PPL Electric Utilities Universal Service Programs

Final Evaluation Report

October 2008

Table of Contents

Executive Summary

PPL Electric Utilities (PPL) implemented Universal Service Programs to help low-income customers maintain electric service and protect customers' health and safety. The programs include the OnTrack program which provides reduced payments and arrearage forgiveness, WRAP which provides energy efficiency and energy education services, CARES which provides outreach and referral services, and Operation HELP which provides emergency assistance. This report presents the results from an evaluation of these programs.

Introduction

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

1. Protect consumers' health and safety by helping low-income customers maintain affordable utility service.

2. Provide affordable utility service by making payment assistance available to low-income customers.

3. Help low-income customers conserve energy and reduce residential utility bills.

4. Operate in a cost-effective and efficient manner.

The objectives of the Evaluation of PPL's Universal Service Programs are to:

1. Determine if the programs meet the goals of universal service.

2. Develop standard questions so that utilities evaluate the same measures.

3. Comply with Commission orders that direct BCS to collaborate with the EDCs and Non-Generating Distribution Companies in developing guidelines for evaluation.

The evaluation consisted of the following activities.

1. *Evaluation planning and background research:* APPRISE collected and reviewed documents related to the PPL Universal Service Programs.

2. *Program database analysis:* APPRISE collected and analyzed information from OnTrack, WRAP, CARES, and Operation HELP program databases.

3. *PPL manager and staff interviews:* APPRISE conducted on-site interviews with PPL's managers and staff that run PPL's Universal Service Programs.

4. *CBO interviews:* APPRISE conducted telephone interviews with managers and caseworkers at ten CBOs who administer OnTrack and at 14 CBOs who administer Operation HELP.

5. *Customer survey:* APPRISE conducted a telephone survey with current OnTrack participants, previous OnTrack participants, and low-income customers who have not participated in OnTrack.

6. *Billing data retrieval and analysis:* APPRISE obtained data from PPL for customers who have participated in OnTrack, customers who have received CARES services, customers who have received Operation HELP assistance, and a sample of low-income customers who have not received any of these program services. We analyzed the impact of these programs on bill payment behavior, arrearages, and service terminations. We analyzed how long customers remain in the OnTrack program, and whether they have successfully graduated.

OnTrack Program

PPL's OnTrack program provides payment-troubled low-income households with a reduced payment amount and debt forgiveness. The program was first piloted by PPL in 1993 in response to a Public Utility Commission (PUC) Policy Statement that developed guidelines for Customer Assistance Programs. PPL expanded OnTrack in 1999 as part of a 1998 Settlement Agreement, and in 2004 as part of base rate case proceedings. The annual OnTrack budget is currently $19 million.

OnTrack Administration

PPL's Customer Services Department manages the OnTrack Program. The Customer Relations Specialist is responsible for managing the overall program and for regulatory reporting to the PUC. There are five Customer Programs Directors (CPDs) who oversee the implementation of OnTrack as well as the other Universal Service Programs in their geographical areas. The CPDs work with agencies in their local areas, providing guidance and quality control. The agencies work directly with the customers on enrollment and recertification.

PPL has a very good data management system and the ability to provide comprehensive data that allows for program management and evaluation.

OnTrack Eligibility and Benefits

Customers must meet the following requirements to enroll in OnTrack.

- Household income must be at or below 150% of poverty.
- The customer must be payment-troubled, defined as defaulted on one or more payment agreements in the past 12-month period.

- The household must have a source of income.

OnTrack benefits include:

- A reduced electric payment, based on the household's ability to pay.
- Waived late payment charges.
- Arrearage forgiveness, over a period of time.
- Referrals to other community programs and services.

OnTrack Payment Plans

PPL designed payment selection guidelines to allow agencies flexibility to choose a payment level to best meet the customer's needs. PPL's customer system calculates four OnTrack payment options at the time of enrollment.

- *Minimum Payment:* This payment is equal to the estimated monthly budget amount minus the maximum monthly CAP credit ($150/month for electric heat and $58/month for non-electric heat) plus $60 arrearage co-payment divided by 12 months, if applicable.

- *Percent of Bill Payment:* This payment is the estimated annual bill times the percent of bill amount (50%, 70%, or 80% depending on poverty level) plus $60 annual arrearage co-payment divided by 12 months.

- *Percent of Income Payment:* This payment is the household's annual gross income times the percent of income (based on poverty level and whether the customer has electric heat) plus $60 annual arrearage co-payment divided by 12 months.

- *Annualized Average Payment:* This payment is the amount that the OnTrack applicant paid to PPL over the past 12 months excluding LIHEAP. It includes crisis and hardship funds. The $60 arrearage co-payment divided by 12 months is added to this, if applicable.

The customer's OnTrack payment cannot be above the maximum percent of income outlined in the PUC CAP Policy Statement. If the maximum percent of income payment outlined in the PUC CAP Policy Statement is less than the "minimum payment", then PPL's system will calculate all four payment types as this maximum percent of income payment level.

Control of OnTrack Credits

PPL follows PUC guidelines to control CAP credits. Their control features include:

- Minimum payment levels of $30-$40 for heating customers and $12-$18 for non-heating customers, depending on the customer's poverty level.

- CAP credits are limited to $1,800 for heating customers and $700 for non-heating customers. These credit limits are first being enforced in 2008. Customers who reach these limits before their one year in OnTrack are removed from the program.

OnTrack Enrollment Procedures

The following procedures are used for OnTrack enrollment.

- The agency receives an electronic referral for the customer.

- PPL sends an automated batch letter to the customer.

- The agency is required to contact the customer at least one time, by phone, mail, or in some cases schedule an office visit to determine eligibility and finalize enrollment.

- PPL is adding an enhancement where PPL will send another batch letter to remind the customer to send in the application and supporting documentation.

- The customer must complete the OnTrack application and send or bring the application and income documentation to the agency.

- Prior to completing the enrollment, the agency must log into PPL's customer service system and complete several steps. After these tasks have been completed, the agency can enroll the customer in OnTrack.

- Customers receive the OnTrack bill with the next bill cycle after enrollment.

Agencies reported that the application process and the online access to PPL's system works very well.

OnTrack Recertification and Graduation

Customers are required to recertify for OnTrack every year. However, if they receive LIHEAP or SSI, they are permitted to recertify every other year.

At the 11th month after the customer's enrollment or recertification, PPL issues an electronic recertification requirement to the agencies. The agency must make two contact attempts with the customer. The agencies usually mail the recertification letter and OnTrack application, and then if there is no response, the agency will call the customer. There is also a letter that the agency can send.

The customer is required to complete the application, sign the OnTrack agreement, and mail the forms in with income documentation.

At the time of recertification, the agency caseworker will examine the customer's usage and determine if it has increased. If usage has increased significantly, the caseworker will discuss the circumstances with the customer. The caseworker can determine if there is an increase in the family size from the customer's financial statement. The caseworker may make a WRAP referral or a referral for energy education. The WRAP manager will decide if the customer needs remedial energy education. If the remedial education is done, the educator will do a full report and document if there is medical use or some other need for increased usage.

At the recertification time, customers may be graduated if their OnTrack payment is within ten percent of their budget billing and all of their arrearages have been forgiven. Some customers may remain in the program beyond the point where all of their arrearages have been forgiven, based on ability to pay the full budget amount. If a customer has graduated from OnTrack and then has another broken payment arrangement, the customer may return to the program. There is no stay out provision.

If the customer is not ready to graduate at the time of recertification, the agency caseworker must determine the customer's OnTrack payment for the next year. The caseworker reviews the payment options and selects a plan based on the customer's circumstances. In most cases, the new plan will be more than the prior plan amount. The goal is to bridge the gap between their OnTrack payment and the budget bill amount, so that the customer works up to paying the full budget bill and can be graduated from OnTrack.

OnTrack Follow-Up and Removal

Customers must meet the following requirements to remain active OnTrack participants.

- Make OnTrack payments during each current billing period. After the second missed payment, the customer is removed from OnTrack.

- Maintain historic electric consumption limits. Customers who increase their usage may have larger increases in OnTrack payments at the time of recertification.

- Provide access to electric meters.

- Verify household income at least annually. The exception is for customers who receive LIHEAP or SSI.

- Report changes in the household at the time of recertification.

- Participate in weatherization, energy conservation education, budget counseling, and other related services.

Customers are encouraged to apply for and assign LIHEAP to PPL. PPL cannot require customers to apply, but they encourage it.

Customers may be reinstated in OnTrack when they make up all of their missed payments. At this time they are not required to have another broken payment arrangement to re-enroll in OnTrack.

OnTrack Statistics

PPL develops several reports that allow for analysis of their program enrollment, retention, and participation. Table ES-1 displays the annual agency activity. The table shows that over 51,000 customers were referred to OnTrack in 2007. Nearly 20,000 customers enrolled in OnTrack and approximately 8,500 recertified.

Table ES-1
OnTrack 2007 Program Statistics

	Number
Referrals	51,868
Defaulted	10,166
Cancelled	17,006
Graduates	1,011
Moved	8,480
Re-certifications	8,512
New Enrollments	19,401

Table ES-2 displays 2007 OnTrack expenditures. The table shows just over $12.3 million for CAP credits, $6.3 million for arrearage forgiveness, and $2.3 million for administration.

Table ES-2
2007 OnTrack Program Expenditures

Category	**Amount**	**Percent**
LIHEAP Credits	($289,970)	-1%
Revenue Shortfall	$12,347,103	59%
Arrearage Forgiveness	$6,304,975	30%
Administration	$2,267,230	11%
Total Expenditures	$20,919,308	100%

Table ES-3 displays average program participation. The table shows that approximately 21,000 to 22,000 households currently participate in the program. In a calendar year, approximately 30,000 customers receive OnTrack benefits.

Table ES-3
OnTrack Average Program Participation

Year	On-Track Annual Average Participation
2003	12,420
2004	15,801
2005	14,033
2006	20,721
2007	21,820
Current	21,364

Coordination of OnTrack with WRAP

PPL prioritizes customers with high usage who have exceeded their OnTrack benefits for WRAP.

PPL does a query of new OnTrack enrollees who have not had WRAP and sends this list of customers, about 700 each month, to PPL Solutions. PPL Solutions completes the WRAP application over the phone with the customer.

OnTrack participants who refuse WRAP services are removed from OnTrack, as required by the PUC policy statement.

Coordination of OnTrack with LIHEAP

The LIHEAP application is done separately from OnTrack. If a customer visits an OnTrack agency during LIHEAP season, the caseworker will give the customer an application. When the LIHEAP season starts, PPL Solutions does outreach for LIHEAP, they fill out applications and send them to the customer to sign, or they send the customer a blank application. If it is not LIHEAP season, PPL keeps a list of customers who have requested LIHEAP and sends these customers LIHEAP applications when they come in.

Agency caseworkers provided inconsistent reports about whether they discuss LIHEAP assistance with PPL OnTrack customers. Some of the caseworkers said that they do ask the customer to fill out a LIHEAP application. Others stated that they do not have applications in the office, but refer customers to an agency or the county assistance office where they can get the application. Some caseworkers reported that they do not discuss LIHEAP with OnTrack applicants. PPL may be able to increase the percentage of customers who receive LIHEAP by making sure that all OnTrack agencies have LIHEAP applications and all caseworkers inform clients about LIHEAP.

