating in LIPURP.

**Table VII-27A
Used Kitchen Stove for Heat**

	In the year before participating in the LIPURP Program, did you use your kitchen stove or oven to provide heat? While participating in the LIPURP Program, have you used your kitchen stove or oven to provide heat?				In the past 12 months, have you used your kitchen stove or oven to provide heat?
	Current Participant		Past Participant		Non-Participant
	Before LIPURP	In LIPURP	Before LIPURP	In LIPURP	
Yes	31%	20%	26%	19%	16%
No	69%	80%	74%	81%	84%

Table VII-27B displays how frequently customers reported that they used their kitchen stove to provide heat. The table shows that most said that they sometimes used their kitchen stove or oven to provide heat but a few percent said that they always or frequently did so.

**Table VII-27B
Frequency of Kitchen Stove Use**

	Did you always, frequently, sometimes, or seldom use your kitchen stove or oven to provide heat?				
	Current Participant		Past Participant		Non-Participant
	Before LIPURP	In LIPURP	Before LIPURP	In LIPURP	
Always	3%	2%	7%	0%	0%
Frequently	5%	2%	2%	7%	2%
Sometimes	20%	12%	16%	7%	2%
Seldom	2%	4%	0%	5%	12%
Don't know	1%	1%	0%	0%	0%
Not asked	69%	80%	74%	81%	84%

Respondents were asked whether there was a time that they wanted to use their main source of heat but could not because it was broken. Table VII-28 shows that 25 percent of current LIPURP participants said that there was prior to LIPURP participation and 14 percent said that there was while they were participating in LIPURP.

**Table VII-28
Could Not Heat Home**

	In the year before enrolling in the LIPURP Program, was there ever a time when you wanted to use your main source of heat, but could not because your heating system was broken and you were unable to pay for its repair or replacement? While participating in the LIPURP Program, was there ever a time when you wanted to use your main source of heat, but could not because your heating system was broken and you were unable to pay for its repair or replacement?				In the past 12 months, was there ever a time when you wanted to use your main source of heat, but could not because your heating system was broken and you were unable to pay for its repair or replacement?
	Current Participant		Past Participant		Non-Participant
	Before LIPURP	In LIPURP	Before LIPURP	In LIPURP	
Yes	25%	14%	21%	12%	4%
No	75%	85%	79%	88%	94%
Don't know	0%	0%	0%	0%	2%

F. Program Impact

Respondents were asked to compare their LIPURP bill to their Allegheny bill prior to participating in LIPURP. Table VII-29 shows that 52 percent of current LIPURP participants said that their bill is lower on the program, 23 percent said that it is the same, and 17 percent said that it is higher on LIPURP. Percentages are similar for the past participants.

**Table VII-29
LIPURP Electric Bill Compared to Before LIPURP Participation**

	While participating in the program, would you say that your electric bill is higher, lower, or has not changed in comparison to what it was before participating in the program?	
	Current Participant	Past Participant
Higher	17%	26%
Lower	52%	49%
No change	23%	23%
Don't know	8%	2%

Respondents were also asked to compare their electric usage prior to LIPURP to while they were participating in the program. Table VII-30 shows that the majority said that there was no change in their usage. However, 25 percent of current participants and 16 percent of past participants said that their usage was lower while on LIPURP and 11 percent of current participants and seven percent of past participants said that their usage was higher when they were on LIPURP.

Customers who said that they increased their usage were asked why their usage had increased. The most common responses were that they had new appliances and air conditioners, that it was a cold winter, and that they were using medical equipment. A few customers said that they can use more electricity because of LIPURP or that they were using an electric space heater.

Customers who said that their usage had declined were asked why they felt their usage had declined. The most common response was that they were trying to conserve energy. A few customers said it was because of weatherization services that they had received through LIURP or the weatherization assistance program.

Table VII-30
Electric Usage On Program Compared to Before Participation

	While participating in the program, would you say that your electric usage was higher, lower, or has not changed in comparison to what it was before participating in the program? By electric usage, we mean the amount of electricity that you use, not the dollar amount of your bill.	
	Current Participant	Past Participant
Higher	11%	7%
Lower	25%	16%
No change	55%	65%
Don't know	9%	12%

G. Energy Assistance Benefits

Respondents were asked whether someone in the household had applied for LIHEAP in the past twelve months. Table VII-31 shows that 77 percent of current participants, 67 percent of past participants, and 76 percent of non-participants said that they had.

Table VII-31
LIHEAP Application

	In the past 12 months, did you or any member of your household apply for LIHEAP?		
	Current Participant	Past Participant	Non-Participant
Yes	77%	67%	76%
No	18%	30%	22%
Don't know	5%	2%	2%

Respondents were also asked whether they received LIHEAP in the past twelve months. Table VII-32 shows that 62 percent of current participants, 51 percent of past participants, and 59 percent of non-participants said that they had received LIHEAP.

**Table VII-32
LIHEAP Receipt**

	In the past 12 months, did you or any member of your household receive home energy assistance benefits from LIHEAP?		
	Current Participant	Past Participant	Non-Participant
Yes	62%	51%	59%
No	12%	16%	16%
Did not apply	23%	33%	24%
Don't know	3%	0%	2%

Respondents were asked whether they assigned the LIHEAP benefit to Allegheny. Table III-33A shows that 35 percent of current participants, 28 percent of past participants, and 51 percent of non-participants said that they assigned the benefit to Allegheny.

**Table III-33A
LIHEAP – Assigned Benefit to Allegheny**

	Did you assign the LIHEAP grant to Allegheny?		
	Current Participant	Past Participant	Non-Participant
Yes	35%	28%	51%
No	26%	23%	6%
Don't know	2%	0%	2%
Did not receive benefits	38%	49%	41%

Only electric heating households are required to award the LIHEAP grant to Allegheny to prevent removal from LIPURP. Table VII-33B shows the percentage of electric heating customers who awarded the grant to Allegheny. The table shows that most of the electric heating customers who received a LIHEAP grant awarded the grant to Allegheny. Only five percent of current participants received LIHEAP and did not assign the benefit to Allegheny.

**Table VII-33B
LIHEAP – Assigned Benefit to Allegheny
Electric Heating Households**

	Current Participant	Past Participant	Non-Participant
Number of Households	39	11	36
Assigned LIHEAP to Allegheny	51%	45%	67%
Received LIHEAP, Did Not Assign Grant to Allegheny	5%	0%	0%
Did Not Receive LIHEAP	44%	55%	33%

As expected, Table VII-33C shows that non-electric heat customers are more likely to award the LIHEAP benefit to another fuel provider. The table shows that 36 percent of current participants, 31 percent of past participants, and 27 percent of non-participants who do not heat with electric received LIHEAP and assigned it to a fuel provider other than Allegheny.

Table VII-33C
LIHEAP – Assigned Benefit to Allegheny
Non-Electric Heating Households

	Current Participant	Past Participant	Non-Participant
Number of Households	94	32	15
Assigned LIHEAP to Allegheny	28%	22%	13%
Received LIHEAP, Did Not Assign Grant to Allegheny	36%	31%	27%
Did Not Receive LIHEAP	36%	47%	60%

Respondents who said that they did not apply for LIHEAP were asked why they did not apply. Table VII-34 shows that the most common responses were that they did not know about the program, their income was too high, or they did not need it. Some respondents said that they were already in LIHEAP, probably confusing it with LIPURP.

Table VII-34
LIHEAP – Why Did Not Apply

	Why did you not apply for LIHEAP?		
	Current Participant	Past Participant	Non-Participant
Observations	24	13	11
Did not know about program	33%	0%	36%
Income too high	17%	8%	36%
Already in LIHEAP	12%	0%	0%
Did not need it	12%	38%	9%
Did not know how to apply	4%	0%	9%
Did not qualify	4%	15%	0%
Too late to apply	4%	8%	0%
Other	4%	8%	9%
Don't know	12%	23%	18%
Refused	4%	0%	0%

H. Program Success

Past participants were asked why they were no longer participating in LIPURP. Table VII-35 shows that the most common responses were that they graduated, moved or had a family change, or had an increase in income and were no longer eligible. Other responses included that the program was not beneficial, they were removed for missed payments, they no longer needed help, they exceeded the credit limit, and they did not recertify.

Table VII-35
Reason for Discontinuation of LIPURP Participation

	Why are you no longer participating in the LIPURP Program?
	Past Participants
Graduated	19%
Moved / Family change	19%
Income increased, no longer eligible	16%
Program was not beneficial	9%
Missed payment and was removed	7%
No longer need help	7%
Exceeded credit limit	5%
Did not recertify	2%
Other	7%
Don't Know	9%

Past participants were asked whether they thought that Allegheny could have done anything to help them remain in the program. Table VII-36 shows that about one third thought that Allegheny could have provided assistance to help them remain in the program.

Table VII-36
Allegheny Assistance Could Have Helped the Customer Remain in LIPURP

	Do you feel that there was anything that Allegheny could have done to help you stay on the LIPURP Program?
	Past Participants
Yes	33%
No	56%
Don't know	12%

Customers who felt that Allegheny could have provided assistance to help them remain on LIPURP were asked what assistance they thought Allegheny could have provided. Table

VII-37 shows that customers said Allegheny could have given them more time to pay their bill, could have provided more assistance or forgiveness, could have kept them on the program, or could have changed the recertification process.

Table VII-37
Allegheny Assistance that Could Have Helped the Customer Remain in LIPURP

	What could Allegheny have done to help you stay on the LIPURP Program?
	Past Participants
Give me more time to pay	7%
More assistance or forgiveness	7%
Keep me on program	7%
Change recertification process	5%
Other	5%
Don't know	2%
Nothing	67%

Past participants were asked whether they would be interested in re-enrolling in LIPURP if they were still eligible. Table VII-38 shows that 88 percent said that they would be interested.

Table VII-38
Interest in LIPURP Re-enrollment

	If you were currently eligible under program rules, would you be interested in re-enrolling in the program?
	Past Participants
Yes	88%
No	9%
Don't know	2%

Current LIPURP participants were asked how likely they were to continue to participate in LIPURP. Table VII-39 shows that 87 percent said they were very likely and seven percent said that they were somewhat likely.

Table VII-39
Likelihood of Continued LIPURP Participation

	How likely are you to continue to participate in LIPURP? Would you say you are very likely, somewhat likely, not too likely, or not at all likely?
	Current Participants
Very likely	87%

	How likely are you to continue to participate in LIPURP? Would you say you are very likely, somewhat likely, not too likely, or not at all likely?
	Current Participants
Somewhat likely	7%
Not too likely	2%
Not at all likely	2%
Don't know	2%

Current LIPURP participants were asked how long they expected to continue to participate in LIPURP. Table VII-40 shows that the majority said that they would continue as long as they could.

Table VII-40
Expected Length of Continued LIPURP Participation

	How long do you think you will continue to participate in the program?
	Current Participants
Unlikely to continue	2%
<6 months	1%
6-12 months	5%
More than 12 months	1%
Until program ends	5%
As long as I can	71%
Don't know	16%

I. LIPURP Satisfaction

LIPURP participants were asked several questions about how LIPURP has helped them and their satisfaction with the program. Table VII-41 shows that 96 percent of current participants and 93 percent of past participants said that LIPURP had been very or somewhat important in helping them to meet their needs.