LIHEAP cash grants are not applied to the customer's OnTrack payment obligation. The cash grants are applied first to the customer's overdue balance – the preprogram arrearage, and next to offset the cost of OnTrack credits. Crisis grants, however, are applied to catch

up with missed OnTrack payments, to stop loss of service, or to reconnect service. This application of LIHEAP funds to OnTrack accounts is in accordance with PUC guidelines.

Operation HELP Program

Operation HELP, founded in 1983, is a hardship fund that is supported by PPL Electric Utilities, its employees, retirees, and its customers. Operation HELP provides grants to low-income customers who have overdue balances and cannot pay their energy bills.

The objectives of Operation HELP are:

- Provide financial assistance to qualified low-income families who are having difficulty paying the full amount of their energy bills.
- Offer financial assistance to low-income households that are ineligible for LIHEAP.
- Coordinate and expand the activities of CBOs that provide energy-related assistance.
- Administer a year-round cost-effective program.

The annual budget for Operation HELP is approximately $1.1 million.

Operation HELP Administration

PPL's Customer Services Department manages the Operation HELP Program. The Customer Relations Specialist is responsible for managing the overall program and for regulatory reporting to the PUC. There are five Customer Programs Directors (CPDs) who oversee the implementation of Operation HELP as well as the other Universal Service Programs in their geographical areas. The CPDs work with 14 agencies in their local areas, providing guidance and quality control. The agencies work directly with the customers to determine grant eligibility.

Most agency caseworkers felt that the Operation HELP procedures are clear and well documented. The interviews with the caseworkers did show that most provided the Operation HELP assistance if the customers met the requirements, and that the caseworkers did not assess whether the customer was facing a time of hardship. PPL should clarify the role of Operation HELP with the agencies. If PPL would like agencies to restrict Operation HELP assistance to those customers who have good payment histories prior to facing a hardship, they should develop a guideline such as a certain number of payments or dollar amount of payments prior to grant application. This would assist agency caseworkers to consistently award grants.

Operation HELP Eligibility Criteria

Customers with limited incomes and other hardships are eligible for assistance. The eligibility criteria are as follows.

- Annual household income at or below 200 percent of the Federal Poverty Level.

- Customers should have a minimum overdue balance of $150.
- Customer can receive assistance once in a calendar year.

Operation HELP Benefits

Operation HELP provides services throughout the year. The benefits include:

- Direct financial assistance for overdue bills. The assistance can be used for any type of home energy bill – electric, gas, coal, oil, etc.

- The maximum Operation HELP grant is $500, and the maximum match is $250.

- The Matching Credits can bring customers over to a positive balance on their bill, but the grant part cannot be more than what the customers are behind.

- Protection against shutoffs.

- Referrals to other programs and services.

- Customers receive an energy conservation tips sheet at the time of grant application.

Operation HELP Application

Customers are required to go to the agencies to apply for Operation HELP. However, in areas where customers live a long distance from the agency and do not have easy access to travel to an intake site, the intake can be done by mail.

When customers apply for Operation HELP benefits, the agency caseworkers are required to do the following.

- Contact the appropriate energy vendor to verify the customer information.

- Determine eligibility for PPL matching credits.

- Process the electronic Operation HELP authorization forms.

- Notify the vendor and customer by telephone or mail of the pending payment.

- Send timely payments directly to energy vendors, so they can be credited to the customers' accounts.

- Provide education on energy conservation.

- Refer applicants to other assistance programs including WRAP and OnTrack.

Operation HELP Statistics

In 2007, 3,529 customers were assisted by Operation HELP. The annual projected number of households assisted in 2008 through 2010 is 3,500. Historically, the average Operation HELP grant is $236. Table ES-4 shows that the average, including the matching credit, was $282 in 2007.

Table ES-4
2007 Operation HELP Assistance

	Customers	HELP Grants	Matching Credits	Total Assistance
Total Assistance	3,529	$796,784	$197,828	$994,612
Average Assistance		$226	$56	$282

Table ES-5 shows that 87 percent of the customers were assisted with electric bills, ten percent were assisted with oil bills, and a few percent were assisted with natural gas, propane, kerosene, and coal bills.

Table ES-5
2006 Operation HELP – Type of Energy Bills Assisted

	Number of Grants	Percent	Payments	Percent
Electric	3,350	87%	$783,576	85%
Oil	380	10%	$106,469	11%
Natural Gas	72	2%	$19,418	2%
Propane	43	1%	$9,911	1%
Kerosene	21	1%	$5,982	1%
Coal	2	<1%	$738	0%
Total	3,868	100%	$926,094	100%

CARES Program

CARES is a referral service for customers with temporary hardship such as illness, injury, loss of employment, or high medical bills. This program serves customers who generally meet their payment obligations, but then face a hardship that requires some assistance.

The primary objectives of CARES are to:

- Help customers experiencing temporary hardships to manage their overdue electric bills by providing them with information and resources.
- Make tailored referrals to PPL Electric and/or community assistance programs.

- Maintain and/or establish partnerships with community-based organizations to ensure maximum and timely assistance for CARES customers.
- Act as an internal advocate for payment troubled customers.

The annual funding for CARES is about $80,000. Approximately $50,000 pays for staff that supports the program and approximately $30,000 funds the CARES credits.

CARES Eligibility and Benefits

Residential customers, regardless of income level, who face a temporary hardship that could result in the loss of electric service are eligible for CARES. Temporary is defined as three months or less.

The benefits of CARES include:

- Protection against shutoff of electric service for 2 to 3 months.

- Payment plans based on the customer's ability to pay.

- Referrals to other programs and services.

- CPDs use CARES credits to help pay electric bills for customers who have run out of other options.

In 2006, PPL applied $32,868 in CARES Credits to 177 accounts, with an average CARES grant of $186.

WRAP Program

PPL Electric Utilities (PPL) implemented the Winter Relief Assistance Program (WRAP) in 1984 to help reduce electric bills and improve home comfort for low-income customers. The objectives of WRAP are to reduce energy usage and bills of low-income customers and to increase low-income customers' ability to pay their electric bills, resulting in reduced arrearages. The program also aims to improve health, safety, and comfort for low-income occupants; create and maintain partnerships with community based organizations and contractors; and make referrals to other low-income assistance programs.

The WRAP budget was $6.8 million in 2007. Close to 2,400 customers were served in 2007, with an average expenditure of approximately $2,800.

WRAP Administration

WRAP is managed through PPL's Customer Services Department. The Customer Relations Specialist is responsible for managing the overall program and for regulatory reporting to the PUC. There are five Customer Programs Directors (CPDs) who oversee the

implementation of WRAP, as well as the other Universal Service Programs, in their geographical areas.

PPL uses contractors to install weatherization measures and conduct audits, inspections, and energy education sessions. Contractors often use sub-contractors for specialized work including electrical, plumbing, and heating equipment repair.

WRAP Eligibility

Customers must meet the following requirements to be eligible for WRAP.

- The household income is at or below 200 percent of the Federal Poverty Guidelines.
- The primary customer is at least 18 years old.
- The customer's home is individually metered.
- The customer's home is a primary home.
- The home has not received WRAP in the past seven years.
- The customer has lived in the home for at least nine months.
- The customer has installed electric heat or uses a minimum of 6,000 kWh per year.

WRAP Enrollment

Customers must fill out the WRAP application over the phone with a PPL representative or agency caseworker, or fill out the application at home and mail it to PPL to be considered for WRAP.

WRAP Job Types

Customers must have at least 6,000 annual kWh or installed electric heat to receive program services. These customers will all receive at least one home energy education visit and an energy audit. There are three types of WRAP services that customers may receive.

1. Baseload: Customers with no electric heat will receive this type of service. Measures include CFLs, refrigerator replacement, air conditioner replacement, dryer venting, waterbed replacement, heating filter changing or cleaning, water heater set-back, and other measures that meet the PUC payback criteria. Effective 2008, baseload recipients may receive up to $200 in comfort measures such as weather stripping and door sweeps.

2. Low Cost: In addition to the baseload measures, customers with electric hot water are eligible for water heater replacement, Gravity Film Exchange (GFX), repairs of plumbing leaks, water pipe insulation, showerheads/aerators, and solar water heating.[1] Contractors can replace a washing machine with PPL approval.

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[1] PPL does not require a payback for the solar water heating.

3. Full Cost: Customers are eligible for full cost WRAP if the home has installed electric heat and the customer uses installed electric heat as the main heating source. The additional measures for full cost customers include blower-door guided air sealing, insulation, heating repair/retrofit/replacement, cooling system repair and replacement, duct insulation and repair, caulking and weather stripping, and thermostat replacement.

PPL mails educational materials and a conservation kit and provides referrals to other programs including state weatherization, gas utility programs, LIHEAP, OnTrack, and CARES for customers with usage below 6,000 annual kWh.

WRAP Energy Education

The goals of energy education are to empower customers to make good energy choices, to involve the customer in the process, and to help the customer understand the electric bill. All WRAP participants receive at least one on-site energy education visit. Additional energy education is offered to customers with greater opportunities for usage reduction.

WRAP Quality Control

PPL requires a site inspection for at least 60 percent of all WRAP jobs that receive at least $750 of measures, not including appliance replacement costs. PPL usually inspects most full cost jobs, except those where the customer refuses the inspection. Beginning in summer 2008, PPL hired a contractor to inspect a ten percent sample of baseload jobs.

The inspectors do not usually conduct diagnostic testing during the inspection. They review the job folder, confirm that invoiced measures are installed to PPL's standards, check whether priority measures are installed, look for major missed opportunities, and determine customer satisfaction. The inspector records any customer concerns or problems on an inspection action sheet. The contractor has 30 days to respond to action sheets. In most cases this requires a return to the customer's home.

PPL conduct annual performance reviews with their WRAP contractors. They evaluate the contractors on their job turn-around time, work quality, cost-effectiveness, and customer satisfaction. They also discuss the contractor's savings statistics.

WRAP Performance

PPL's 2006 annual internal WRAP evaluation estimated savings of seven percent for full cost jobs, five percent for low cost jobs, and four percent for baseload jobs.

Customer Survey

APPRISE conducted a survey with PPL OnTrack current participants, past participants, and low-income non-participants to develop information on customers' knowledge,

understanding and satisfaction with OnTrack. The key findings from the survey are summarized in this section.

- *Demographics – Vulnerable Households:* Households with greater need are more likely to be served by the program. The combination of PPL and survey data showed that while 91 percent of current participants and 87 percent of past participants had a vulnerable household member (elderly, child, or disabled), 51 percent of non-participants had a vulnerable household member.

- *Demographics – Elderly Households:* An exception to high participation rates for vulnerable households is that households with elderly members are less likely to participate in OnTrack. PPL's database shows that 5 percent of current participants, 8 percent of past participants, and 2 percent of non-participants have an elderly household member. This may be an understatement of the percent with an elderly member. However, the data on retirement income show that elderly households are underrepresented in OnTrack. While 45 percent of non-participants reported that they received retirement income in the past year, 12 percent of current participants and 10 percent of past participants reported that they received retirement income in the past year.

  Research has shown that elderly households are more likely than other households to pay their utility bills, sometimes at the expense of other necessities. *PPL may consider waiving the broken payment arrangement requirement for elderly households who show difficulty paying electricity bills compromises their health and safety.*

- *Ease of Enrollment:* Participants do not feel that OnTrack enrollment and recertification are difficult. Only 6 percent of current participants and 16 percent of past participants said that the enrollment process was somewhat or very difficult.