Table VII-41
Importance of LIPURP

	How important has the LIPURP Program been in helping you to meet your needs? Would you say it has been very important, somewhat important, of little importance, or not at all important?	
	Current Participant	Past Participant
Very important	87%	81%

	How important has the LIPURP Program been in helping you to meet your needs? Would you say it has been very important, somewhat important, of little importance, or not at all important?	
	Current Participant	Past Participant
Somewhat important	9%	12%
Of little importance	2%	7%
Not at all important	2%	0%
Don't know	1%	0%

Respondents were asked whether they felt they needed additional assistance to pay their electric bills. Table VII-42 shows that 40 percent of current participants, 51 percent of past participants and 53 percent of non-participants said that they felt they needed additional assistance.

Table VII-42
Additional Assistance Needed to Pay Electric Bills

	Do you feel that you need additional assistance to pay your electric bill?		
	Current Participant	Past Participant	Non-Participant
Yes	40%	51%	53%
No	60%	47%	47%
Don't know	0%	2%	0%

Customers who said that they needed additional assistance were asked what type of assistance they needed. Table VII-43 shows that the most common responses were more bill payment assistance or a lower bill.

Table VII-43
Type of Additional Assistance Needed to Pay Electric Bills

	What additional assistance do you need to pay your bill?		
	Current Participant	Past Participant	Non-Participant
More bill payment assistance	21%	21%	14%
Lower bill	11%	16%	16%
More time to pay bill	2%	2%	0%
More money	2%	0%	0%
Stay on/Get on LIPURP	0%	5%	4%
Get on LIHEAP	0%	2%	2%
Other	2%	2%	2%
Don't know	7%	7%	18%

	What additional assistance do you need to pay your bill?		
	Current Participant	Past Participant	Non-Participant
Additional assistance not needed	60%	49%	47%

When asked about their satisfaction with LIPURP, 95 percent of current participants and 97 percent of past participants said that they were very or somewhat satisfied with the program.

**Table VII-44
LIPURP Satisfaction**

	Overall, how satisfied were you with LIPURP? Would you say that you were very satisfied, somewhat satisfied, somewhat dissatisfied, or very dissatisfied?	
	Current Participant	Past Participant
Very satisfied	87%	81%
Somewhat satisfied	8%	16%
Somewhat dissatisfied	1%	2%
Very dissatisfied	4%	0%
Don't know	1%	0%

Current and past participants were asked whether they had any recommendations for improving LIPURP. Table VII-45 shows that most of the respondents did not have any recommendations. Recommendations that were provided included the following:

- Provide a lower bill or more payment assistance.
- Provide increased flexibility.
- Have more customer service representatives available.
- Have lower eligibility guidelines for program participation.
- Provide information on other available programs.
- Improve the recertification process.
- Make the bills or program easier to understand.
- Provide more notice before removing customers from the program.

**Table VII-45
LIPURP Recommendations**

	Do you have any recommendations for improvements to LIPURP? Are there any other recommendations?	
	Current Participant	Past Participant
Lower bill or more payment assistance	4%	0%
Increased flexibility	3%	5%
More customer service representatives available	3%	2%

	Do you have any recommendations for improvements to LIPURP? Are there any other recommendations?	
	Current Participant	Past Participant
Lower guidelines for participation	2%	0%
Give more information on other available programs	2%	0%
Improve recertification process	2%	0%
Make bills or program easier to understand	1%	5%
More notice before being removed	1%	2%
Other	4%	2%
No recommendations	81%	84%

* Note: The sum of the percentages exceeds 100% as some of the respondents have given more than one response.

J. Summary of Findings

The key findings from the survey are summarized in this section.

- *Income Source:* LIPURP participants are unlikely to have wages or self employment income – only 21 percent of current participants reported this income source. An additional 17 percent reported that they received retirement income. Current participants were much more likely to report receipt of non-cash benefits (74%) and public assistance (51%). Past participants were more likely to have employment income and non-participants were more likely to have retirement income.
- *Unemployment:* A significant percentage of respondents reported that someone in the household had been unemployed and looking for work in the past 12 months. Forty-one percent of current participants, 33 percent of past participants, and 20 percent of non-participants said that someone in the household had been unemployed.
- *Ease of Enrollment:* Participants do not feel that LIPURP enrollment and recertification are difficult. Only 6 percent of current participants and 5 percent of past participants said that the enrollment process was somewhat or very difficult, and only nine percent of current participants and three percent of past participants said that the recertification process was very or somewhat difficult.
- *LIPURP Benefits:* Customers were most likely to state that the benefit of LIPURP participation is a lower energy bill. However, many customers also cited the even monthly payments as a benefit of the program. When asked about the most important benefit of the program, 15 percent of current participants and 19 percent of past participants cited the even monthly payments. *Allegheny should consider increasing their publicity about the budget bill for low-income customers who may really benefit from this bill payment option.*

- *Arrearage Forgiveness:* Our analysis of Allegheny’s database showed that 94 percent of LIPURP customers who have a full year of pre and post enrollment billing data receive arrearage forgiveness. However, most customers, 92 percent, reported that they do not know how much arrearage forgiveness they receive each month as a result of the participation in LIPURP. *Allegheny should determine whether they can clearly show the customer’s pre-program arrearages and forgiveness on the bill.* This is important because all of the customers who did know how much forgiveness they received said that the forgiveness made them more likely to pay their electric bill.
- *LIPURP Targeting:* LIPURP appears to be reaching the customers who need the assistance the most. The non-participants were less likely than the participants to report that their Allegheny bill is very difficult to pay; to report that they delayed expenditures for food, medicine, mortgage or rent, and other bills; to say that they used their kitchen stove or oven for heat; and to say that there was a time in the past year when they wanted to use their heating system but their main source of heat was broken.
- *LIPURP Impacts:* Customers are very likely to perceive that the LIPURP program increased their ability to pay both their Allegheny bill and to meet other financial obligations. While 57 percent of current participants said that it was very difficult to pay their Allegheny bill prior to LIPURP participation, only ten percent said it was very difficult for them to pay their Allegheny bill while participating in the program. While 61 percent of current LIPURP participants said that they delayed purchases of food in the year prior to the program, only 25 percent said that they did so while participating in LIPURP.
- *LIHEAP Application:* While the majority of those surveyed reported that they applied for LIHEAP benefits, there were customers who said that they did not apply for the program because they did not know about it or did not think they were eligible. *Allegheny should continue to provide outreach about LIHEAP and make sure that LIPURP participants and other low-income households know that the benefits are available.*
- *LIPURP Satisfaction:* Satisfaction with the LIPURP program is very high. Eighty-seven percent of current participants said that the program is very important in helping them meet their needs and 95 percent of current participants said that they are very or somewhat satisfied with the program.

Based on the customer survey, our recommendations for the LIPURP program are as follows.

1. Allegheny should consider increasing their publicity about the budget bill for low-income customers who may really benefit from this bill payment option.

2. Allegheny should consider redesigning the customer's bill to clearly show the amount of preprogram arrearages and the amount of arrears that are forgiven each month.
3. Allegheny should continue to provide outreach about LIHEAP and make sure that LIPURP participants and other low-income households know that the benefits are available.

VIII. LIPURP Participant Characteristics and Program Impacts

Allegheny provided APPRISE with customer demographic data; LIPURP program data; billing and payment data; and collections data. These data were furnished for current LIPURP participants, past LIPURP participants, and low-income non-participants who received energy assistance grants. APPRISE used these data to analyze LIPURP customer characteristics, customers' retention in LIPURP, and the impact of LIPURP on affordability, bill payment, arrearages, collections actions, collections costs, and service terminations. This section describes the goals of the data analysis, the methodology that was used, and the results.

A. LIPURP Analysis Goals

The analysis of customer data fulfills several of the evaluation goals. Below we describe the questions that are addressed, and the data that are used to furnish the desired information.

- *LIPURP Population Characteristics:* We examine the demographic characteristics of the LIPURP participants and the comparison groups used in the analyses. Available LIPURP data allows us to examine whether there is an elderly individual in the household, whether there is a child in the household, annual household income, poverty level, income sources, and whether the household owns the home.
- *LIPURP and Account Characteristics:* We examine the following LIPURP and account characteristics at the time of enrollment and one year later (or as close to one year later as data are available).
 - *LIPURP Participation Status:* We determine the customer's LIPURP participation status, based upon receipt of LIPURP shortfall grants.
 - *Billing Account Status:* The customer's account status is active or finalized.
- *LIPURP Retention, Recertification, and Graduation Rates:* We analyze how long customers remain in the program.
- *Arrearage Forgiveness:* We analyze the number of months that customers receive arrearage forgiveness and the amount of arrearage forgiveness received in the year after LIPURP enrollment.
- *Affordability Impacts:* We analyze the impacts of LIPURP on the affordability of electric bills by comparing the bills and energy burden in the year preceding program enrollment and the year following program enrollment. A comparison group is used to control for changes in affordability that are unrelated to LIPURP.

- *Payment Impacts:* We compare payment behavior for program participants in the year preceding program enrollment and the year following program enrollment. A comparison group is used to control for changes that are unrelated to LIPURP.
- *LIPURP Bill Coverage Impacts:* We compare coverage of the asked to pay amount for the program participants in the year preceding program enrollment and the year following program enrollment. A comparison group is used to control for changes that are unrelated to LIPURP.
- *Assistance Payments:* We compare assistance payments received by LIPURP participants in the year preceding program enrollment and the year following program enrollment. A comparison group is used to control for changes that are unrelated to LIPURP.
- *Arrearages:* We compare customer balances just prior to program enrollment to those just after the customer has participated in the program for a full year. A comparison group is used to control for changes that are unrelated to LIPURP.
- *Service Termination:* We compare the rate of service termination for customers who enrolled in LIPURP to that for the comparison group.
- *Collections Costs:* We compare collections costs for customers who enrolled in LIPURP to that for the comparison group.

B. Methodology

This section describes the selection of participants for the evaluation, how evaluation data were obtained, and the use of comparison groups.

Study Group

LIPURP customers whose latest program enrollment was in 2008 and who did not participate in LIPURP in the year prior to this enrollment were included as potential members of the study group. This group was chosen for the analysis, as one full year of post-program data is required for an analysis of program impacts. Customers who participated in LIPURP in the year prior to enrollment were excluded from the analysis, to allow for a comparison of data while not participating and while participating in LIPURP. Customers who did not have a full year of data prior to joining the program or a full year of data following the program start date were not included in the impact analysis. The subject of data attrition is addressed more fully below.

Evaluation Data

Allegheny provided customer data, program data, billing and payment data, and collections data, for all customers who participated in the LIPURP between 2007 through 2010, as well as for all customers who did not participate in LIPURP but who received an energy

assistance grant to serve as a comparison group. These data were provided in electronic format. Billing, payment, and collections data extended from January 2007 through March 2010. The data that were used for the study and comparison groups were as follows:

- Treatment group data extended from one year before the customer joined LIPURP to one year after the customer joined LIPURP.
- Non-Participants comparison group data included one year of data before the mid-point of the first quarter of 2009 to one year of data after the mid-point of the last quarter of 2009.
- 2009 Enrollee Comparison group data extended two years before the customer joined LIPURP.

Table VIII-1 describes the treatment and comparison groups that are included in the analyses in this section.