- *OnTrack Benefits:* Customers were most likely to state that the benefit of OnTrack 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, more than ten percent of customers cited the even monthly payments. *PPL 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 PPL's database showed that 75 percent of OnTrack customers receive arrearage forgiveness. However, most customers, 68 percent, reported that they do not know how much arrearage forgiveness they receive each month as a result of the participation in OnTrack. This is likely related to the fact that the PPL bill does not provide information on arrearage forgiveness in the customer's monthly bill. (Note: the bill does provide information on monthly OnTrack credits and only 19 percent of customers reported that they do not know how much they save on a monthly electric bill.) *PPL should consider adding information to the customer's bill that shows the amount of arrears that are forgiven each month.* This is

important because 96 percent of customers who did know how much forgiveness they received said that the forgiveness made them more likely to pay their electric bill.

- *OnTrack Impacts:* Customers are very likely to perceive that the OnTrack program increased their ability to pay both their PPL bill and to meet other financial obligations. While 72 percent of current participants said that it was very difficult to pay their PPL bill prior to OnTrack participation, only four percent said it was very difficult for them to pay their PPL bill while participating in the program. While 78 percent of current OnTrack participants said that they delayed purchases of food in the year prior to the program, only 29 percent said that they did so while participating in OnTrack.

- *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. *PPL should continue to provide outreach about LIHEAP and make sure that OnTrack participants and other low-income households know that the benefits are available.*

- *OnTrack Satisfaction:* Satisfaction with the OnTrack program is very high. Ninety-one percent of current participants said that the program is very important in helping them meet their needs and 99 percent of current participants said that they are very or somewhat satisfied with the program.

OnTrack Program Characteristics and Impacts

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

OnTrack Study Group

OnTrack customers whose latest program enrollment was in 2006 and who did not participate in OnTrack 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, and customer data were obtained beginning in March 2008. Customers who participated in OnTrack 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 OnTrack. 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.

In addition to examining the pre and post OnTrack enrollment data for 2006 enrollees, we examine the program behavior for all OnTrack customers for whom we have data. Because

many customers enroll and disenroll in OnTrack over the course of a few years, and in an attempt to retain as many of these customers in this analysis as possible, we chose which enrollment date to analyze for each customer based on the following order:

1) The last enrollment date in 2006
2) The last enrollment date in 2005
3) The first 2007 enrollment date

OnTrack 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 OnTrack 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.

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 OnTrack, we were able to obtain two good comparison groups. Each comparison group is 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 OnTrack, to utilize as a comparison group.

- *Later Program Participants:* We use customers who last enrolled in OnTrack in 2007 and who did not receive OnTrack discounts in the two years preceding enrollment as a comparison group.

The actual impact of OnTrack on customer affordability and payment is estimated as the average of the estimates using the two comparison groups. The low-income non-participants are probably somewhat better off than the 2006 enrollees, because they have not needed to enroll in the program. The 2007 enrollees are probably worse off because these customers' behavior is examined in the year prior to program enrollment, when they need more assistance in paying their bills.

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.

OnTrack Retention

When analyzing retention in OnTrack, we focus on all OnTrack participants rather than those who have a full year of post enrollment data. Focusing on the full year participants would provide a biased assessment of retention, as it would not include those customers who had no data available following service termination.

The retention analysis shows that only about one third of the customers have continuous participation in OnTrack (or participation and successful graduation) in the year following enrollment. Customers may have left the OnTrack program because they moved, had the agreement cancelled, did not pay their bill for two months and the system auto defaulted them, or they defaulted because they did not recertify. Customers will be missing if they no longer have an account because they moved or their service was terminated. We found the following progression of OnTrack status over the year following enrollment.

- *Month 1:* In the month after enrollment or recertification, approximately 85 percent of the customers continued to participate in OnTrack.

- *Month 3:* In the third month, 71 percent of the customers continue to participate in OnTrack. By this point, nine percent have moved, two percent have cancelled, four percent have defaulted, and 13 percent are missing.

- *Month 6:* In the sixth month, 54 percent continue to participate. By this point, 12 percent have moved, two percent have cancelled, eight percent have defaulted, and 24 percent are missing.

- *Month 9:* In the ninth month, 41 percent continue to participate. By this point, ten percent have moved, two percent have cancelled, seven percent have defaulted, and 39 percent are missing.

- *Month 12:* In the 12th month, 28 percent continue to participate, and two percent have graduated. After the year, eight percent have moved, five percent are cancelled, eight percent are defaulted, and 51 percent are missing.

The retention statistics are discouraging. However, it is important to remember that OnTrack is limited to payment-troubled customers who have had one broken payment arrangement in the year prior to enrollment. By definition, these are the customers who have the most difficult time developing good payment behavior.

OnTrack Arrearage Forgiveness

Customers who pay their bill on time and in full are eligible for a portion of the arrearages to be forgiven. Over 92 percent of the 2006 OnTrack Enrollees received arrearage forgiveness,

They received an average of 6.7 arrearage forgiveness payments, with a mean amount totaling $346. Non senior households, households with children, households with higher income, home owners, and electric heaters received more in arrearage forgiveness.

OnTrack Affordability Impacts

OnTrack provides program participants with large discounts on their electric bill. The affordability analysis examines the program's impact on customers' bills and energy burden.

- *OnTrack Discount*: The average OnTrack discount was $450 in the year following enrollment. The average discount for electric heating customers was $581 and the average discount for non-heating customers was $410.

- *Energy Burden*: Energy burden for OnTrack participants declined from twelve percent in the year preceding enrollment to nine percent in the year following enrollment, a statistically significant decline of four percentage points. The net change was a decline of five percentage points.

The Pennsylvania Public Utility Commission (PUC) has set targets for the energy burden for non-electric heaters and electric heaters by poverty level. Our analysis examined average energy burden by poverty level and by whether or not the customers have electric heat. We found that OnTrack had a large impact on customers' energy burdens. However, the vast majority of customers with income below 50 percent of the poverty level had energy burdens above the PUC targeted level in both the pre program and program participation periods. Many of the customers have energy burdens above the targeted level because they do not pay their bills and are removed from OnTrack.

OnTrack Payment Impacts

OnTrack is expected to provide more affordable bills to participating customers, and therefore increase bill payment coverage and reduce balances. Our analysis found that the program did have these impacts.

- *Number of cash payments*: OnTrack participants increased the number of cash payments made from 6.5 in the year prior to enrollment to 8.9 in the year following enrollment.

- *Total Coverage Rate*: The total coverage rate increased from 82 percent in the pre-treatment period to 89 percent in the OnTrack participation period. The net change in the total coverage rate was six percentage points.

- *Shortfall*: The difference between the bill and the customer's total payments declined by $115.

- *Arrearage Forgiveness*: OnTrack participants received an average of $346 in arrearage forgiveness.

- *Balance*: Average balances for program participants declined from $771 to $692, a decline of $79. The net balance change was a decline of $204.

We also examined the percentage of customers who paid their full bill in the year prior to and the year following OnTrack enrollment. We found that only 25 percent paid their full bill in the year prior to OnTrack enrollment. In the year following enrollment, 39 percent paid their full OnTrack bill.

OnTrack Assistance Impacts

We found that only 38 percent of OnTrack electric heaters received LIHEAP in the year prior to enrollment and 22 percent received LIHEAP in the year following enrollment. It may be possible for PPL to increase the percentage of electric heating OnTrack participants who receive LIHEAP. This would help customers pay off their arrearages more quickly and reduce the cost of the OnTrack credit.

OnTrack Termination Impacts

We examined the percentage of customers who experienced a termination-related action (disconnect notice, eligible for disconnect, disconnect order, disconnection) and the percent that were disconnected. The analysis showed that 14.2 percent of the OnTrack participants had a termination-related action in the year prior to enrollment, and 13.0 percent had a termination-related action in the year following enrollment, a decline of 1.2 percentage points. The net change in termination-related actions was a 1.5 percentage point decline. The change in the percentage of customers who were disconnected was not statistically significant; approximately seven percent were disconnected in the year prior to enrollment and the year following enrollment.

OnTrack Usage Impacts

There is sometimes a concern that customers who participate in payment assistance programs will increase their usage, as their bill remains constant throughout the year, and they face a lower cost for using electricity. Previous research has not found increases in usage, except in some cases when customers cannot afford bulk fuel delivery and switch to electric space heat. The analysis of OnTrack participants' usage did not find increases in electric usage following participation in OnTrack.

Operation HELP Characteristics and Impacts

The methodology for the Operation HELP analysis is similar to that for the OnTrack analysis. We examine payment statistics for a group of customers who received Operation HELP in 2006 but did not receive a grant in the 12 months before the 2006 grant. We compare their payment behavior in the year prior to grant receipt to their payment behavior in the year following grant receipt. We compare their change to the change for a low-income group of customers who did not receive Operation HELP or participate in OnTrack,

and we also compare their change to that for a group of customers who received an Operation HELP grant in 2007.

Operation HELP Grant Characteristics

Operation HELP grants averaged about $296 total, with about $235 from Operation HELP and $61 from the match. Approximately half of the customers received a matching grant.

Operation HELP Payment Statistics

Many of the customers who received an Operation HELP grant were not enrolled in OnTrack in the year prior to the grant, but did enroll in OnTrack in the year following grant receipt. The comparison groups did not show an increase in OnTrack participation.

The average bill coverage rate for the Operation HELP participants increased from 74 percent in the year prior to grant receipt to 95 percent in the year following grant receipt. The net change in bill coverage was a 26 percentage point increase. It is likely that some of the increase resulted from OnTrack participation and some resulted from the assistance that the program provided and the fact that it helped customers get caught up with their bill payment obligations.

Operation HELP participants received an average of $112 in arrearage forgiveness and saw their average balances decline by approximately $150. The net change in the balance was a decline of $333.

It appears that the agency caseworkers did a good job of targeting the most needy customers for OnTrack – those customers who had worse payment histories and higher account balances prior to applying for the Operation HELP grant. (This is likely related to the broken payment requirement for OnTrack enrollment.) Despite the additional assistance provided by OnTrack, the customers who enrolled in the program had lower coverage rates in the year following the Operation HELP grant.

- *Cash payments*: OnTrack participants reduced their cash payments from $779 to $694, a decline of $85. Non OnTrack participants increased their cash payments from $823 to $988.

- *Total coverage rates:* OnTrack participants increased their total coverage rate from 70 to 85 percent, a 15 percentage point increase. Customers who did not participate in OnTrack in the year following grant receipt increased their total coverage rates from 76 to 103 percent, a 27 percentage point increase.

- *Balance:* OnTrack participants reduced their balance from $798 to $621 and non OnTrack participants reduced their balances from $592 to $463.

CARES Characteristics and Impacts

The methodology for the CARES analysis is similar to that for the OnTrack and Operation HELP analyses. We examine payment statistics for a group of customers who received CARES in 2006 but did not participate in CARES in the 12 prior months. We compare their payment behavior in the year prior to CARES to their payment behavior in the year following CARES. We compare their change to the change for a low-income group of customers who did not participate in CARES or in OnTrack, and we also compare their change to that for a group of customers who participated in CARES in 2007.

CARES Grant Statistics

Approximately 20 percent of the CARES participants received a CARES grant. The average grant for all participants was approximately $40 and the average among those who received a grant was approximately $200.

CARES Payment Analysis

CARES participants were more likely to participate in OnTrack in the year following participation. While 11 percent participated in OnTrack in the year prior to CARES participation, 25 percent participated in OnTrack in the year following CARES participation.

CARES participants increased the number of cash payments they made from eight to nine and increased their total cash payments made by $130. This was a greater increase than for the comparison groups.

Coverage rates for the CARES participants increased from 88 percent in the year prior to enrollment to 108 percent in the year following enrollment. This was similar to the improvement in payment statistics for the non-participants. However, the 2007 participants, as expected, had a deterioration in their payment behavior in the year prior to program participation.

The 2006 CARES participants reduced their balances by $79. This was an improvement compared to both of the comparison groups. The net change in the balance was a decline of $150.

There were some significant differences between the customers who participated in OnTrack in the year following CARES and those who did not.

- *Cash payments*: OnTrack participants reduced their cash payments from $743 to $712, a decline of $31. Non OnTrack participants increased their cash payments from $1,024 to $1,208, an increase of $184.

- *Total coverage rates:* OnTrack participants increased their total coverage rate from 78 to 100 percent, a 22 percentage point increase. Customers who did not participate

in OnTrack in the year following CARES participation increased their total coverage rates from 91 to 110 percent, a 19 percentage point increase.

- *Balance:* OnTrack participants reduced their balance from $549 to $330, a $219 decline, and non OnTrack participants reduced their balances from $410 to $378, a $32 decline.

Summary of Findings

Key findings from the evaluation are summarized below.

Program Design

PPL has designed the OnTrack program to meet the needs of their most vulnerable households. They have developed a system that allows agency staff the flexibility to choose payment arrangements that best meet the needs of the OnTrack customers. Their procedures enable caseworkers to gradually increase customer payment obligations at the annual recertification until they have worked up to their budget bill and can graduate from OnTrack. Below we discuss some parts of the program design that may be improved.

OnTrack Broken Payment Arrangement Requirement

The OnTrack program is only available to those customers who have defaulted on a payment arrangement in the past year. The purpose of this requirement is to limit the program to customers who are truly payment troubled. Our analyses showed that the program does indeed serve vulnerable households. Data from PPL's database and from the customer survey showed that while 91 percent of current participants and 87 percent of past participants had a vulnerable household member (elderly, child, or disabled), 51 percent of non-participants had a vulnerable household member.

An exception to high participation rates for vulnerable households is that households with elderly members are less likely to participate in OnTrack. The customer survey data on retirement income show that elderly households are underrepresented in OnTrack. While 45 percent of non-participants reported that they received retirement income in the past year, 12 percent of current participants and 10 percent of past participants reported that they received retirement income in the past year.

Research has shown that elderly households are more likely than other households to pay their utility bills, sometimes at the expense of other necessities. *PPL may consider waiving the broken payment arrangement requirement for elderly households who demonstrate that difficulty paying their electricity bills may compromise their health and safety.*

OnTrack Payment Calculation

PPL's payments are designed so that the customer's OnTrack payment cannot be above the maximum percent of income outlined in the PUC CAP Policy Statement. If the maximum

percent of income payment outlined in the PUC CAP Policy Statement is less than the "minimum payment", then all four payment types will show this amount, and the agency caseworker is instructed to select the percent of income option.

In 2008, however, PPL implemented new procedures to control CAP credits. CAP credits are limited to $1,800 for heating customers and $700 for non-heating customers. Beginning in March, 2008, customers who reach these limits before their one year OnTrack anniversary are removed from the program.

These two policies appear to be in conflict with one another. Payments are designed to ensure that customers do not exceed the energy burden targets specified by the PUC. Some customers will have payment plans that are designed in such a way that they will exceed their annual credit limit prior to their one year anniversary and be removed from OnTrack. At this time, customers will be required to pay their full budget bill until they reach their OnTrack anniversary and can re-enroll in the program. Such a design is not helpful to the customer in providing an equal monthly payment that can be maintained throughout the year. *PPL should consider a redesign of the program so that no OnTrack payment plans fall below the minimum payment which is equal to the budget bill minus the maximum monthly OnTrack credit. This design would prevent customers who do not increase their usage from exceeding the OnTrack credit prior to their one-year anniversary.*

OnTrack Auto Defaults

PPL's OnTrack program is designed so that customers who miss two monthly payments are auto defaulted by their computer system and are automatically removed from OnTrack. Customers may be reinstated in OnTrack when they make up all of their missed payments.

Many agency caseworkers reported that the allowance for customers to re-enter OnTrack with no limit on frequency and no stay out provision is detrimental to the program. The caseworkers encounter many customers who repeatedly auto default, make up payments, and re-enter the program. The system does not provide enough incentive for customers to keep current with their OnTrack payments. It also creates additional work for the agency and decreases the efficiency of the program. *PPL should consider two different approaches to the auto default issue. One potential approach would be to require customers to stay out of the program for a certain length of time after their second auto default. Another potential approach would be to keep customers in the OnTrack program for the full year and follow normal collections and termination procedures for customers who do not pay their bills, but without removing them from OnTrack.*

Operation HELP Eligibility

The interviews with the caseworkers showed that most provided the Operation HELP assistance to all customers who met the program eligibility rules, and that the caseworkers did not assess whether the customer was facing a time of hardship. *PPL should clarify the role of Operation HELP with the agencies. If PPL would like agencies to restrict Operation*

HELP assistance to those customers who have good payment histories prior to facing a hardship, they should develop a guideline such as a certain number of payments or dollar amount of payments prior to grant award. This would assist agency caseworkers to consistently award grants.

Program Management

PPL has an effective management structure for their Universal Service programs. PPL's Customer Services Department manages the programs. The Customer Relations Specialist is responsible for managing the overall program and for regulatory reporting to the PUC. There are five Customer Programs Directors (CPDs) who oversee the implementation of the Universal Service Programs in their geographical areas. The CPDs work with agencies in their local areas, providing guidance and quality control. The agencies work directly with the customers for program enrollment and recertification.

Most of the PPL staff, agencies, and contractors have worked on PPL's programs for many years, are invested in the programs and the customers they serve, and continually work to improve the programs to provide greater benefits for their low-income customers. PPL also has an effective computer information system that provides reports and data to help managers monitor and assess their programs. Below we summarize some areas for potential program improvement.

OnTrack Referrals

Agency caseworkers reported that they often receive OnTrack referrals for customers who are not eligible for the program, usually because they have not defaulted on a payment arrangement is the past year. These referrals provide unnecessary work for the agencies and create bad will with customers who do not understand why PPL representatives told them that they may be eligible for the program and then agency staff state that they are not eligible. *PPL should provide additional training to customer service representatives to minimize the number of OnTrack referrals that are made to ineligible customers.*

OnTrack Procedural Updates

PPL managers continually work to update and improve the OnTrack procedures. Agency staff reported that they appreciate PPL's efforts to improve the program and understand the need for periodic programmatic updates. However, the frequency of the updates sometimes makes it difficult for agency staff to keep up with current program requirements. *PPL could improve the efficiency of program administration by providing a one to two page summary sheet that provides a concise summary of the steps required for OnTrack enrollment and recertification.[2]*

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[2] PPL reported that their update process, Alerts, is not excessive and is very concise. They reported that Alerts are one-page documents that are necessary to inform or reinforce procedures on a timely basis to maintain program quality.

OnTrack Customer Information

Agency caseworkers are required to send customers a package of information at the time of OnTrack application and recertification. This information includes:

- Customer Fact sheet
- OnTrack agreement
- Conservation tips
- Revenue shortfall and arrearage credits fact sheet
- Sample OnTrack bill

This is a large amount of information to send to customers at one time. *PPL should consider whether the information could be consolidated so that customers are sent a minimal amount of information at the time of OnTrack enrollment. Another possibility is to program the computer system to automatically generate a letter and conservation tips one month following OnTrack enrollment, so that the information on energy conservation is not lost with all of the other information that is sent to customers at the time of OnTrack enrollment.*

LIHEAP Benefits

Our analyses of PPL data showed that 39 percent of OnTrack customers with electric heat received LIHEAP in the year prior to enrollment and 23 percent received LIHEAP in the year following enrollment. The customer survey found that 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. Additionally, agency caseworkers provided inconsistent reports about whether they discuss LIHEAP assistance with PPL OnTrack customers. Some of the caseworkers said that they do ask the customer to fill out a LIHEAP application. Others stated that they do not have applications in the office, but refer customers to an agency or the county assistance office where they can get the application. Some caseworkers reported that they do not discuss LIHEAP with OnTrack applicants.

It may be possible for PPL to increase the percentage of electric heating OnTrack participants who receive LIHEAP. One possible approach is to require all OnTrack agencies to stock LIHEAP applications and require all caseworkers to discuss LIHEAP and the application process with their clients. Another approach is for PPL to consider increasing their LIHEAP outreach for their low-income electric heating customers. Increasing the percentage of OnTrack customers who receive LIHEAP would help customers pay off their arrearages more quickly and reduce the cost of the OnTrack credit.

Arrearage Forgiveness

Our analysis of PPL's database showed that 75 percent of OnTrack customers receive arrearage forgiveness. However, most OnTrack participants who responded to the survey,

68 percent, reported that they do not know how much arrearage forgiveness they receive each month as a result of the participation in OnTrack. This is likely related to the fact that the PPL bill does not provide information on arrearage forgiveness in the customer's monthly bill. (Note: the bill does provide information on monthly OnTrack credits and only 19 percent of customers reported that they do not know how much they save on a monthly electric bill.) *PPL should consider adding information to the customer's bill that shows the amount of arrears that are forgiven each month. This is important because 96 percent of customers who did know how much forgiveness they received said that the forgiveness made them more likely to pay their electric bill.*

Budget Billing

In response to customer survey questions about OnTrack program benefits, customers were most likely to state that the benefit of OnTrack 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, more than ten percent of customers cited the even monthly payments. *PPL should consider increasing their publicity about the budget bill for low-income customers who do not participate in OnTrack but who may really benefit from this bill payment option.*

Operation HELP Agency Training

Interviews with Operation HELP caseworkers revealed that there was a misunderstanding about the allowance of the program to assist customers with more than one energy bill at the time of Operation HELP grant application. Additionally, some of the caseworkers did not understand that Operation HELP could be used to provide assistance for a utility or fuel vendor other than PPL. *PPL should provide additional training to Operation HELP agencies to ensure sure that caseworkers understand all of the program benefits.*

<u>**Program Impact**</u>

This section summarizes findings related to program impact.

- *OnTrack Impact* – By providing discounted electric bills and arrearage forgiveness, OnTrack is expected to improve customers' ability to pay their electric bills and maintain electric service. In many respects, the OnTrack program has the planned and expected impact on program participants, increasing payment regularity and bill coverage rates, and reducing customer balances. *Two areas are recommended for further study. First, half of the customers who enroll in OnTrack appear to have dropped off PPL's system one year after program enrollment. We recommend that PPL investigate a sample of customers to ensure that complete data have been provided for these customers. Second, the majority of the lowest income OnTrack participants have energy burdens that exceed the PUC target levels. PPL should investigate why this is the case, whether their system is correctly calculating customer payment amounts, and whether modifications to the system are needed.*

- *Operation HELP Impact* – Operation HELP grant recipients appeared to have an improvement in their ability to meet bill payment requirements in the year following grant receipt.

- *CARES Impact* – CARES participants also appeared to have an improvement in their ability to meet bill payment requirements in the year following program participation.

Recommendations

The following recommendations are made with respect to PPL's Universal Service Programs.

1. PPL may consider waiving the OnTrack broken payment arrangement requirement for elderly households if there is an indication that difficulty paying electricity bills compromises their health and safety.