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

	Treatment Group	Comparison Group 1	Comparison Group 2
Group	2008 Enrollees	Non-Participants	2009 Enrollees
Enrollment Requirement	Last enrollment date is in 2008	Did not participate in LIPURP	Last enrollment date is in 2009
LIPURP Participation Requirement	Did not participate in LIPURP in the year prior to enrollment	Never participated in LIPURP	Did not participate in LIPURP in the two years prior to enrollment
Pre-participation Dates	1 year prior to enrollment	One year prior to the quasi enrollment dates of 2/15/08, 5/15/08, 8/15/08, 11/15/08	2 years prior to enrollment
Post-participation Dates	1 year after enrollment	One year after the quasi enrollment dates of 2/15/08, 5/15/08, 8/15/08, 11/15/08	1 year prior to enrollment

Comparison Groups

When measuring the impact of an intervention, it is necessary to recognize other exogenous factors that can impact changes in outcomes. Changes in a customer's payment behavior and bill coverage rate, between the year preceding LIPURP enrollment and the year following enrollment, may be affected by many factors other than program services received. Some of these factors include changes in household composition or health of family members, changes in electric prices, changes in weather, and changes in the economy.

The ideal way to control for other factors that may influence payment behavior would be to randomly assign low-income customers to a treatment or control group. The treatment

group would be given the opportunity to participate in the program first. The control group would not be given an opportunity to participate in the program until one full year later. This would allow evaluators to determine the impact of the program by subtracting the change in behavior for the control group from the change in behavior for the treatment group. Such random assignment is rarely done in practice because of a desire to include all eligible customers in the benefits of the program or to target a program to those who are most in need.

Comparison groups were constructed for the program evaluation to control for exogenous factors. The comparison groups were designed to be as similar as possible to the treatment group, those who received services and who we are evaluating, so that the exogenous changes for the comparison groups are as similar as possible to those of the treatment group. In the evaluation of LIPURP, we attempted to construct two good comparison groups, but because of the small group size, used only one in the impact analysis. The comparison groups that we constructed are described below.

- *Low-Income Non-Participants:* We obtained a sample of customers who had received energy assistance grants, and were therefore identified as low-income, but did not enroll in LIPURP, to utilize as a comparison group. The group of customers was replicated to represent customers who enrolled in the program in each quarter of 2008. A quasi intervention date of the middle of the quarter was chosen for each group to compare to the participating customers who enrolled in that quarter.
- *Later Program Participants:* We attempted to use customers who last enrolled in LIPURP in 2009 and who did not receive LIPURP shortfall grants in the two years preceding enrollment as a comparison group. We require that they have no LIPURP shortfall grants in the two years preceding enrollment to ensure that they are non-participants in both periods. These participants serve as a good comparison because they are lower income households who were eligible for the program and chose to participate. We use data for these participants for the two years preceding LIPURP enrollment, to compare their change in payment behavior in the years prior to enrolling to the treatment group's change in payment behavior after enrolling. Because these customers did not participate in LIPURP in both analysis years, changes in bills and behavior should be related to factors that are exogenous to the program. However, this group was very small because they could not participate in LIPURP in the two years prior to their 2009 enrollment and there was attrition in this group due to the requirement that they have two years of pre-program data. Therefore, this group is not included in the analysis.

In this evaluation, we examine pre and post-treatment statistics. The difference between the pre and post-treatment statistics for the treatment group is considered the gross change. This is the actual change in behaviors and outcomes for those participants who were served by the program. Some of these changes may be due to the program, and some of these changes are due to other exogenous factors, but this is the customer's actual experience. The net change is the difference between the change for the treatment group and the change for the

comparison group, and represents the actual impact of the program, controlling for other exogenous changes.

All LIPURP Participant Analysis

In addition to examining the pre and post LIPURP enrollment data for 2008 enrollees compared to the comparison group described above, we examine the program behavior for all LIPURP participants who participated in LIPURP at some point in 2009. This allows us to assess program characteristics for a larger and more representative sample of LIPURP participants.

C. Data Attrition Analysis

Customers were divided into the treatment group and comparison groups as described above. However, many of these customers were not included in the analyses because they did not have adequate data available. We refer to all customers in these groups as the original analysis groups and to those customers who have enough data to be included in the analysis as the final analysis group. Table VIII-2 displays the number of customers in each group, the reasons why customers were not included in the analyses that follow, and the number of customers in each group that are included in the final analysis.

Two factors must be weighed when selecting the sample for the final analysis. First, when conducting a program evaluation, the goal is always to include as much of the original analysis group in the research as possible, so that the estimated results are not biased due to elimination of distinctive subgroups. However, to provide good estimates of program impacts, it is also necessary to restrict the sample to those customers who have a minimum level and quality of data.

Customers were excluded from the final analysis group for the following reasons:

- *Full Year of Pre or Post Billing Data Not Available:* The analyses that are conducted require that customers have a full year of bills for the year prior to LIPURP enrollment and the year following LIPURP enrollment. Customers were excluded from the analyses if the pre or post year of billing data that could be constructed contained less than 330 days or more than 390 days. This means that customers who had their service terminated prior to one year of enrollment data are not included in the analysis. The analysis, therefore, examines the impact of LIPURP for customers who continue to pay their bills at the level needed to maintain service.
- *Full Year of Pre or Post Payment Data Not Available:* The analyses also require that customers have a full year of payment data for the year prior to LIPURP enrollment and the year following LIPURP enrollment. Customers were excluded from the analyses if the pre or post year of payment data that could be constructed contained less than 330 days or more than 390 days.

Table VIII-2 shows that a significant percentage of the original analysis groups had to be eliminated. This attrition of the studied groups relates to the low socio-economic status of the population researched in this evaluation, as well as their inability to meet their utility expenses. A large percentage of the treatment and non-participant comparison groups were eliminated because their service did not start one year prior to the enrollment date or quasi enrollment date. Below we describe the percentage of original customers that remain in the analysis.

- *All 2009 LIPURP Participants*: 61 percent of these customers could be included in the final analysis. We did not require these customers to have a year of pre program data to be included.
- *Treatment Group*: 16 percent of the original analysis group was included in the final analysis sample. Most of these customers were eliminated because their service began less than a year prior to this LIPURP enrollment date. When assessing the impact of LIPURP on this group, it is important to remember that this is a select group of the more stable customers.
- *Non-Participant Comparison Group*: 58 to 67 percent of the original analysis group was included in the final analysis sample.
- *2009 Participant Comparison Group*: 66 percent of the original analysis group was included in the final sample. However, this group was too small to include in the analysis.

**Table VIII-2
Data Attrition**

	All 2009 LIPURP Participants	Treatment Group 2008 Enrollees That Did Not Participate in the Year Prior to Enrollment	Non-Participant Comparison Group Quasi 2008 Enrollment Date				2009 LIPURP Enrollees Comparison Group
			Q1	Q2	Q3	Q4	
All Eligible	29,957	1,682	2,906	2,828	2,615	2,592	67
Service Started Early Enough	XX	401	2,023	2,020	2,003	2,058	46
Full Year of Pre Billing and Payment Data	XX	375	1,969	2,006	1,990	2,050	44
Full Year of Post Billing and Payment Data	18,306	264	1,686	1,705	1,703	1,726	44
Customer Information Data	18,306	264	1,686	1,705	1,703	1,726	44
Analysis Group	18,306	264	1,686	1,705	1,703	1,726	44

	All 2009 LIPURP Participants	Treatment Group 2008 Enrollees	Non-Participant Comparison Group Quasi 2008 Enrollment Date				2009 LIPURP Enrollees Comparison
% of Total	61%	16%	58%	60%	65%	67%	66%

D. Customer Characteristics

Table VIII-3A displays the characteristics of all 2009 LIPURP participants, the 2008 enrollee treatment group, and the non-participant comparison group. The demographic data are missing for a large percentage of the customers, and especially for the non-participant comparison group, as this information is typically provided when customers enroll in LIPURP.

- Elderly households:* The table shows that 11 percent of all 2009 LIPURP participants have an elderly household member and seven percent of the 2008 enrollee treatment group have an elderly household member. The non-participants are more likely to have elderly household members. This is expected, because elderly households are generally more likely to pay their bills and less likely to enroll in programs like LIPURP. However, it is difficult to know how accurate these percentages are for the full sample, as the data are missing for such a large percentage of the customers in the 2008 enrollee treatment group and the non-participant comparison group.
- Children:* The table shows that a large percentage of the participants have children. Sixty-two percent of all 2009 LIPURP participants and 65 percent of the 2008 enrollee treatment group have children.
- Income:* Forty-three percent of the LIPURP participants have annual income below \$10,000, 36 percent have annual income between \$10,000 and \$20,000, 15 percent have annual income between \$20,000 and \$30,000, and five percent have annual income above \$30,000. Only a few percent have annual income above \$40,000.
- Poverty Level:* About 30 percent have income below 50 percent of the poverty level, 45 percent have income between 50 and 100 percent, and 24 percent have income between 100 and 150 percent of poverty.
- Income Sources:* Approximately half of the LIPURP participants have employment income and about 70 percent receive public assistance or food stamps.
- Home Ownership:* Only about one percent of the LIPURP participants own their homes according to the customer data provided by Allegheny. However, these data were missing for many households. Responses to the customer survey suggest that these data are not accurate. In the customer survey, 43 percent of current participants, 40 percent of past participants, and 39 percent of non-participants reported that they own their homes.

- *Heating Type*: Approximately 20 percent of LIPURP participants use electric heat and 40 percent use electric hot water.

**Table VIII-3A
Customer Characteristics**

	All 2009 LIPURP Participants		Treatment Group 2008 Enrollees That Did Not Participate in the Year Prior to Enrollment		Non-Participant Comparison Group	
	All	Analysis Group	All	Analysis Group	All	Analysis Group
Observations	29,957	18,306	1,682	264	10,941	6,820
Senior						
Senior	11%	12%	7%	8%	14%	16%
No Senior	89%	88%	93%	92%	86%	84%
Missing	26%	10%	81%	59%	91%	90%
Children						
Children	62%	63%	65%	69%	78%	80%
No Children	38%	37%	35%	31%	22%	20%
Missing	26%	10%	81%	59%	91%	90%
Annual Income						
≤\$10,000	43%	41%	43%	38%	41%	41%
\$10,001-\$20,000	36%	36%	31%	30%	36%	35%
\$20,001-\$30,000	15%	16%	16%	17%	14%	14%
\$30,001-\$40,000	5%	5%	6%	7%	6%	6%
>\$40,000	2%	2%	4%	8%	3%	3%
Missing	24%	9%	80%	57%	89%	88%
Poverty Group						
≤ 50%	29%	28%	31%	27%	39%	38%
51% - 100%	45%	46%	38%	40%	38%	39%
101%-150%	24%	25%	26%	24%	14%	14%
>150%	1%	1%	5%	9%	9%	9%
Missing	30%	16%	85%	67%	97%	97%
Main Income Sources						
Employment	46%	47%	60%	64%	61%	60%
Self Employment	1%	1%	1%	2%	3%	3%
Alimony/Child Support	4%	4%	3%	1%	2%	2%
Public Assistance/Food	1%	1%	2%	2%	1%	1%

	All 2009 LIPURP Participants		Treatment Group 2008 Enrollees That Did Not Participate in the Year Prior to Enrollment		Non-Participant Comparison Group	
	All	Analysis Group	All	Analysis Group	All	Analysis Group
Stamps						
No Income/Un Employed	1%	1%	4%	3%	4%	5%
Other	46%	46%	30%	29%	27%	28%
Missing	24%	9%	80%	57%	89%	88%
Income Sources						
Employment	48%	48%	61%	65%	64%	64%
Self Employment	1%	1%	1%	2%	3%	3%
Public Assistance/Food Stamps	69%	69%	69%	61%	71%	71%
Alimony/Child Support	11%	11%	9%	5%	7%	7%
No Income/Un Employed	2%	2%	6%	4%	5%	5%
SSI	<1%	<1%	<1%	0%	2%	2%
Social Security/Retirement	<1%	<1%	0%	0%	0%	0%
Unemployment	1%	1%	1%	1%	1%	1%
Family	<1%	<1%	0%	0%	0%	0%
Other Income	58%	58%	42%	44%	37%	37%
Missing	24%	9%	80%	57%	89%	88%
Own Home						
Yes	1%	2%	1%	5%	1%	1%
No	99%	98%	99%	95%	99%	99%
Missing	51%	60%	28%	70%	36%	46%
Electric Heating						
Not Electric	79%	80%	75%	80%	31%	26%
Electric	21%	20%	25%	20%	69%	74%
Electric Hot Water						
Not Electric	61%	58%	69%	59%	89%	90%
Electric	39%	42%	31%	41%	11%	10%

Table VIII-3B displays the distribution of all 2009 LIPURP participants by rate code and poverty level. The table shows that six percent of the 2009 LIPURP participants had income below 50 percent of poverty and were electric heating customers.

Table VIII-3B
Distribution of 2009 LIPURP Participants
By Rate Code and Poverty Level

Rate Code	Poverty Level		
	<50%	51%-100%	101%-150%
Heating	6%	9%	5%
Water Heating	12%	19%	11%
Baseload	13%	18%	9%

E. LIPURP Characteristics

Table VIII-4 displays LIPURP shortfall grant receipt and account status at the beginning of 2009 and the end of 2009 for all who participated in 2009 and for the beginning of the analysis period and one year later, or the end of the analysis period if a full year of data is not available for the treatment group.

- *LIPURP Shortfall Grant Received:* Most of the LIPURP participants had an active status at the beginning of the analysis period. Approximately 33 percent were active at the end of the analysis period. About 65 percent of the 2009 participants were participating in LIPURP at the beginning of the year and 58 percent were participating at the end of the year.
- *Billing Account Status:* All of the LIPURP participants had an active account status at the beginning of the analysis period. Approximately 76 percent of all 2009 participants and 46 percent of the treatment group were still active at the end of the analysis period.

Table VIII-4
LIPURP and Account Statistics

	All 2009 LIPURP Participants				2008 Enrollee Treatment Group			
	All		Analysis Group		All		Analysis Group	
	Beginning of 2009	End of 2009	Beginning of 2009	End of 2009	Beginning of Analysis Period	End of Analysis Period	Beginning of Analysis Period	End of Analysis Period
LIPURP Shortfall Grant Received	65%	58%	70%	77%	98%	33%	99%	81%
Active Account	100%	76%	100%	100%	100%	46%	100%	100%

Table VIII-5A displays an analysis of LIPURP shortfall grants for all 2009 LIPURP participants in 2009. This table provides a snapshot of how the status of LIPURP shortfall grant receipt evolves over the course of the year. The table shows that receipt of LIPURP shortfall grants ranges from 65 percent in January 2009 to 58 percent in December 2009.

**Table VIII-5A
Receipt of LIPURP Shortfall Grants
All 2009 LIPURP Participants, All**

	Calendar Year 2009											
	1	2	3	4	5	6	7	8	9	10	11	12
Received LIPURP Shortfall Grant	65%	68%	69%	70%	71%	69%	68%	67%	65%	62%	60%	58%

Table VIII-5B displays an analysis of the LIPURP shortfall grants for all 2009 LIPURP participants in the final analysis group in 2009. These are the 2009 LIPURP participants who have data for all of 2009. The table shows that receipt of LIPURP shortfall grants ranges from 70 percent in January 2009 to 77 percent in December 2009. The percentages are higher for the final analysis group because these are the customers who have a full year of data and therefore, a more stable account history.

**Table VIII-5B
Receipt of LIPURP Shortfall Grants
All 2009 LIPURP Participants, Final Analysis Group**

	Calendar Year 2009											
	1	2	3	4	5	6	7	8	9	10	11	12
Received LIPURP Shortfall Grant	70%	71%	71%	71%	73%	73%	75%	76%	77%	77%	77%	77%

Table VIII-5C displays an analysis of the LIPURP shortfall grants for all customers in the 2008 LIURP enrollee treatment group, not just those who have a full year of pre and post enrollment data.

Customers may not have received LIPURP shortfall grants because they did not pay their bill, and they may have left LIPURP because they moved, did not receive LIHEAP, chose to leave the program, or defaulted on their bill.

The table shows the following progression:

- *Month 1:* In the month after enrollment, approximately 98 percent of the customers received LIPURP shortfall grants.

- *Month 3:* In the third month, 90 percent of the customers received LIPURP shortfall grants.
- *Month 6:* In the sixth month, 69 percent received LIPURP shortfall grants.
- *Month 9:* In the ninth month, 52 percent received LIPURP shortfall grants.
- *Month 12:* In the 12th month, 33 percent received LIPURP shortfall grants.

Table VIII-5C
Receipt of LIPURP Shortfall Grants
Full Treatment Group

	Months After Enrollment											
	1	2	3	4	5	6	7	8	9	10	11	12
Received LIPURP Shortfall Grant	98%	98%	90%	82%	75%	69%	63%	58%	52%	47%	42%	33%

Table VIII-5D displays an analysis of the LIPURP shortfall grant receipt for the final analysis group of the treatment group. These are the 2008 LIPURP enrollees who have data for a full year before and after LIPURP enrollment. The table shows that receipt of LIPURP shortfall grants ranges from 99 percent in the first month after enrollment to 81 percent in the 12th month after enrollment. The percentages are higher for the final analysis group because these are the customers who have a full year of pre and post enrollment data and therefore, a more stable account history.

Table VIII-5D
Receipt of LIPURP Grants
2008 LIPURP Enrollees, Final Analysis Group

	Months After Enrollment											
	1	2	3	4	5	6	7	8	9	10	11	12
Received LIPURP Shortfall Grant	99%	100%	98%	98%	98%	97%	96%	95%	94%	94%	92%	81%

F. Arrearage Forgiveness

Customers who pay their bill in full are eligible for two percent of their arrearages to be forgiven each month. Table VIII-6A displays the analysis of arrearage forgiveness received by all customers who participated in LIPURP in 2009 and who have a full year of data for 2009. The table shows that their balance at the beginning of 2009 averaged \$488, 84 percent received arrearage forgiveness, on average they received 4.5 months of forgiveness, and the average amount forgiven for the year was \$58.

The table also shows the arrearage forgiveness statistics by customer characteristics. The table shows that non senior households and households with no children have greater balances and are more likely to receive arrearage forgiveness.

Table VIII-6A
Arrearage Forgiveness
All 2009 LIPURP Participants Analysis Group

	Balance at the Beginning of Analysis Period	% Received Arrearage Forgiveness	Mean # of Arrearage Forgiveness Payments	Mean \$ Forgiven	Median \$ Forgiven
Observations	18,306				
All	\$488	84%	4.5	\$58	\$22
Senior	\$384	81%	5.2	\$60	\$19
No Senior	\$543	88%	4.7	\$62	\$26
Missing	\$174	61%	2.9	\$23	\$4
Children	\$471	85%	4.8	\$60	\$22
No Children	\$614	90%	4.5	\$65	\$30
Missing	\$174	61%	2.9	\$23	\$4
Annual Income					
≤\$10,000	\$512	87%	4.8	\$63	\$21
\$10,001-\$20,000	\$507	87%	4.9	\$61	\$25
\$20,001-\$30,000	\$544	88%	4.6	\$60	\$30
\$30,001-\$40,000	\$602	84%	4.0	\$57	\$28
>\$40,000	\$569	68%	3.3	\$45	\$22
Missing	\$154	59%	2.7	\$21	\$3
Poverty Group					
≤ 50%	\$598	90%	4.6	\$67	\$25
51%- 100%	\$522	88%	5.1	\$66	\$27
101%-150%	\$462	90%	5.1	\$58	\$28
>150%	\$376	73%	3.6	\$37	\$15
Missing	\$283	58%	2.4	\$23	\$4
Own Home					
Yes	\$576	90%	4.5	\$55	\$29

	Balance at the Beginning of Analysis Period	% Received Arrearage Forgiveness	Mean # of Arrearage Forgiveness Payments	Mean \$ Forgiven	Median \$ Forgiven
No	\$432	87%	4.3	\$49	\$20
Missing	\$524	83%	4.7	\$63	\$23
Electric Heating					
Not Electric	\$508	84%	4.7	\$58	\$21
Electric	\$409	85%	4.0	\$57	\$25
Electric Hot Water					
Not Electric	\$398	83%	4.2	\$47	\$18
Electric	\$612	86%	5.0	\$72	\$29

Table VIII-6B displays the analysis of arrearage forgiveness received by the treatment group with a full year of pre and post data. The table shows that their balance at the beginning of the participation year averaged \$222, 94 percent received arrearage forgiveness for at least one month, on average they received 6.7 months of forgiveness, and the average amount forgiven for the year was \$26.

The table also shows the arrearage forgiveness statistics by customer characteristics. The table shows that non senior households and households with children are more likely to receive arrearage forgiveness. Households with higher incomes have greater balances, are more likely to receive arrearage forgiveness, receive a greater number of arrearage forgiveness payments, and receive a higher average amount. Customers who own their homes also have higher balances and receive more in arrearage forgiveness.

Table VIII-6B
Arrearage Forgiveness
2008 LIPURP Enrollees Treatment Analysis Group

	Balance at the Beginning of Analysis Period	% Received Arrearage Forgiveness	Mean # of Arrearage Forgiveness Payments	Mean \$ Forgiven	Median \$ Forgiven
Observations	264				
All	\$222	94%	6.7	\$26	\$14
Senior	\$222	78%	5.7	\$29	\$12
No Senior	\$226	96%	6.0	\$26	\$16
Missing	\$219	94%	7.2	\$26	\$13

	Balance at the Beginning of Analysis Period	% Received Arrearage Forgiveness	Mean # of Arrearage Forgiveness Payments	Mean \$ Forgiven	Median \$ Forgiven
Children	\$200	96%	6.1	\$24	\$14
No Children	\$282	91%	5.8	\$32	\$20
Missing	\$219	94%	7.2	\$26	\$13
Annual Income					
≤\$10,000	\$161	93%	6.0	\$18	\$15
\$10,001-\$20,000	\$233	97%	6.4	\$29	\$13
\$20,001-\$30,000	\$263	95%	6.4	\$31	\$29
\$30,001-\$40,000	\$309	100%	6.8	\$36	\$18
>\$40,000	\$356	100%	6.6	\$45	\$33
Missing	\$218	93%	7.0	\$26	\$13
Poverty Group					
≤ 50%	\$145	96%	5.5	\$16	\$13
51%- 100%	\$186	94%	6.7	\$23	\$14
101%-150%	\$200	90%	5.9	\$21	\$11
>150%	\$278	100%	6.4	\$31	\$19
Missing	\$238	94%	7.0	\$28	\$15
Own Home					
Yes	\$335	100%	6.0	\$42	\$33
No	\$187	92%	5.9	\$21	\$12
Missing	\$233	95%	7.0	\$28	\$15
Electric Heating					
Not Electric	\$191	94%	6.8	\$23	\$12
Electric	\$342	94%	6.3	\$40	\$36
Electric Hot Water					
Not Electric	\$230	94%	6.4	\$27	\$15
Electric	\$209	93%	7.1	\$25	\$13

G. Affordability Impacts

This section of the report assesses the impact of LIPURP program on the affordability of electric bills for program participants. Table VIII-7A shows the results from the data analysis. The key findings from this analysis are described below.