2. PPL should consider a redesign of the program so that no OnTrack payment plans fall below the minimum payment which is equal to the budget bill minus the maximum monthly OnTrack credit. This design would prevent customers who do not increase their usage from exceeding the OnTrack credit prior to their one-year anniversary.

3. PPL should consider two different approaches to the auto default issue. One potential approach would be to require customers to stay out of the program for a certain length of time after their second auto default. Another potential approach would be to keep customers in the OnTrack program for the full year and follow normal collections and termination procedures for customers who do not pay their bills, but without removing them from OnTrack.

4. PPL should clarify the role of Operation HELP with the agencies. If PPL would like agencies to restrict Operation HELP assistance to those customers who have good payment histories prior to facing a hardship, they should develop a guideline such as a certain number of payments or dollar amount of payments prior to grant award. This would assist agency caseworkers to consistently award grants.

5. PPL should provide additional training to customer service representatives to minimize the number of OnTrack referrals that are made to ineligible customers.

6. PPL could improve the efficiency of program administration by providing a one to two-page summary sheet with a concise listing of the steps required for OnTrack enrollment and recertification.

7. PPL should consider whether information could be consolidated so that customers are sent a minimal amount of paperwork at the time of OnTrack enrollment. Another possibility is to program the computer system to automatically generate a letter and

conservation tips one month following OnTrack enrollment, so that the information on energy conservation is not lost with all of the other information that is sent to customers at the time of OnTrack enrollment.

8. It may be possible for PPL to increase the percentage of electric heating OnTrack participants who receive LIHEAP. One possible approach is to require all OnTrack agencies to stock LIHEAP applications and require all caseworkers to discuss LIHEAP and the application process with their clients. Another approach is for PPL to consider increasing their LIHEAP outreach for their low-income electric heating customers. Increasing the percentage of OnTrack customers who receive LIHEAP would help customers pay off their arrearages more quickly and reduce the cost of the OnTrack credit.

9. PPL should consider adding information to the customer's bill that shows the amount of arrears that are forgiven each month. This is important because 96 percent of customers who could estimate the amount of monthly forgiveness they receive said that the forgiveness made them more likely to pay their electric bill.

10. PPL should consider increasing their publicity about the budget bill for low-income customers who do not participate in OnTrack but who may really benefit from this bill payment option.

11. PPL should provide additional training to Operation HELP agencies to ensure that caseworkers understand all of the program benefits.

12. Two areas are recommended for further study. First, half of the customers who enroll in OnTrack appear to have dropped off PPL's system by one year after program enrollment. We recommend that PPL study a sample of customers to ensure that complete data have been provided for these customers. Second, the majority of the lowest income customers have energy burdens that exceed the PUC target levels. Many of the customers exceed the target burdens because they miss payments and are removed from OnTrack. However, PPL should investigate why this is the case, whether their system is correctly calculating customer payment amounts, and whether modifications to the system are needed.

I. Introduction

PPL Electric Utilities (PPL) implemented Universal Service Programs to help low-income customers maintain electric service and protect customers' health and safety. The programs include the OnTrack program which provides reduced payments and arrearage forgiveness, WRAP which provides energy efficiency and energy education services, CARES which provides outreach and referral services, and Operation HELP which provides emergency assistance. This report presents the results from an evaluation of these programs.

A. Evaluation

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

1. Protect consumers' health and safety by helping low-income customers maintain affordable utility service.

2. Provide affordable utility service by making payment assistance available to low-income customers.

3. Help low-income customers conserve energy and reduce residential utility bills.

4. Operate in a cost-effective and efficient manner.

The objectives of the Evaluation of PPL's Universal Service Programs are to:

1. Determine if the programs meet the goals of universal service.

2. Develop standard questions so that utilities evaluate the same measures.

3. Comply with Commission orders that direct BCS to collaborate with the EDCs and Non-Generating Distribution Companies in developing guidelines for evaluation.

The evaluation addresses the following questions:

1. Is the appropriate population being served?

2. What is the customer distribution for each program by poverty guidelines?

3. What are the barriers to program participation?

4. What is the distribution of customers by OnTrack payment plan? Do participants' energy burdens comply with the CAP Policy Statement? How many and what percentage of customers have a minimum payment?

5. What are the barriers to program re-certification?

6. What are the OnTrack retention rates? Why do customers leave OnTrack?

7. Is there an effective link between OnTrack and energy assistance programs?

8. How effective are OnTrack control features at limiting program costs?

9. How effective is the OnTrack / WRAP link?

10. Does OnTrack improve payment behaviors?

11. Does participation in Universal Service Programs reduce arrearages?

12. Does participation in Universal Service Programs reduce service terminations?

13. Does participation in Universal Service Programs decrease collections costs?

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

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

1. *Evaluation planning and background research:* APPRISE collected and reviewed documents related to the PPL Universal Service Programs.

2. *Program database analysis:* APPRISE collected and analyzed information from OnTrack, WRAP, CARES, and Operation HELP program databases.

3. *PPL manager and staff interviews:* APPRISE conducted on-site interviews with PPL's managers and staff that run PPL's Universal Service Programs.

4. *CBO interviews:* APPRISE conducted telephone interviews with managers and caseworkers at the 10 CBOs who administer OnTrack and at the 14 CBOs who administer Operation HELP.

5. *Customer survey:* APPRISE conducted a telephone survey with current OnTrack participants, previous OnTrack participants, and low-income customers who have not participated in OnTrack.

6. *Billing data retrieval and analysis:* APPRISE obtained data from PPL for customers who have participated in OnTrack, customers who have received CARES services, customers who have received Operation HELP assistance, and a sample of low-income customers who have not received any of these program services. We analyzed the impact of these programs on bill payment behavior, arrearages, and service terminations. We analyzed how long customers remain in the OnTrack program, and whether they have successfully graduated with a zero balance on their PPL account when they leave the program.

B. *Organization of the Report*

Nine sections follow this introduction.

1) *Section II – OnTrack Program Description*

2) *Section III – Operation HELP Program Description*

3) *Section IV – CARES Program Description*

4) *Section V – Winter Relief Assistance Program*: Provides a detailed description of the Winter Relief Assistance Program.

5) *Section VI - Customer Survey Results:* Provides a summary of the findings from the survey of WRAP recipients.

6) *Section VII – OnTrack Program Characteristics and Impacts*

7) *Section VIII – Operation HELP Characteristics and Impacts*

8) *Section IX – CARES Customer Characteristics and Impacts*

9) *Section X – 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 PPL. PPL 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 PPL.

II. OnTrack Program Description

PPL's OnTrack program provides payment-troubled low-income households with a reduced payment amount and debt forgiveness. The program was first piloted by PPL in 1993 in response to a Public Utility Commission (PUC) Policy Statement that developed guidelines for Customer Assistance Programs. PPL expanded OnTrack in 1999 as part of a 1998 Settlement Agreement, and in 2004 as part of base rate case proceedings.

This section describes PPL's OnTrack program. The information in this section of the report was obtained from review of PPL's program documents and procedures manuals, discussion with PPL managers and staff, and discussion with PPL agency managers and caseworkers.

A. Goals and Resources

PPL has developed several objectives for OnTrack.

Key Objectives

- Administer a cost-effective program.
- Provide expanded services to low-income households.
- Identify for enrollment those customers who meet OnTrack guidelines.
- Adhere to all PUC reporting requirements and policies.
- Identify and implement improvements to strengthen the effectiveness of OnTrack.

Primary Objectives

- Improve customers' bill payment habits and attitudes.
- Stabilize or reduce customers' energy usage.
- Decrease uncollectible balances for program participants.
- Determine overall impact on PPL Electric's overdue accounts receivable.

Other Objectives

- Learn more about why some customers cannot pay their bills.
- Compare OnTrack procedures to traditional collection methods.
- Improve coordination with other assistance programs.

PPL's OnTrack budget has increased substantially since 1999. Table II-1 shows that the OnTrack budget was under $6 million in 1999, increased to nearly $12 million in 2002, and increased to nearly $19 million in 2006. The annual program budget for 2008 through 2010 is $19 million.

Table II-1
OnTrack Annual Budget

Year	OnTrack Budget ($Millions)
1999	$5.875
2002	$11.7
2004	$13.2
2005	$13.2
2006	$18.7
2007	$18.7
2008	$19
2009	$19
2010	$19

PPL has overspent the program budget in recent years due to a PUC regulation that they cannot close the program, but must continue to enroll eligible payment-troubled low-income customers. In 2007 the budget was overspent by approximately $2 million.

B. Low-Income Customers

PPL estimates that they have approximately 200,250 residential customers with income below 150 percent of poverty, 240,310 residential customers with overdue balances, and 79,543 customers who have income below 150 percent of poverty and an overdue balance. The low-income customer estimates are based on financial statements taken by PPL representatives when customers miss payments and call for payment arrangements.

PPL does not believe they have experienced increased delinquencies by their low-income population, but they are concerned that oil prices increases, the removal of electric rate caps at the end of 2009, and economic factors may increase the number of low-income customers who become payment-troubled and need to participate in OnTrack.

C. Operations

PPL's OnTrack is managed by their program manager, their CPD's and a network of ten agencies around their service territory.

1. PPL Program Manager

PPL's has an OnTrack program manager who is responsible for the program. Her responsibilities include:

- Overseeing the annual $19 million budget for OnTrack.
- Resolving day-to-day problems, both internally and externally.

- Writing policies and procedures for the program.
- Writing the 3-year plan for the program.
- Generating and reviewing monthly program reports.
- Providing program information to agencies and the PPL call center.
- Providing program information in Connect, the PPL newsletter to customers.
- Ensuring participants are referred to WRAP.
- Working with PPL's IT Department on program enhancements.

2. **PPL Customer Program Directors**

PPL also has five Customer Program Directors (CPDs) who are responsible for overseeing the OnTrack agencies that work in their regions. The CPDs are responsible for day-to-day interaction with the agencies. Their responsibilities include:

- Agency contract negotiations.
- Review of agency invoices.
- The annual audit of agency OnTrack administration. During this audit, the CPD reviews a random sample of Customer Service System customer files and pulls 20 percent of the agency's customer files. The CPD checks the agency files for a copy of the customer agreement and proof of customer income.
- Resolving day-to-day problems with the agencies.
- Resolving customer issues.

3. **Local Agencies**

The agencies are responsible for working with the customers in program enrollment, follow-up, recertification, removal, and graduation. The agency responsibilities include:

- Qualifying and enrolling customers.
- Setting up the customer's OnTrack payment plan.
- Communicating program responsibilities and guidelines to the customer.
- Sending out the OnTrack packet to the customer that contains the fact sheet, payment agreement form, and weatherization tips for the winter. (Note: these are sent at enrollment and recertification.)
- Maintaining the customer's status between enrollment and recertification. This may include updating the customer's financial statement if needed. However, maintenance is not usually necessary until OnTrack recertification.
- Recertifying customers.
- All of the CBOs have Spanish speakers except Williamsport where there a small Hispanic population.[3]

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[3] All of the PPL documents are translated into Spanish by an outside vendor. PPL has a system that translates verbal communication into 150 languages.

PPL previously had enrollment goals for the agencies when OnTrack was smaller and expanding. At the current time, PPL expects that the agencies will work the cases that they are given. PPL monitors agency reports on the number of customers referred and the number enrolled. The agency invoice shows the number of applications, the number qualified, the number not qualified and why the customers were not qualified.

4. **Agency Training and Communication**

PPL has set up several avenues for agency training and communication, including meetings, program updates, training, a program manual, agency report, and quality control.