- *Full Electric Bill:* The table shows the full electric bill in the year prior to enrollment and the year following enrollment. The table shows that customer's full electric bills increased by approximately \$100. The bills averaged \$981 in the year prior to LIPURP enrollment and \$1,075 in the year following LIPURP enrollment. Electric bills for the non-participant comparison group also increased by \$100 on average. Therefore, the net change in the full bill for the treatment group was a decline of \$5.
- *LIPURP Shortfall Grant:* The table shows that customers received an average LIPURP shortfall grant of \$201 on the electric bill in the year following enrollment.
- *Energy Burden:* Energy burden is the percent of income that customers are charged for the Allegheny bill. Energy burden for LIPURP participants declined from 15 percent in the year preceding enrollment to 13 percent in the year following enrollment, a statistically significant decline of two percentage points. The comparison group experienced a small increase in energy burden from the pre to the post period analysis year. Therefore, the net change was a decline of three percentage points.

**Table VIII-7A
Affordability Impacts
All Customers**

	Treatment Group 2008 LIPURP Enrollees No Participation in the Year Before Enrollment			Non-Participants Comparison Group			Net Change
	Pre	Post	Change	Pre	Post	Change	
Number of Customers	264			6,820			
Full Bill	\$981	\$1,075	\$95**	\$846	\$946	\$100**	-\$5
Shortfall Grant	\$0	\$201	\$201**	\$0	\$0	\$0	\$201**
LIPURP Bill	\$981	\$874	-\$107**	\$846	\$946	\$100**	-\$207**
Number of Customers with Income Info	113			837			
Energy Burden	15%	13%	-2%**	16%	17%	1%**	-3%**
Number of Customers with Non-Zero Income	106			807			
Energy Burden	9%	7%	-2%**	13%	14%	1%**	-3%**

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

Table VIII-7B displays the results for electric heating customers. The table shows similar results. The average shortfall grant for this group was \$169, and the net change in energy burden was a decline of two percentage points.

Table VIII-7B
Affordability Impacts
Electric Heating Customers

	Treatment Group 2008 LIPURP Enrollees No Participation in the Year Before Enrollment			Non-Participants Comparison Group			Net Change
	Pre	Post	Change	Pre	Post	Change	
Number of Customers	53			5,024			
Full Bill	\$1,484	\$1,616	\$132**	\$862	\$966	\$104**	\$27
Shortfall Grant	\$0	\$169	\$169**	\$0	\$0	\$0	\$169**
LIPURP Bill	\$1,484	\$1,447	-\$37	\$862	\$966	\$104**	-\$141**
Number of Customers with Income Info	26			477			
Energy Burden	14%	13%	>-1%	18%	19%	1%**	-2%*
Number of Customers with Non-Zero Income	25			461			
Energy Burden	10%	10%	>-1%	15%	16%	2%**	-2%*

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

Table VIII-7C displays the results for non-electric heating customers. The table shows similar results. The average shortfall grant for this group was \$209, and the net change in energy burden was a decline of three percentage points.

Table VIII-7C
Affordability Impacts
Non-Electric Heating Customers

	Treatment Group 2008 LIPURP Enrollees No Participation in the Year Before Enrollment			Non-Participants Comparison Group			Net Change
	Pre	Post	Change	Pre	Post	Change	
Number of Customers	211			1,796			
Full Bill	\$854	\$940	\$85**	\$800	\$889	\$89**	-\$3
Shortfall Grant	\$0	\$209	\$209**	\$0	\$0	\$0	\$209**
LIPURP Bill	\$854	\$730	-\$124**	\$800	\$889	\$89**	-\$213**

	Treatment Group 2008 LIPURP Enrollees No Participation in the Year Before Enrollment			Non-Participants Comparison Group			Net Change
	Pre	Post	Change	Pre	Post	Change	
Number of Customers with Income Info	87			360			
Energy Burden	15%	13%	-2% **	14%	15%	1% **	-3% **
Number of Customers with Non-Zero Income	81			346			
Energy Burden	8%	6%	-2% **	11%	12%	1% **	-3% **

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

Table VIII-8 provides more detail on the shortfall grants received for all 2009 LIPURP participants in 2009 and for the 2008 LIPURP treatment group for the year following enrollment. The table shows that the median shortfall grant received by all 2009 LIPURP participants was \$171 and the median shortfall grant received by the treatment group was \$95. The table shows that the lowest poverty group had much greater shortfall grants than the other poverty groups. Looking at all 2009 LIPURP participants with income at or below 50 percent of the poverty level, 75 percent had a shortfall grant of \$217 or more, 50 percent had a shortfall grant of \$495 or more, and 25 percent had a shortfall grant of \$882 or more.

**Table VIII-8
Shortfall Grant Received in the Post Period**

	All 2009 LIPURP Participants Analysis Group					Treatment Group 2008 LIPURP Enrollees No Participation in the Year Before Enrollment				
	Percentile					Percentile				
	10%	25%	50%	75%	90%	10%	25%	50%	75%	90%
Observations	18,306					264				
All	-\$35	\$28	\$171	\$498	\$940	-\$30	\$16	\$95	\$310	\$618
Poverty Group										
≤ 50%	\$72	\$217	\$495	\$882	\$1,319	\$164	\$278	\$448	\$614	\$761
51%- 100%	-\$18	\$44	\$201	\$509	\$926	-\$135	-\$13	\$55	\$160	\$319
101%-150%	-\$54	\$1	\$73	\$213	\$470	-\$25	\$12	\$39	\$128	\$226
>150%	-\$151	-\$40	\$46	\$165	\$518	-\$36	-\$11	\$46	\$349	\$1,079
Missing	-\$120	-\$23	\$43	\$179	\$456	-\$30	\$17	\$87	\$317	\$620

The Pennsylvania Public Utility Commission (PUC) has set targets for the energy burden for non-electric heaters and electric heaters by poverty level. Table VIII-9A displays the mean energy burden for all 2009 LIPURP participants by whether the customer has a full year of

billing data, poverty level, and whether or not the customers have electric heat. The table also shows the PUC energy burden target ranges, and the percentage of customers with energy burden above the target in 2009.

The table shows that the majority of customers with income below 50 percent of the poverty level had energy burdens above the PUC targeted level. For example, the table shows that non electric heating customers with income below 50 percent of the poverty level who had a full year of data had a mean energy burden of 23 percent and that 94 percent of those customers had an energy burden that exceeded the PUC's targeted range of two to five percent.

There are several reasons why these customers may exceed the PUC target of two to five percent for the energy burden for non electric heating customers:

- Many customers do not participate in LIPURP for the full year.
- There is a minimum monthly payment of \$25 for baseload customers and \$30 for water heating customers.
- While baseload customers have a percent of income payment that is 5 percent of their income, water heating customers have a percent of income payment that is 8 percent of their income.

**Table VIII-9A
Electric Burden
And Relationship to PUC Target
All 2009 LIPURP Participants**

Non Electric Heating							
Poverty Level	Mean Energy Burden			PUC Electric Heating Energy Burden Target	Percent with Burden Above PUC Target		
	All 2009	Full Year	Partial Year	Non-Heating	All 2009	Full Year	Partial Year
≤ 50%	22%	23%	20%	2%-5%	88%	94%	74%
51% - 100%	7%	8%	6%	4%-6%	57%	64%	37%
101%-150%	5%	6%	5%	6%-7%	22%	24%	15%
>150%	3%	4%	3%	6%-7%	2%	2%	0%

Electric Heating							
Poverty Level	Energy Burden			PUC Electric Heating Energy Burden Target	Percent with Burden Above PUC Target		
	All 2009	Full Year	Partial Year	Heating	All 2009	Full Year	Partial Year
≤ 50%	36%	37%	31%	7%-13%	77%	86%	58%
51% - 100%	13%	14%	10%	11%-16%	21%	26%	9%
101%-150%	9%	10%	7%	15%-17%	4%	5%	2%
>150%	6%	6%	6%	15%-17%	0%	0%	0%

Table VIII-9B displays the percent above the PUC energy burden target for all 2009 LIPURP participants with a full year of data and with income. The table shows that most of the non electric heating participants with income below 50 percent of poverty have energy burdens that are more than 50 percent above the PUC target and many of those with income between 51 and 100 percent of poverty exceed the PUC target by more than 50 percent. Electric heating customers in the lowest poverty group are also likely to exceed the PUC energy burden target by more than 50 percent.

**Table VIII-9B
Percent that Electric Burden
Is Above PUC Target
All 2009 LIPURP Participants With Income**

2009 Participants (Full Year Data)						
Non Electric Heating						
Poverty Level	At or Below PUC Energy Burden Target	<5% Above Target	5%-10% Above Target	10%-25% Above Target	25%-50% Above Target	≥50% Above Target
≤50%	7%	2%	2%	6%	9%	74%
51-100%	36%	5%	5%	10%	11%	33%
101-150%	76%	4%	2%	7%	6%	6%

2009 Participants (Full Year Data)						
Electric Heating						
Poverty Level	At or Below PUC Energy Burden Target	<5% Above Target	5%-10% Above Target	10%-25% Above Target	25%-50% Above Target	≥50% Above Target
≤50%	16%	5%	5%	10%	13%	51%

2009 Participants (Full Year Data)						
Electric Heating						
Poverty Level	At or Below PUC Energy Burden Target	<5% Above Target	5%-10% Above Target	10%-25% Above Target	25%-50% Above Target	≥50% Above Target
51-100%	74%	5%	5%	8%	5%	3%
101-150%	95%	1%	1%	1%	1%	<1%

Table VIII-9C displays the mean energy burden for the 2008 LIPURP enrollee treatment group by poverty level, and whether or not the customers have electric heat. The table also shows the PUC energy burden target ranges, and the percentage of customers with energy burden above the target in the year prior to LIPURP enrollment and the year following LIPURP enrollment. The table shows that a lower percentage of customers had a burden that exceeded the PUC target after enrolling in LIPURP. However, a large percentage still had burdens above the PUC target because they do not pay their bill and receive the shortfall grant every month. Customers must pay their bill to receive the shortfall grant.