- *Meetings:* PPL holds an annual meeting with the agency caseworkers and supervisors in October. If needed, they have an additional meeting each May with agency supervisors. CPDs meet with their agencies quarterly or monthly and speak with them several times a week.

- *OnTrack Updates:* PPL send out alerts when there are procedural changes to OnTrack. The CPDs follow up with the agencies, reinforce the information, and answer questions.

- *Training:* The CPDs go out to the agencies and train when there is a new caseworker. They explain how to navigate the system. Retraining is provided as needed. The agencies provide internal training as well, because there is a veteran in each agency who has a very good understanding of how the system works. Most supervisors have been at the agencies for a long time.

- *OnTrack Manual:* There is a comprehensive OnTrack manual.

- *Agency Reporting:* The agencies send monthly invoices with the number of customers enrolled in OnTrack by phone, mail, office, and home visits; number recertified by phone, mail, and office; number graduated; number ineligible for different reasons, number disconnected; and hours worked.

- *Quality Control:* PPL does audits of the agencies using an audit checklist. During the audit, the CPD visits the agency and randomly pulls customer files. They check to see that the applications are signed, there is proof of income, and that there is a copy of the OnTrack agreement. They look at the payment that the agency chose and see if agency caseworkers are relying more on one type of payment than others. CPDs make sure that the agency caseworkers do not always choose the highest or lowest payment amount. They look at the agency's backlog to see if it is more than 30 days and why.

  PPL also generates periodic reports to review the agencies' work.

Discussion with agency caseworkers at the OnTrack agencies revealed that PPL's OnTrack documentation, training, and program support is very good. One area that was noted that posed some difficulty is getting adjusted to procedural changes. One agency caseworker noted that it would be useful to have a one page summary that provided up-to-date instructions on the basic intake and recertification procedures.[4]

5. **Management Reports**

The PPL OnTrack manager has access to a wide variety of reports and queries that assist with program management. The monthly reports that she receives include:

- Number of OnTrack referrals, defaulted, cancelled, graduates, moved, recertifications, and new enrollments.
- Budget and amount of LIHEAP funds, shortfall, arrearage forgiveness, and agency and PPL administration costs.
- Invoiced amounts from each agency for new enrollments, recertification, graduation, and removals.

Compared to many other programs that we have evaluated and utilities that we have worked with, PPL has a very good data management system and the ability to provide comprehensive data that allows for program management and evaluation.

D. *Eligibility and Benefits*

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

1. **Eligibility Criteria**

Customers must meet the following requirements to enroll in OnTrack.

- Household income must be at or below 150% of poverty.
- The customer must be payment-troubled, defined as defaulted on one or more payment agreements in the past 12-month period. However, the customer is not required to have arrears to enroll in OnTrack.
- The household must have a source of income. If the income source is donations from a family member, this must be documented in a letter that is notarized.

2. **Program Benefits**

The benefits to the customer of participating in OnTrack include:

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[4] PPL noted that they provide procedural Alerts as needed throughout each year. They stated that they provided nine alerts in 2005, five alerts in 2006, and eight alerts in 2007. They noted that these communications are a necessary part of serving customers and keeping the agencies informed of policy and procedural changes. Procedural changes depend on many factors, often beyond their control, and alerts ensure that caseworkers have up-to-date information to maintain a quality program. They further noted that the OnTrack manual includes a one-page summary of the intake and recertification process.

- A reduced electric payment, based on the household's ability to pay.
- Waived late payment charges.
- Arrearage forgiveness, over a period of time.
- Referrals to other community programs and services.

3. Payment Plans

PPL designed payment selection guidelines to allow agencies flexibility to choose a payment level to best meet the customer's needs. PPL's customer system calculates four OnTrack payment options at the time of enrollment. All four payment types include an equal monthly payment. The agency caseworker selects the payment type that best fits the customer's ability to pay. The four payment options are structured as follows.

- *Minimum Payment:* This payment is equal to the estimated monthly budget amount minus the maximum monthly CAP credit ($150/month for electric heat and $58/month for non-electric heat) plus $60 annual arrearage co-payment divided by 12 months.

- *Percent of Bill Payment:* This payment is the estimated annual bill times the percent of bill amount plus $60 annual arrearage co-payment divided by 12 months. The percent of bill varies by poverty level as shown in the table below.

Table II-2
Percent of Bill Payment, By Household Income

Household Income	Percent of Bill Payment
0% - 50% of Poverty	50%
51% - 100% of Poverty	70%
101% - 150% of Poverty	80%

- *Percent of Income Payment:* This payment is the household's annual gross income times the percent of income based on poverty level shown in the table below plus $60 annual arrearage co-payment divided by 12 months.

Table II-3
Percent of Income Payment, By Household Income

Income	Percent of Income Payment	
	Non-Heating	Electric Heating
0% - 50% of Poverty	3%	7%
51% - 100% of Poverty	5%	9%

Income	Percent of Income Payment	
	Non-Heating	Electric Heating
101% - 150% of Poverty	6%	11%

- *Annualized Average Payment* – This payment is the amount that the OnTrack applicant paid to PPL over the past 12 months excluding LIHEAP. It includes crisis and hardship funds. The $60 annual arrearage copayment divided by 12 months is added to this, if applicable.

The customer's OnTrack payment cannot be above the maximum percent of income outlined in the PUC CAP Policy Statement. If the maximum percent of income payment outlined in the PUC CAP Policy Statement is less than the "minimum payment", then all four payment types will show this amount, and the agency caseworker is instructed to select the percent of income option.

Agency caseworkers are trained to determine the best option for the customer. PPL's goal is to help the OnTrack customers succeed with clearing the debt from their electric bill.

At the time of recertification, the agency caseworker has another payment option, which is the Agency Selected payment type. This payment type may only be selected at initial enrollment if an exception is made by the OnTrack Customer Relations Specialist (CRS) or a Customer Programs Director (CPD).

The frequency of each enrollment payment type, based on all 2007 enrollments done at the agencies, is shown in the table below.

Table II-4
2007 Payment Type Frequency

Payment Type	2007 Enrollments
Minimum Payment	11%
Percent of Bill Payment	54%
Percent of Income Payment	16%
Annualized Average Payment	7%
Agency Selected Payment	12%

4. Control of CAP Credits

PPL follows PUC guidelines to control CAP credits. They have recently implemented additional control features as a result of the Managing CAP Credits Pilot (described later in this section.)

Minimum payment levels are $30-$40 for heating customers and $12-$18 for non-heating customers, depending on the customer's poverty level.

CAP credits are limited to $1,800 for heating customers and $700 for non-heating customers. These credit limits are first being enforced in 2008. Starting in 2008, PPL's CSS generates warning letters when the customer reaches 50%, 80% and 100% of these CAP credit limits. These letters are sent at whatever point in the year customers reach these limits. Therefore, by design, many customers who will never surpass the credit limit receive these letters. As of May, 2008 9,781 customers received the 50 percent letter and 4,920 customers received the 80 percent letter. Customers may receive the same letter several times if they are within the same percentage of credit limit interval for more than one month.

Some customers have needed to have their revenue class changed. In this case, the customer's OnTrack payment is reviewed and adjusted to reflect that change. The agency follows up by mailing the customer a new OnTrack agreement which shows the new payment amount. PPL places these customers on the WRAP priority list.

Also beginning in 2008, customers are removed from OnTrack when they exceed the benefit levels prior to their one-year anniversary. The credit limit is $700 for non-heating customers and $1,800 for heating customers. When customers reach these limits, they are sent a letter that informs them that they are being removed for exceeding the limit and when they can contact PPL for possible reenrollment (one year from their previous enrollment). It is up to the customer to contact the agency to reenroll.

In January there were close to 1,000 OnTrack customers who had exceeded their annual credit limit. PPL began the removal process by sending a 50% of benefits letter in January, an 80% of benefits letter in February, and a 100% of benefits letter in March, rather than just removing customers who exceeded the CAP benefit limit without any warning. As of May, they removed 2,079 customers in 2008 for exceeding the credit limit.

As 2008 is the first year that the CAP credit limits were imposed, PPL did not know what the volume of removals would be. They planned to monitor the removals closely and to have energy educators call customers who exceeded the credit limit to provide energy education. Energy kits may also be sent to these customers if they are not eligible for WRAP.

PPL reported that they did not receive many calls about the credit notification letters when they were first implemented in 2008. (PPL reported only 302 calls through May 2008.) The customers who did call generally stated that they believed they had been classified with the incorrect revenue code, and should be classified as an electrical heating customer with a higher credit limit (and also a higher monthly payment

amount). In most cases, these customers did not have installed electric heat, but had plugged in an electric heater. PPL provides these customers with energy education.

Most of the agencies reported that they had received many questions about the letters. They reported that the most common questions were from customers who had been removed and wanted to know when they could re-enroll in OnTrack. Many customers stated that they could not afford their main heating source, and needed to plug in electric space heaters.

5. **Arrearage Forgiveness**

Customers who make payments on time and in full receive arrearage forgiveness, if applicable.

The length of time that it takes a customer to have all arrearages forgiven depends on the customer's outstanding balance at the time of enrollment, as shown in the table below.

<div align="center">

Table II-5
Arrearage Forgiveness Timeline

Overdue amount at Enrollment	Timeframe to Clear Debt
< $1,000	12 Months
$1,001 - $2,000	18 Months
$2,001 - $3,000	24 Months
$3,001 or greater	36 Months

</div>

The monthly arrearage forgiveness is the customer's arrearage at the time of OnTrack enrollment divided by the number of months shown in the table above, depending on the amount of arrears. Each month the customer receives that amount of arrearage forgiveness. The arrearage forgiveness is not shown on the customer's OnTrack bill.

If the customer does not make the OnTrack payment by the bill due date, that month's arrearage forgiveness is not applied. Customers who make late payments will take longer than the time frame shown in the table to have all of their arrearages forgiven.

E. *Program Outreach and Referrals*

PPL conducts several activities to make eligible customers aware of OnTrack. These include:

- *Outreach queries:* PPL does queries of their system on an as needed basis to identify low-income customers with broken payment arrangements.

- *Presentations at non-USP agencies:* PPL conducts presentations at community centers, including senior citizen centers on an as needed basis.

- *Outreach mailings:* PPL does mailings to non-USP agencies, Operation HELP agencies, and legislative offices to provide information on the program on an as needed basis.

- *Internal presentations to the collections group:* PPL makes presentations to their internal collections department to encourage referrals during the pre-cut season.

PPL has found that providing presentations on OnTrack to their collections group is the most successful method of outreach. About 95 percent of all OnTrack referrals are generated by the collections group.

PPL receives referrals to their OnTrack program from the following sources.

- *PPL Revenue Collection Group:* The collections group routinely refers customers to the Community Based Organizations (CBOs) who administer the program.

- *CBOs who administer OnTrack:* These agencies can refer PPL customers to themselves.

- *Other CBOs:* CBOs who do not administer OnTrack can issue referrals to OnTrack agencies.

- *WRAP, CARES, and Operation HELP*

- *Department of Public Welfare and LIHEAP*

There were over 50,000 referrals to OnTrack in 2007. Approximately 53 percent did not follow-up or were over the income limits. About 40 percent of the referrals come into the program.

Most of the customers are referred to OnTrack from PPL customer service representatives (CSRs). If a customer calls PPL and indicates that he/she is having problems with the electric bill, the CSR updates the customer's financial information. If the customer has income less than or equal to 150% of the poverty level and has defaulted on a payment agreement in the past 12 months, the CSR will do an electronic referral. The CSR will tell the customer that she/he is referring the customer to the agency and will tell the customer that the agency will contact the customer. If the customer asks, the CSR will give the customer the agency contact information.