Table VIII-9C
Electric Burden
And Relationship to PUC Target
2008 LIPURP Enrollee Treatment Group

Non Electric Heating					
Poverty Level	Mean Energy Burden		PUC Electric Heating Energy Burden Target	Percent with Burden Above PUC Target	
	Pre	Post	Non-Heating	Pre	Post
≤ 50%	44%	38%	2%-5%	100%	90%
51% - 100%	8%	7%	4%-6%	62%	46%
101%-150%	4%	4%	6%-7%	0%	0%
>150%	3%	2%	6%-7%	0%	0%
Electric Heating					
Poverty Level	Energy Burden		PUC Electric Heating Energy Burden Target	Percent with Burden Above PUC Target	
	Pre	Post	Heating	Pre	Post
≤ 50%	42%	41%	7%-13%	67%	33%
51% - 100%	12%	12%	11%-16%	13%	13%
101%-150%	6%	7%	15%-17%	0%	0%
>150%	4%	6%	15%-17%	0%	0%

H. Payment Impacts

This section analyzes the impact of LIPURP participation on bill payment and bill coverage rates. Table VIII-10 presents the following information:

- *Late Payment Charges:* The table shows a small decline in the amount of late payment charges.
- *Security Deposits:* The table shows that the amount of security deposits charged for LIPURP participants increased in the post period, and that a large percent of these customers, 45 percent, are required to have security deposits. Allegheny noted that security deposits required may have increased due to rate increases.
- *Number of cash payments:* The table shows that customers increased the number of cash payments made from 8.6 in the year prior to enrollment to 9.4 in the year following enrollment. The comparison group had a small decline in the number of payments, so the net change was an increase of 1.3 payments.
- *Cash payments:* LIPURP participants increased the amount of cash payments made by an average of \$40 in the year following enrollment. The non-participants did not change the amount of cash payments made. The net change in cash payments was an increase of \$39.
- *LIHEAP Assistance:* LIHEAP payments are not counted toward the LIPURP participants payment obligations. However, electric heating customers are required to receive LIHEAP to remain in LIPURP and all customers are encouraged to apply for LIHEAP. The table shows that LIHEAP payments received by the treatment group increased from \$28 in the year prior to enrollment to \$215 in the year following enrollment. LIHEAP receipt increased by \$47 for the non-participant comparison group, so the net change was an increase of \$140 in LIHEAP payments.
- *Other Assistance:* There was not a significant change in the amount of other assistance, including LIHEAP Crisis.
- *Total Payments:* Total payments for LIPURP participants increased by \$56 as a result of the increased cash payments and some other credits, despite the fact that LIHEAP was not added into the customer payment amount. The total payments for the treatment group increased by approximately the same amount.
- *Total Coverage Rate:* The total coverage rate is the percent of the asked to pay amount that is paid by the customer's cash and assistance payments, but LIHEAP cash grants are not included when the customer is a LIPURP participant. The total coverage rate increased from 88 percent in the pre-treatment period to 111 percent in the LIPURP participation period. The total coverage rate for the comparison group declined by seven percentage points. The net change in the total coverage rate was an increase of 30 percentage points.

- *Payments Missed:* The difference between the bill and the customer's total payments declined by \$163, from \$111 in the pre-treatment period, to a payment that exceeded the asked to pay amount by \$51 on average in the post treatment period. The net change was a decline of \$218.
- *Arrearage Forgiveness:* LIPURP participants received an average of \$26 in arrearage forgiveness as a result of the two percent forgiveness each month. The participants also contributed an average of \$55 toward their arrearages with their \$5 monthly arrearage payments.
- *Balance:* The balance at the end of the pre treatment period was \$162 and the balance at the end of the post treatment period was \$113, a gross decline of \$49 and a net decline of \$63. The change in the balance during the pre treatment period was an increase of \$127 and the change during the post period was a decline of \$109, a gross decline of \$235 and a net decline of \$289.

**Table VIII-10
Payment Impacts
All Customers**

	Treatment Group 2008 LIPURP Enrollees No Participation in the Year Before Enrollment			Non-Participants Comparison Group			Net Change
	Pre	Post	Change	Pre	Post	Change	
Number of Customers	264			6,820			
LIPURP Bills	\$980	\$874	-\$107**	\$846	\$946	\$100**	-\$207**
Late Payment Charge	\$10	\$7	-\$3**	\$2	\$2	-\$1**	-\$3**
Security Deposits	\$78	\$100	\$22*	\$36	\$38	\$2	\$20**
% of Customer with Non-Zero Security Deposit Amounts	43%	45%	2%	19%	17%	-3%**	4%*
Number Cash Payments	8.6	9.4	0.8**	7.9	7.4	-0.5**	1.3**
Cash Payments	\$822	\$862	\$40	\$609	\$610	\$1	\$39*
LIHEAP Cash	\$28	\$215	\$187**	\$213	\$261	\$47**	\$140**
LIHEAP Crisis	\$18	\$19	\$2	\$21	\$15	-\$6**	\$8
Other Assistance Payments	\$7	\$5	-\$2	\$1	\$2	\$1**	-\$3
Other Credits	-\$5	\$39	\$45**	\$5	\$8	\$2*	\$42**
Total Payments	\$869	\$926	\$56*	\$850	\$895	\$45**	\$11
Cash Coverage Rate	84%	103%	19%**	65%	56%	-8%**	27%**
Total Coverage Rate	88%	111%	23%**	101%	94%	-7%**	30%**
Payments Missed	\$111	-\$51	-\$163**	-\$4	\$50	\$55**	-\$218**
Arrearage Forgiveness	\$0	\$26	\$26**	\$0	\$0	\$0	\$26**

	Treatment Group 2008 LIPURP Enrollees No Participation in the Year Before Enrollment			Non-Participants Comparison Group			Net Change
	Pre	Post	Change	Pre	Post	Change	
Customer Arrearage Payment	\$4	\$55	\$51**	\$8	\$13	\$5**	\$46**
Balance at the end	\$162	\$113	-\$49**	-\$51	-\$37	\$14**	-\$63**
Balance change	\$127	-\$109	-\$235**	-\$8	\$46	\$54**	-\$289**

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

Table VIII-11A displays the percent of all 2009 LIPURP participants with different levels of total bill coverage rates in 2009 for all customers and for those who had a full year of data and a partial year of data. The table shows that of those with a full year of data, 26 percent paid their full bill, 24 percent paid 90 to 99 percent of their bill and 19 percent paid between 80 and 89 percent of their bill. Less than one third paid less than 80 percent of the bill.

Table VIII-11A
Analysis of Total Bill Coverage Rates for Calendar Year 2009
All 2009 Participants

	All 2009 Participants	2009 Full Year Data	2009 Partial Year Data
≥ 100% ⁷	30%	26%	36%
90%-99%	19%	24%	12%
80%-89%	16%	19%	11%
< 80%	35%	31%	41%

Table VIII-11B displays the percent of the 2008 LIPURP enrollee treatment group and the non-participant comparison group with different levels of total bill coverage rates in the pre and post treatment periods. The table shows that the percentage of customers paying their full bill increased from 33 percent in the year prior to enrollment in LIPURP to 68 percent in the year following enrollment. The comparison group saw a decline in the percent that paid their full bill from 60 percent in the pre treatment period to 53 percent in the post treatment period. The percent of the treatment group that paid 80 percent or less declined from 47 percent in the pre enrollment period to 14 percent in the post enrollment period. The comparison group saw an increase in this group, from 20 percent in the pre period to 27 percent in the post period.

⁷ One account with only partial year of records.

Table VIII-11B
Analysis of Total Bill Coverage Rates
Treatment and Comparison Groups

Coverage Rate	2008 Enrollee Treatment Group		Non-Participant Comparison Group	
	Pre	Post	Pre	Post
≥ 100%	33%	68%	60%	53%
90%-99%	20%	18%	19%	20%
80%-89%	24%	8%	10%	11%
< 80%	23%	6%	10%	16%

The payment impacts table showed that 45 percent of customers had security deposits in the post treatment period and that they averaged \$100 over all customers in the group. The security deposits represent another cost for the customers, as they are not included in the full charges, LIPURP bills, or energy burdens shown in the previous tables. They can have a large impact on the affordability of customers' bills.

Allegheny may assess security deposits on residential accounts when they apply for service, reconnect for non-payment, or when they are an existing customer with three termination notices in one year. Deposits are held until the customer has one year of prompt payments or two years maximum for low income customers. The deposit amount may be calculated from the customer's existing usage history if enough exists. If not, Allegheny will calculate the deposit based on information the customer provides about the home (size, heat source, a/c, water heater) and family size.

Customer payments received are applied to the oldest amount due first. If it is energy charges it applies to that portion of the bill. If it's the deposit/installment that is the oldest, then it applies to the deposit first. Therefore, customer payments toward their LIPURP bill may be applied to security deposits if there is an outstanding security deposit due.

Allegheny may make concessions when a customer is off for non-payment. Typically they request the deposit in full, but they may break it into installments. The customer would pay 50% to get restored and the remainder in two installments of 25% each.

Table VIII-12 provides additional detail on security deposits. The table shows that for all 2009 participants, 50 percent had a security deposit of \$53 or more, 25 percent had a security deposit of \$215 or more, and ten percent had a security deposit of \$357 or more. Security deposits are somewhat lower for the 2008 enrollee treatment group, but there are still 25 percent of customers who had a security deposit of more than \$172 and ten percent that had a deposit of more than \$293 after enrolling in LIPURP. Security deposits for the non-participants were not as common or as large.

This analysis shows that the imposition of security deposit charges can cancel out or outweigh the benefit received from LIPURP participation.

**Table VIII-12
Security Deposits
Treatment and Comparison Groups**

	N	Min	10%	25%	50%	75%	90%	Max.
All 2009	18,306	\$0	\$0	\$0	\$53	\$215	\$357	\$1,675
Treatment Group								
Pre	264	\$0	\$0	\$0	\$0	\$127	\$227	\$1,433
Post		\$0	\$0	\$0	\$0	\$172	\$293	\$821
Non-Participant Comparison Group								
Pre	6,820	\$0	\$0	\$0	\$0	\$0	\$140	\$868
Post		\$0	\$0	\$0	\$0	\$0	\$160	\$906

I. Maximum LIPURP Shortfall and Change in Customer Arrearages

The difference between the customer's percent of income payment and the actual bill is covered by the LIPURP supplemental grant. Table VIII-13 shows the maximum annual shortfall, which varies by rate code and number of household members. Once the customer exceeds the maximum annual shortfall, the difference between the monthly payment and the actual bill is added to the customer's total AP arrearage, the total amount that is owed to Allegheny. At the time of recertification, this amount is added to the pre-program arrearage.

**Table VIII-13
Maximum Annual Shortfall**

Rate Code	Number of Household Members	
	1-3	4 or More
Heating	\$1400	\$1400
Water Heating	\$560	\$750
Baseload	\$560	\$750

Table VIII-14 displays the percent of the maximum shortfall grant received in the year after enrollment for the 2008 enrollee treatment group with post data. We have increased the sample size for this group by including all customers with a full year of post data (and not requiring the billing and payment data for the year prior to enrollment.) While a large percentage of customers receive less than 25 percent of the maximum shortfall grant, especially electric heating customers, a significant percentage of customers receive the maximum shortfall grant. This is greatest for the electric water heating customers, where 15 percent of these customers receive the maximum shortfall grant.⁸

⁸ The customer's LIHEAP grant can help to reduce or eliminate the overage.

Table VIII-14
Percent of Maximum LIPURP Shortfall Grant Received
2008 Enrollee Treatment Group with Post Data

	All	Electric Heating	Water Heating	Baseload
Observation	697	189	207	301
≤25%	57%	71%	46%	55%
26-50%	18%	14%	20%	19%
51-75%	10%	7%	12%	11%
76-95%	4%	4%	3%	6%
96%-99%	1%	1%	1%	1%
≥100%	8%	3%	15%	7%
Missing	2%	0%	3%	2%

Customers who receive the maximum shortfall grant prior to the end of a year of LIPURP participation will see their arrearages increase. Table VIII-15A examines the percent of customers with different amounts of changes in their arrearages in the post enrollment period. The table shows that 83 customers or 12 percent of the 2008 enrollee treatment group increased their arrearages by \$250 or more during the post period. One third of these customers received the maximum LIPURP shortfall grant and 22 percent of these customers paid their full LIPURP bill. The table shows that the customers with the largest increase in arrearages are most likely to have reached their maximum LIPURP shortfall.

Table VIII-15A
Change in Arrearage in the Post Period
Treatment Group with Post Data and Comparison Final Analysis Group

	2008 Enrollee Treatment Group with Post Data				Non-Participant Comparison Group
	Number	Percent	Percent With Max LIPURP Shortfall Grant	Percent Paid ≥100% of LIPURP bill	Percent
Observations	697				6,820
Decline of \$250 or more	160	23%	8%	68%	3%
Decline of \$100 to \$249	165	24%	1%	70%	7%
Decline of less than \$100	152	22%	5%	78%	16%
No change	6	1%	0%	67%	29%
Increase of less than \$100	77	11%	5%	51%	21%
Increase of \$100 to \$249	54	8%	9%	35%	13%

	2008 Enrollee Treatment Group with Post Data				Non-Participant Comparison Group
	Number	Percent	Percent With Max LIPURP Shortfall Grant	Percent Paid $\geq 100\%$ of LIPURP bill	Percent
Increase of \$250 or more	83	12%	33%	22%	11%

Table VIII-15B examines the same information for electric heating customers. As shown above, these customers are less likely to reach the maximum LIPURP shortfall. The table shows that 11 percent of the 2008 enrollee treatment group increased their arrearages by \$250 or more during the post period. However, only five percent of these customers received the maximum LIPURP shortfall.

Table VIII-15B
Change in Arrearage in the Post Period
Treatment Group with Post Data and Comparison Final Analysis Group
Electric Heating Customers

	2008 Enrollee Treatment Group with Post Data				Non-Participant Comparison Group
	Number	Percent	Percent With Max LIPURP Shortfall Grant	Percent Paid $\geq 100\%$ of LIPURP bill	Percent
Observations	189				5,024
Decline of \$250 or more	79	42%	5%	58%	2%
Decline of \$100 to \$249	43	23%	0%	49%	6%
Decline of less than \$100	15	8%	0%	67%	15%
No change	1	1%	0%	100%	32%
Increase of less than \$100	19	10%	5%	32%	21%
Increase of \$100 to \$249	12	6%	0%	17%	14%
Increase of \$250 or more	20	11%	5%	5%	11%

Table VIII-15C examines the same information for electric water heating customers. As shown above, these customers are most likely to reach the maximum LIPURP shortfall. The table shows that 14 percent of the 2008 enrollee treatment group increased their arrearages by \$250 or more during the post period. Almost half of these customers with the greatest arrearage increase received the maximum LIPURP shortfall. Almost a third of this group had large increases in arrearages even though they paid their full LIPURP bill.

Table VIII-15C
Change in Arrearage in the Post Period
Treatment Group with Post Data and Comparison Final Analysis Group
Electric Water Heating Customers

	2008 Enrollee Treatment Group with Post Data				Non-Participant Comparison Group
	Number	Percent	Percent With Max LIPURP Shortfall Grant	Percent Paid \geq 100% of LIPURP bill	Percent
Observations	207				669
Decline of \$250 or more	34	16%	18%	82%	5%
Decline of \$100 to \$249	56	27%	4%	75%	9%
Decline of less than \$100	47	23%	9%	81%	20%
No change	3	1%	0%	67%	23%
Increase of less than \$100	20	10%	10%	55%	18%
Increase of \$100 to \$249	19	9%	21%	53%	11%
Increase of \$250 or more	28	14%	46%	29%	14%

Table VIII-15D examines the same information for baseload customers. The table shows that 12 percent of the 2008 enrollee treatment group increased their arrearages by \$250 or more during the post period. Thirty-seven percent of these customers reached the maximum LIPURP shortfall.

Table VIII-15D
Change in Arrearage in the Post Period
Treatment Group with Post Data and Comparison Final Analysis Group
Baseload Customers

	2008 Enrollee Treatment Group with Post Data				Non-Participant Comparison Group
	Number	Percent	Percent With Max LIPURP Shortfall	Percent Paid \geq 100% of LIPURP bill	Percent
Observations	301				1,127
Decline of \$250 or more	47	16%	6%	72%	5%
Decline of \$100 to \$249	66	22%	0%	79%	10%
Decline of less than \$100	90	30%	4%	79%	21%
No change	2	1%	0%	50%	18%
Increase of less than \$100	38	13%	3%	58%	20%

	2008 Enrollee Treatment Group with Post Data				Non-Participant Comparison Group
	Number	Percent	Percent With Max LIPURP Shortfall	Percent Paid \geq 100% of LIPURP bill	Percent
Increase of \$100 to \$249	23	8%	4%	30%	13%
Increase of \$250 or more	35	12%	37%	26%	13%

J. Energy Assistance

This section examines the change in energy assistance received after customers enrolled in LIPURP. Customers who participate in LIPURP have the regular LIHEAP benefit credited to cover their LIPURP shortfall or arrearages, rather than their monthly bill payment obligation. However, customers must receive LIHEAP to remain on LIPURP if they use electric heat, and are encouraged to apply even if they do not have electric heat.

Table VIII-16A shows that 76 percent of all 2009 LIPURP participants with a full year of data received LIHEAP cash assistance and 78 percent of those with electric heat received LIHEAP cash assistance. Mean benefits were \$324 for all participants who received a grant and \$488 for those with electric heating.

Table VIII-16A
LIHEAP Cash Grants
All 2009 Participants

	All 2009 Participants	2009 Full Year Data	2009 Partial Year Data
All 2009 Participants			
Percent Received LIHEAP	70%	76%	60%
Mean LIHEAP Grant	\$303	\$324	\$261
2009 Participants with Electric Heat			
Percent Received LIHEAP	70%	78%	59%
Mean LIHEAP Grant	\$454	\$488	\$393

Mean LIHEAP Grants include only the accounts with those who received LIHEAP grants.

Table VIII-16B displays the pre and post LIHEAP Cash receipt and mean benefits received for the 2008 enrollee treatment group and non-participant comparison group. The table shows that while 11 percent overall received LIHEAP in the pre treatment period, 81 percent received the grant in the post period. The percentage for the non-participant comparison group increased from 76 percent to 79 percent. While 43 percent of the electric heating customers received LIHEAP in the pre period, 85 percent received grants in the post period. Mean grant amounts increased for both groups, as this was a year that the LIHEAP allocation increased significantly.

Table VIII-16B
LIHEAP Cash Grants
2008 Enrollee Treatment and Non-Participant Comparison Group

	2008 Enrollee Treatment Group		Non-Participant Comparison Group	
	Pre	Post	Pre	Post
All Customers				
Percent Received LIHEAP	11%	81%	76%	79%
Mean LIHEAP Grant	\$245	\$267	\$280	\$328
Electric Heating Customers				
Percent Received LIHEAP	43%	85%	82%	87%
Mean LIHEAP Grant	\$280	\$408	\$277	\$324

Mean LIHEAP Grants include only the accounts with those who received LIHEAP grants.

Table VIII-17 examines all types of energy assistance received by LIPURP participants. The table shows that only a small amount of energy assistance is received by LIPURP participants, other than the LIHEAP grants that are not credited toward their LIPURP monthly payments.

Table VIII-17
Energy Assistance Impacts

	Treatment Group 2008 LIPURP Enrollees No Participation in the Year Before Enrollment			Non-Participant Comparison Group			Net Change
	Pre	Post	Change	Pre	Post	Change	
Number of Customers	264			6,820			
Percent Received LIHEAP	11%	81%	69%**	76%	79%	3%**	66%**
LIHEAP	\$28	\$215	\$187**	\$213	\$261	\$47**	\$140**
CRISIS	\$18	\$19	\$2	\$21	\$15	-\$6**	\$8
Other Assistance	\$7	\$5	-\$2	\$1	\$2	\$1**	-\$3
Total Assistance Payments	\$53	\$240	\$187**	\$236	\$278	\$42**	\$145**

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

K. Collections and Termination Impacts

In this section we examine collections actions and costs and termination impacts for LIPURP participants. Table VIII-18A displays the pre and post period actions and costs for the 2008 treatment group and comparison group. The table shows that there were only small changes in the incidence of these actions for both the treatment and comparison groups, and that given the small size of the treatment group, the changes are not statistically significant.

Table VIII-18A
Collection Actions and Costs

	Treatment Group 2008 LIPURP Enrollees No Participation in the Year Before Enrollment			Non-Participant Comparison Group			Net Change
	Pre	Post	Change	Pre	Post	Change	
Number of Customers	264			6,820			
# Incoming Calls	1.2	1.5	0.4	0.5	0.6	0.1**	0.2
# Auto Dialer	1.4	1.2	-0.2	0.6	0.7	0.1**	-0.3**
# Outgoing Calls	<0.1	<0.1	<0.1	<0.1	<0.1	>-0.1	<0.1
# Letters Sent	2.3	2.8	0.5	0.8	1.0	0.2**	0.3
# Remote Metering	0.2	0.1	-0.1	0.1	<0.1	>-0.1*	-0.1*
# Field Collection	0.1	0.1	0.0	<0.1	<0.1	>-0.1**	<0.1
Total Number of Actions	5.1	5.7	0.6	1.9	2.3	0.4**	0.2
Total Cost of Actions	\$8.09	\$8.08	-\$0.02	\$3.01	\$3.21	\$0.20	-0.21

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

Table VII-18B displays the change in the rate of termination for LIPURP participants and the non-participant comparison group. The table shows a reduction in the rate of termination notice status but not in the rate of terminations. While 68 percent had a termination notice status in the year prior to enrollment, 48 percent had this status in the year following enrollment. The comparison group did not experience as large of a decline.

Table VIII-18B
Termination Impacts

	Treatment Group 2008 LIPURP Enrollees No Participation in the Year Before Enrollment			Non-Participant Comparison Group			Net Change
	Pre	Post	Change	Pre	Post	Change	
Number of Customers	264			6,820			
Termination Notice Status	68%	48%	-19%**	29%	27%	-2%**	-18%**
Termination	0.1	0.1	<0.1	0.1	0.1	>-0.1**	<0.1

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

L. Summary

This section provided an analysis of the characteristics of LIPURP participants and the impact of the program on affordability, payments, energy assistance, and collections actions and costs. Below we summarize the key findings.

- *New Enrollees:* Most of the customers who are currently enrolling in LIPURP have previously participated in the program. While there were nearly 30,000 customers who participated in LIPURP at some point in 2009, there were only 67 who enrolled in 2009 and had not participated in LIPURP in the two years prior to enrollment.
- *Account Stability:* Many customers do not have stable account histories. Of the 1,682 customers who enrolled in LIPURP in 2008 and did not participate in the LIPURP in the year prior to this enrollment, less than 25 percent had opened this account at least a year prior to this enrollment date.
- *Demographic Data:* Demographic data, including whether there are elderly household members and young children in the household, are missing for a large percentage of program participants.
- *Account Status:* Many customers do not maintain their accounts. While only 76 percent of customers who participated in LIPURP at some point in 2009 had active accounts at the end of 2009, only 46 percent of those who enrolled in 2008 (and did not participate in LIPURP in the year prior to this enrollment) had an active account one year after the enrollment.
- *LIPURP Shortfall Grants:* The LIPURP Shortfall Grant covers the difference between the customer's actual usage and the amount that the customer is asked to pay in LIPURP. Most customers do not receive LIPURP shortfall grants every month. An analysis of the 2008 enrollees shows that while 98 percent received LIPURP shortfall grants in the first two months after enrollment, only 90 percent received shortfall grants by month three, 69 percent received shortfall grants by month six, 52 percent received shortfall grants by month nine, and 33 percent received shortfall grants by month 12.
- *Arrearage Forgiveness:* Balances averaged \$222 for the 2008 enrollee treatment group at the time of LIPURP enrollment. Almost all, 94 percent, received at least one month of arrearage forgiveness, and they averaged 6.7 months of arrearage forgiveness receipt. The mean amount of arrearages forgiven was \$26 through the monthly two percent arrearage forgiveness. The participants also contributed an average of \$55 toward their arrearages with their \$5 monthly arrearage payments.