The CSR will make a payment arrangement with the customer and put a hold on the account for 14 days. This is to stop collections during the OnTrack application process. PPL does an overnight batch of the referrals to the agency that the agency staff will see the next day.

F. *Enrollment Procedures*

Enrollment for OnTrack is a several step process.

1. Customer Contact

- The agency receives an electronic referral for the customer. This referral is usually from PPL's collections group, but is sometimes from the agency itself.

- PPL sends an automated batch letter to the customer. The letter informs the customer that the agency will contact the customer about OnTrack enrollment.

- The agency is required to contact the customer at least one time. The agency may contact the customer by phone, mail, or in some cases schedule an office visit to determine eligibility and finalize enrollment.

- Most intakes are done by mail. PPL's 2007 summary report shows that 89 percent of enrollments are done by mail, seven percent are done in the office, four percent are done by phone, and less than one percent are done in the customer's home.

- PPL is adding an enhancement where PPL will send another batch letter to remind the customer to send in the application and supporting documentation. This will be the third contact for OnTrack Enrollment.

Table II-6 shows the number and types of contacts that agency caseworkers reported that they make when attempting to enroll customers in OnTrack. Most caseworkers reported that they make two contact attempts, either both by mail or one by phone and one by mail. Most agencies reported that they give the customer about two weeks to respond prior to closing the referral.

Table II-6
Agency OnTrack Client Contacts

Agency	Total # of Contacts	# of Letters	# of Phone Calls	Length of Time for Client to Respond
1	2	1-2	0-1	14 days
2	2	1-2	0-1	10 days
3	3	2	1	10-15 days
4	2	1	1	10 days
5	1	1	0	Closed and then reopened
6	1	1	0	30 days
7	2	1	1	10 days

Agency	Total # of Contacts	# of Letters	# of Phone Calls	Length of Time for Client to Respond
8	2-3	2	0-1	10-12 days
9	2	1	1	10 days
10	2	1-2	0-1	--

2. Enrollment Steps

- The customer must complete the OnTrack application and send or bring the application and income documentation to the agency.

  o The agencies use the same guidelines as LIHEAP to classify the customer as income-eligible for OnTrack. The customer can be qualified with 30 days, 3 months, or 6 months of income. All household income is included in the calculation except food stamps.

  o The customer must provide copies of checks for employment or retirement income. If the customer is a business owner, the customer will be asked to provide additional information about the business and income tax filings. Households with informal income must have notarized letters. This includes child support income and self-employment or other undocumented income. If PPL suspects fraud, they will ask for a copy of the customer's lease.

  o Ten days after the agency sends the application, the agency closes the referral as "no response" if the customer has not sent in the application.

Agencies will contact customers if they send in an incomplete application or an application that does not include the required income documentation. Table II-7 displays the number of additional contact attempts that agencies reported they make when customers provide incomplete applications.

Table II-7
Agency Notification of Application Information Needed

Agency	Total # of Contacts	# of Letters	# of Phone Calls
1	At least 2	1 or more	1 or more
2	1-2	1-2	1
3	3	3	0
4	1	0-1	0-1
5	2	2	0
6	1-2	1	0-1
7	2	1	1

Agency	Total # of Contacts	# of Letters	# of Phone Calls
8	2	0	2
9	1	1	0
10	1	1	

- Prior to completing the enrollment, the agency must log on to PPL's customer service system and complete the following steps.

  o Verify that the customer is income-eligible for the program.

  o Verify the customer's payment-troubled status. The customer must have had at least one broken payment arrangement in the past twelve months.

  o Update the customer's financial statement.

  o Request budget billing removal if applicable – this must be done before the customer is enrolled.

  o Request a security deposit waiver if applicable – if there is a security deposit on file, it will be returned to the customer.

  o Remove from bill extender if applicable. There may be a bill extender on the customer's account if the customer had previously asked to make a payment a couple of days late. The bill extender remains on the customer's account until it is removed. If a bill extender has not been removed the customer may not be able to receive arrearage credits.[5]

  o Offer the due date change option to the customer if the customer has a bill extender on the account.

  o Cancel active payment agreements or collection arrangements if applicable, including PUC payment agreements.

  o Check for PUC Informal/Formal complaints. Payment agreements, including PUC Informal/Formal payment agreements, must be removed before the customer can be enrolled in OnTrack.

- After these tasks have been completed, the agency can enroll the customer in OnTrack. The enrollment process includes:

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[5] The program manager does periodic queries to make sure that no OnTrack participants have bill extenders on their accounts. The bill extenders are sometimes placed on participant accounts by customer service representatives.

o   OnTrack payment agreement – the agency caseworker enters the OnTrack payment amount directly into PPL's system.

o   Critical Contact with OnTrack type – the agency creates this contact in PPL's system. This informs the collections center that the customer has been enrolled in OnTrack.

o   Customer File – the agency must create a file with the customer's OnTrack application, proof of income, and a copy of the customer agreement.

o   Customer Packet – the agency must provide the customer with the following documents.[6]

- Customer Fact sheet
- OnTrack agreement
- Conservation tips
- Revenue shortfall and arrearage credits fact sheet
- Sample OnTrack bill

Agencies are expected to enroll or disqualify the customer within 30 days.

- Customers receive the OnTrack bill with the next bill cycle after enrollment.

Agencies reported that the application process and the online access to PPL's system to do the client OnTrack enrollment works very well. Agency caseworkers made the following recommendations for improvements to the process.

- The application should be clear that tax forms will only be accepted if the applicant is self-employed.

- PPL should add instructions that a notarized handwritten proof of income is acceptable income documentation.

- The back of the application could be clearer. PPL asks for the 1040 and Schedule C if the customer is self-employed, but it does not clearly state that if the customer is not self-employed, they need a pay stub.

- The request for information on customers' expenses is misleading. Clients think their payment is related to their expenses. They sometimes send in their bills as documentation. There should be a disclaimer so customers do not have this perception. The only information on expenses that are needed is the mortgage or rent amount.

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[6] The agency also provides these documents to the customer at the time of recertification.

Agency caseworkers noted the following enrollment barriers.

- There are clients who are just above the income limit.

- There is a notarized statement required for child support.

- The broken payment requirement (2 agencies).

- Customers who cannot read or understand English.

- Getting the client to follow the instructions and send in proof of income (2 agencies).

G. Referrals for Other Services

During the application process, customers are referred to several programs if needed. These may include:

- LIHEAP
- WRAP
- Consumer Credit Counseling Services
- Food Banks
- Other outreach services that may be needed

If the customers are not eligible for OnTrack, they may be referred to:

- Operation HELP
- LIHEAP
- WRAP
- PPL Payment
- Budget Billing
- CARES
- Consumer Credit Counseling Services

Caseworkers can select these referrals in PPL's customer service system. When the OnTrack audit is done, PPL can look at the referrals that were made. CPDs discuss the referrals with agency managers at the annual audit.

Table II-8 displays the information that agency caseworkers reported they provide about energy conservation during the application process. Seven of the caseworkers reported that they only provide the PPL conservation tip sheet. Two reported that they provide other information about energy conservation.

Table II-8
Agency Information Provided about Conservation

Agency	Tip Sheet	Other
1	Not mentioned	Discussion, referral to PPL web site, sometimes provide flyer.
2	Yes	None
3	Yes	None
4	Yes	None
5	Yes	None
6	Yes	None
7	Yes	None
8	Not mentioned	Discuss why a client's bill is high, conservation methods, will give out kits in the fall.
9	Yes	None

Agency caseworkers reported that they make the following types of referrals when clients apply for OnTrack.

- Housing assistance (7 agencies)
- Food pantries (7 agencies)
- Food stamps (6 agencies)
- Heating assistance (5 agencies)
- Medical assistance (4 agencies)
- Transportation assistance (3 agencies)
- Public assistance (2 agencies)
- Children's services (2 agencies)
- Head Start (2 agencies)
- EITC or tax rebate (2 agencies)
- WIC (2 agencies)
- Budget counseling (2 agencies)
- Smoking cessation programs (2 agencies)
- Telephone assistance (2 agencies)
- Security deposit program (1 agency)
- Seniors programs (1 agency)
- Clothing pantries (1 agency)

H. Recertification and Graduation

Customers are required to recertify for OnTrack every year. However, if they receive LIHEAP or SSI, they are permitted to recertify every other year.

At the 11th month after the customer's enrollment or recertification, PPL issues an electronic recertification requirement to the agencies. The agency must make two contact attempts with the customer. The agencies usually mail the recertification letter and OnTrack application, and then if there is no response, the agency will call the customer. There is also a letter that the agency can send.

The customer is required to complete the application, sign the OnTrack agreement, and mail the forms in with income documentation.

When recertifying customers for OnTrack, the agency caseworker is required to:

- Verify household income.
- Review collection status. If the customer is in collections, the overdue amount must be satisfied before the customer can be recertified.
- Review kWh use and determine if there was an increase after initial enrollment.
- Update the customer's financial statement.
- Determine if customer is eligible to graduate.
- Enter the new OnTrack payment agreement into PPL's system.
- Send the customer the OnTrack packet which includes:
  o Customer Fact sheet
  o OnTrack agreement
  o Conservation tips
  o Revenue shortfall and arrearage credits fact sheet
  o Sample of OnTrack bill.

At the time of recertification, the agency caseworker will examine the customer's usage and determine if it has increased. If usage has increased significantly, the caseworker will discuss the circumstances with the customer. The caseworker can determine if there is an increase in the family size from the customer's financial statement. The caseworker may make a WRAP referral or a referral for energy education. The WRAP manager will decide if the customer needs remedial energy education. If the remedial education is done, the educator will do a full report and document if there is medical use or some other need for increased usage.

There are extenuating circumstances that are taken into account when examining an increase in usage at the time of recertification. These circumstances include:

- Addition of a family member.
- A serious illness or medical condition, documented with a medical certificate.
- An increase in usage beyond control of customer, if the landlord won't cooperate with WRAP or no matter what WRAP measures are installed the usage will still be high.
- Structural damage to the home, which would be identified when PPL contractors visit for WRAP services. In this case, PPL would advise the customer to find another home to rent.

If there is an increase in family size or a medical condition that caused the increased usage, the caseworker can bring the customer back into OnTrack before the one-year anniversary. PPL will provide energy education in this situation. After PPL receives feedback from the WRAP contractor, they may adjust the customer's payment or revenue class. This change will be documented in the WRAP database and CSS.

About 19% of the OnTrack customers have the automatic recertification. This is efficient, but if the customer's usage has increased, the payment may be too low, and then the customer may be subject to removal if the customer exceeds the CAP credit limit. If the customer receives a benefit limit notice, PPL can request for the agency to do an 'off-cycle' recertification so that the payment can be adjusted.

At the recertification time, customers may be graduated if their OnTrack payment is within ten percent of their budget billing and all of their arrearages have been forgiven. The caseworker talks to the customer first to determine if OnTrack removal will cause a hardship. The caseworkers make the determination of whether to graduate the customer from OnTrack. Some customers may remain in the program beyond the point where all of their arrearages have been forgiven, based on ability to pay the full budget amount. If a customer has graduated from OnTrack and then has another broken payment arrangement, the customer may return to the program. There is no stay out provision.