Non senior households and households with children are more likely to receive arrearage forgiveness. Households with higher incomes have greater balances, are more likely to receive arrearage forgiveness, receive a greater number of arrearage forgiveness payments, and receive a higher average amount. Customers who own their homes also have higher balances and receive more in arrearage forgiveness.

- *Affordability Impacts:* Customers receive an average LIPURP shortfall grant of \$201 in the year following enrollment. Their net change in energy burden was a decline of three percentage points. The lowest poverty group had much greater shortfall grants than the other groups. Of all 2009 LIPURP participants with income at or below 50 percent of the poverty level, 75 percent had a shortfall grant of \$217 or more, 50 percent had a shortfall grant of \$495 or more, and 25 percent had a shortfall grant of \$882 or more.
- *Energy Burden Targets:* Most LIPURP participants with income at or below 50 percent of the poverty level have energy burdens that exceed the PUC's targets. For example, non electric heating customers with income below 50 percent of the poverty level who had a full year of data had a mean energy burden of 23 percent and 94 percent of those customers had an energy burden that exceeded the PUC's targeted range of two to five percent. There are several reasons why these customers may exceed the PUC target of two to five percent for the energy burden for non electric heating customers, including that many customers do not participate in LIPURP for the full year, there is a minimum monthly payment, and while baseload customers have a percent of income payment that is 5 percent of their income, water heating customers have a percent of income payment that is 8 percent of their income.
- *Payment Impacts:* Customers improve their payment behavior after enrolling in LIPURP. Customers increase the number of cash payments made from 8.6 in the year prior to enrollment to 9.4 in the year following enrollment. They also increase the amount that they pay. LIPURP participants increased the amount of cash payments made by an average of \$40 in the year following enrollment.
- *LIHEAP Assistance:* The percent of customers who received LIHEAP cash assistance increased from 11 percent in the year prior to enrollment to 81 percent in the year following enrollment. Eighty-five percent of electric heating customers received LIHEAP. LIHEAP payments received by the treatment group increased from \$28 in the year prior to enrollment to \$215 in the year following enrollment.
- *Total Coverage Rate:* The total coverage rate increased from 88 percent in the pre-treatment period to 111 percent in the LIPURP participation period. The net change in the total coverage rate was an increase of 30 percentage points. The percent of customers who paid at least their full bill increased from 33 percent in the year prior to enrollment to 68 percent in the year following enrollment.
- *Payments Missed:* The difference between the bill and the customer's total payments declined by \$163, from \$111 in the pre-treatment period, to a payment that exceeded the asked to pay amount by \$51 on average in the post treatment period. The net change was a decline of \$218.
- *Balance:* The balance at the end of the pre treatment period was \$162 and the balance at the end of the post treatment period was \$113, a gross decline of \$49 and a net decline of \$63. The change in the balance during the pre treatment period was an increase of

\$127 and the change during the post period was a decline of \$109, a gross decline of \$235 and a net decline of \$289.

- *Security Deposits:* Security deposits are often required for LIPURP participants. We found that 45 percent of customers had security deposits in the post treatment period and that the security deposits averaged \$100 over all customers in the group. For all 2009 participants, 50 percent had a security deposit of \$53 or more, 25 percent had a security deposit of \$215 or more, and ten percent had a security deposit of \$357 or more.
- *Maximum LIPURP Shortfall:* The difference between the customer's percent of income payment and the actual bill is covered by the LIPURP supplemental grant. Once the customer exceeds the maximum annual shortfall, the difference between the monthly payment and the actual bill is added to the customer's total AP arrearage, the total amount that is owed to Allegheny. While a large percentage of customers receive less than 25 percent of the maximum shortfall grant, especially electric heating customers, a significant percentage of customers receive the maximum shortfall grant. This is greatest for the electric water heating customers, where 15 percent of these customers receive the maximum shortfall grant.

Customers who receive the maximum shortfall grant prior to the end of a year of LIPURP participation will see their arrearages increase. We found that 12 percent of the 2008 enrollee treatment group increased their arrearages by \$250 or more during the post period. One third of these customers received the maximum LIPURP shortfall grant and 22 percent of these customers paid their full LIPURP bill. The customers with the largest increase in arrearages are most likely to have reached their maximum LIPURP shortfall grant.

Electric water heating customers are most likely to reach the maximum LIPURP shortfall. Fourteen percent of the 2008 enrollee treatment group increased their arrearages by \$250 or more during the post period. Almost half of these customers with the greatest arrearage increase received the maximum LIPURP shortfall grant. Almost a third of this group had large increases in arrearages even though they paid their full LIPURP bill.

- *Collections Impacts:* There were no significant changes in the incidence of collections actions after enrollment in LIPURP.
- *Termination Impacts:* While there is a reduction in percent of customers with a termination notice status, there is not a significant change in the frequency of terminations.

IX. Findings and Recommendations

This section of the report provides findings and recommendations from all of the evaluation activities.

A. Strengths of Allegheny Universal Services Programs

1. Universal Services Administration

Allegheny has contracted with Dollar Energy to manage their LIPURP, LIURP, and hardship fund. Dollar Energy has done an excellent job establishing program procedures, training staff, and implementing the programs. Interviews with managers and staff and observations at the Universal Services Call center, as well as high customer satisfaction levels found in the customer survey all show that the programs are working well.

2. LIHEAP Outreach

Allegheny should continue to emphasize that Allegheny representatives and Universal Service Program Representatives conduct education about LIHEAP to all low-income customers. Customers who enrolled in LIPURP were much more likely to receive LIHEAP. However, those who did not apply for LIHEAP were most likely to say that it was because they did not know about the program.

3. Energy Conservation

When asked what their responsibility in LIPURP was, a significant percentage of customers noted that it was to conserve energy. During our observations of Dollar Energy Universal Service Representatives, APPRISE noted that representatives were consistent in reminding customers to conserve. This practice should continue to be stressed.

B. General

Recommendations that are not program specific include training of CBOs that do LIPURP and Dollar Energy Hardship Fund applications, educating customers about the potential for a budget bill, and reviewing the Universal Services phone system.

1. CBO Training

CBO managers and caseworkers who have previously done LIPURP intake and those that currently do Dollar Energy intake did not always understand LIPURP. Dollar

Energy should include a detailed review of LIPURP in their annual Dollar Energy Hardship Fund training that is provided to all agencies who do these applications. The training should be in person, as opposed to via webinar as it was done this past year.

2. Budget Bill

Many customers cited even monthly payments as an important benefit of LIPURP. Allegheny offers an average payment plan that fluctuates each month but smooths out payments over the year. Allegheny should consider increasing their outreach about the average payment plan for low-income customers who may benefit greatly from this bill payment option even if they do not need or desire to participate in LIPURP.

3. Dollar Energy Phone System

Dollar Energy Universal services staff reported that the current phone system could be improved. APPRISE noted that the phone system performed adequately during our observations. Allegheny should explore whether they could resolve some of the issues that Universal Services staff commented on.

C. LIPURP

Recommendations about LIPURP relate to retaining customer data, redesigning customer bills, changing security deposit policies, and reassessing the supplemental shortfall grant limit for electric water heating customers.

1. Customer Data

Customer demographic data were missing for a large percentage of LIPURP participants. Allegheny reported that this is a problem with retaining, and not overwriting, data. Allegheny should review their data system and determine whether adjustments can allow for the data to be retained.

2. Customer Bills

Allegheny should try to design a new bill for LIPURP customers that clearly documents all of the program parameters. One important parameter is the customer's arrearage forgiveness. Only a small percentage of customers noted that they know the amount of arrearages that are forgiven each month. However, all of those who did say they knew the amount that was forgiven, said that this forgiveness made them more likely to pay their Allegheny bill.

Another important parameter is the supplemental grant amount and the amount that has been used by the customer. Many customers reported that they did not know how much LIPURP saved them.

3. Security Deposits

Analysis of Allegheny data showed that security deposit requirements could have a large impact on affordability for LIPURP participants. The analysis showed that a large percentage of the customers with longer account histories (those with enough data to be included in the full analysis) had large security deposits imposed on their accounts after enrollment in LIPURP. Allegheny should consider removal of this requirement for LIPURP enrollees.

4. LIPURP Shortfall Grant Limit

Customers who exceed their LIPURP shortfall limit have their overage added to their total arrearages and then to their preprogram arrears at the time of recertification. Electric water heating customers are most likely to reach the limit because they have the same shortfall limit as baseload customers. Allegheny should investigate the relationship of the limit to the current PUC CAP Policy Statement and consider increasing the shortfall limit for these customers.

D. Dollar Energy Hardship Fund

Recommendations about the Dollar Energy Hardship Fund relate to targeting elderly customers, referrals for assistance, and program funds running out.

1. Assistance for Elderly Customers

Agency staff noted that elderly customers are often not able to obtain Dollar Energy Hardship Fund Assistance because funds are short or depleted after providing assistance to customers who are shut off or threatened with termination. Allegheny should ask Dollar Energy to consider prioritizing elderly households for receipt of Dollar Energy grants when the program opens up to all customers from March 1 through September 30th. One potential design is to accept these applications for a period of time and provide grants to elderly customers first, rather than providing them in the order that the applications are received.

2. Referrals to the Hardship Fund

Agency staff noted that they find that customers are referred to them for Dollar Energy hardship fund assistance when they are out of funds. Universal Service Representatives and Allegheny customer service representatives should be aware of Dollar Energy funding remaining and refrain from referring customers to Dollar Energy when funds have been depleted.

3. Fund Depletion

Agency staff noted that Dollar Energy at times will close the program due to lack of funds without advance notice. Dollar Energy should attempt to let agencies know when they are close to running out of funds.

E. CARES

The one recommendation with respect to CARES is to reassess the level of resources that are allocated to this program. While the need for the program has declined with the introduction and expansion of LIPURP, CARES still provides valuable assistance for customers with temporary hardships. Allegheny's CARES resources meet the needs of customers who are currently referred to CARES, but they should reassess their CARES investment to ensure that referrals are made when needed, that relationships with agencies and social service providers are maintained, and that relationships with new agencies or agencies that address a new set of customer needs are developed.

F. LIURP

The one recommendation with respect to LIURP is to formalize the coordination with other weatherization programs. Allegheny's LIURP is coordinated with the Weatherization Assistance Program (WAP) and some gas utility weatherization programs. The process is informal and the coordinated jobs are not tracked. Allegheny has begun to track coordination of Act 129 program jobs with the gas utility programs. They should consider tracking coordination of LIURP jobs as well and documenting the full scope of services that LIURP recipients receive, even if they are funded through other programs.⁹

⁹ Allegheny noted that they are working on improving their data system and tracking coordination of LIURP jobs.