If the customer is not ready to graduate at the time of recertification, the agency caseworker must determine the customer's OnTrack payment for the next year. The caseworker reviews the payment options and selects a plan based the customer's circumstances. In most cases, the new plan will be more than the prior plan amount. The idea is to bridge the gap between their OnTrack payment and the budget bill amount.

I. Follow-up and Removal

Customers must meet the following requirements to remain active OnTrack participants.

- Make OnTrack payments during each current billing period. The consequence for non-payment is immediate initiation of termination procedures. As soon as one payment is missed, the customer will receive an automated letter from OnTrack. The customer will enter the collections process, but will not have service terminated if it is the winter. After the second missed payment, the customer is removed from OnTrack. If the customer does not make these payments, the customer can enter a collection payment agreement. After the moratorium is over, the customer can be shut off.

- Maintain historic electric consumption limits. The caseworkers will examine the customers' usage at the time of enrollment and recertification. Customers who increase their usage may have larger increases in OnTrack payments at the time of recertification.

- Provide access to electric meters.

- Verify household income at least annually. The exception is for customers who receive LIHEAP or SSI. These customers can provide documentation every other year. Customers who do not respond to the recertification application will be removed from OnTrack and sent a letter that states the reason for removal. Customers can be reinstated when they send in their application and documentation.

- Report changes in the household at the time of recertification.

- Participate in weatherization, energy conservation education, budget counseling, and other related services.

Customers are encouraged to apply for and assign LIHEAP to PPL. PPL cannot require customers to apply, but they encourage it.

If a customer pays more than the current OnTrack bill, the extra payment amount is applied to the customer's arrearage. If the arrearage is paid off, the extra amount is posted as an excess credit and applied to the customer's next bill.

Customers are removed from OnTrack for the following reasons:

- Missed payments
- Failure to allow access or to provide customer meter readings
- Failure to comply with WRAP
- Failure to annually verify eligibility
- Voluntary withdrawal
- No longer a PPL customer

Customers may be reinstated in OnTrack when they make up all of their missed payments. At this time they are not required to have another broken payment arrangement to re-enroll in OnTrack.

The reinstatement process is similar to the application process. If the verified financial statement is not greater than six months old, the customer is told to call the agency for restatement. PPL runs a query if the customer has not followed up, they tell the agency to call the customer. The agency calls the customer and confirms that the customer will come back into the program with the next bill. The agency caseworker goes into the system and sets this up. The customer usually keeps the same payment amount unless the customer's information has changed. If the customer's income has changed, the customer needs to submit proof of income and then the customer's payment will be changed. The agency will put the income amount that the customer stated in the financial statement. This amount can remain unverified for ten days. When the customer sends the information in, the agency can click the "verified" button and adjust the income amount if necessary.

J. *OnTrack Statistics*

PPL develops several reports that allow for analysis of their program enrollment, retention, and participation. Table II-9 displays the annual agency activity. The table shows that over 51,000 customers were referred to OnTrack in 2007. Nearly 20,000 customers enrolled in OnTrack and approximately 8,500 recertified.

Table II-9
OnTrack 2007 Program Statistics

	Number
Referrals	51,868
Defaulted	10,166
Cancelled	17,006
Graduates	1,011
Moved	8,480
Re-certifications	8,512
New Enrollments	19,401

Agencies provide monthly invoices to PPL that document their enrollment and recertification activity. Table II-10 displays the number of enrollments and recertifications that were done by phone, mail, in office, and at the customer's home. Nearly 90 percent of enrollments and recertifications are done by mail.

Table II-10
OnTrack 2007 Enrollment and Re-certification Agency Activity

	Enrollments	Recertifications
Phone	731	257
Mail	14,748	4,663
Office	1,141	299
Home	10	--
Total	16,630	5,219

Agencies report reasons why customers were ineligible for the program. Table II-11 shows that 36 percent did not provide complete documentation, 20 percent did not pay their catch up amount, 13 percent had income over 150 percent of poverty, 11 percent did not comply with WRAP, ten percent had no income, and nine percent were not payment troubled.

Table II-11
OnTrack 2007 Reasons for Program Ineligibility

Reason	Number	Percent
Incomplete Documentation	6,601	36%
Over Income	2,453	13%
Catch-up Amount Not Paid	3,699	20%
Non Compliance with WRAP	1,997	11%
No Income	1,740	10%
Not Payment Troubled	1,719	9%
Total Ineligible	18,209	100%

Table II-12 displays 2007 OnTrack expenditures. The table shows just over $12.3 million for CAP credits, $6.3 million for arrearage forgiveness, and $2.3 million for administration.

Table II-12
2007 OnTrack Program Expenditures

Category	Amount	Percent
LIHEAP Credits	($289,970)	-1%
Revenue Shortfall	$12,347,103	59%
Arrearage Forgiveness	$6,304,975	30%
Administration	$2,267,230	11%
Total Expenditures	$20,919,308	100%

Table II-13 displays average program participation. The table shows that approximately 21,000 to 22,000 households currently participate in the program. In a calendar year, approximately 30,000 customers receive OnTrack benefits.

Table II-13
OnTrack Average Program Participation

Year	On-Track Annual Average Participation
2003	12,420
2004	15,801
2005	14,033
2006	20,721
2007	21,820
Current	21,364

K. *Program Coordination*

PPL's OnTrack program is coordinated with WRAP and LIHEAP.

1. Coordination with WRAP

PPL prioritizes customers with high usage who have exceeded their OnTrack benefits for WRAP. These customers are sent to the WRAP manager who has a designated WRAP coordinator who sends these customers to other PPL WRAP coordinators. These CPDs make the link with energy education and the PA WAP.

PPL does a query of new OnTrack enrollees who have not had WRAP and sends this list of customers, about 700 each month, to PPL Solutions. PPL Solutions completes the WRAP application over the phone with the customer. The priority for these customers depends on their usage.

Referral to and contact by PPL Solutions is a change from previous procedures where customers were referred to WRAP by the agencies at the time of enrollment. The new procedure helps to reduce incorrect perceptions on the customer's part that they will receive WRAP right away. Immediate WRAP delivery is often not possible, as the customers have not been in their homes long enough and do not have the usage history that is required to enroll in WRAP.

OnTrack participants who refuse WRAP services are removed from OnTrack, as required by the PUC CAP policy statement. PPL reports that they work hard to make sure that the application of this policy is consistent and that these customers are brought back into OnTrack after they receive WRAP.

2. Coordination with LIHEAP

The LIHEAP application is done separately from OnTrack. If a customer visits an OnTrack agency during LIHEAP season, the caseworker will give the customer an application. When the LIHEAP season starts, PPL Solutions does outreach for LIHEAP, they fill out applications and send them to the customer to sign, or they send the customer a blank application. If it is not LIHEAP season, PPL keeps a list of customers who have requested LIHEAP and sends these customers LIHEAP applications when they come in.

Agency caseworkers provided inconsistent reports about whether they discuss LIHEAP assistance with PPL OnTrack customers. Table II-14 shows that almost half of the agency caseworkers interviewed said that they do not tell the customers about LIHEAP. Some of the caseworkers said that they do ask the customer to fill out a LIHEAP application. Others stated that they do not have applications in the office, but refer customers to an agency or the county assistance office where they can get the application. PPL may be able to increase the percentage of customers who receive

LIHEAP by making sure that all OnTrack agencies have LIHEAP applications and all caseworkers tell clients about LIHEAP.

Table II-14
LIHEAP Application

Agency	Tell Client about LIHEAP	Ask Client to fill out application
1	Yes	Yes
2	Yes	No
3	No	No
4	No	No
5	No	No
6	Yes	Yes
7	Yes	Referral to agency where they can get application.
8	Yes	Refer to county assistance office.
9	Sometimes	Refer to county assistance office.
10	Yes	Will send the customer the application if they ask.

LIHEAP cash grants are not applied to the customer's OnTrack payment obligation. The cash grants are applied in the following order:

- First to the customer's overdue balance – the preprogram arrearage.
- Next to offset the cost of OnTrack.

Crisis grants, however, are applied to catch up with missed OnTrack payments, to stop loss of service, or to reconnect service. This application of LIHEAP funds to OnTrack accounts is in accordance with PUC guidelines.

L. Managing CAP Credits Pilot

PPL implemented a pilot OnTrack approach in 2005 to 2007 to determine how they could best manage the problem of extremely high users. The goals of the pilot were to:

- Reduce energy usage for certain CAP participants
- Manage the expenditure of CAP credits
- Improve customer understanding of CAP benefits and energy usage
- Motivate customers to save energy

The pilot design was to:

- Aggressively deliver energy education and diagnose reasons for high electric usage.
- Set limits on CAP credits.

- Establish a stay-out provision for customers who exceed the CAP credit limit prior to 12 months of participation in OnTrack.
- Establish a stay-out provision for customers whose reported gross income exceeds their mortgage/rent or "whose lifestyle choices are in conflict with the philosophy and purpose of CAP."

There were three types of customers who were included in the pilot:

- OnTrack customers whose rent or mortgage exceeded their gross reported income.
- High usage customers who used more than 36,000 annual kWh.
- OnTrack customers who exceeded their benefit levels.

The key findings from the evaluation were:

- 18% reduction in electric consumption for high electric usage customers that received on-site energy education and baseload measures.
- Lifestyle choices contributed to high usage in some households.
- The majority of pilot participants reduced their usage after the audit and education session, prior to the installation of any full cost measures.

Based on the implementation of this pilot, PPL recommended changes to their OnTrack program that have been implemented with PUC approval. These changes include:

- OnTrack stay-out for customers who do not comply with WRAP.
- Energy education for customers who do not qualify for WRAP.
- Educate WRAP customers about OnTrack guidelines and benefits.
- Limit WRAP measures when lifestyle usage is present.
- Increase maximum CAP credits.
- Remove OnTrack customers who exceed the CAP credits in less than 12 months.
- Create an OnTrack "lifestyle" classification. If the customer's rent or mortgage payment exceeds the customer's income, the lifestyle options comes up on the caseworker's screen and the agency caseworker will enroll the customer in OnTrack for 6 months. The caseworker explains to the customer that the customer must talk to the agency about the situation, and that the customer should look for different housing. If the customer has the same income and housing after 6 months, the customer will not be allowed back in OnTrack. If the customer's situation changes, the customer can be enrolled as a regular OnTrack participant.

PPL implemented the lifestyle policy in 2007. In May 2008 there were approximately 250 lifestyle OnTrack customers. PPL has not received complaints about this policy. These customers have made all of their payments.

M. Challenges

PPL managers and staff felt that the program worked pretty well, but noted some challenges that they continue or expect to face.

- As oil prices increase, more customers use electric supplemental heat, resulting in increased program costs.

- One agency has a difficult time balancing Crisis and OnTrack applications during the LIHEAP crisis enrollment period.

- PPL exceeds their OnTrack budget because they cannot close the program.

- PPL needs to balance the needs of the ratepayers and the OnTrack participants.

- There will be increased challenges when the rate caps come off.

- Many customers will be removed for exceeding their benefit level.

- It is a challenge to keep customers who are not qualified out of the program due to customer fraud.

Agency caseworkers also felt that OnTrack works well. Table II-15 summarizes agency statements about what works well in OnTrack, the OnTrack challenges that they face, and their recommendations for program improvement. Some of the recommendations that came out of these interviews include:

- PPL should limit the number of times a customer can default for nonpayment and then come right back into OnTrack. Many customers default and re-enter the program too often.

- PPL should only refer customers who are eligible. PPL customer service representatives often refer customers who have not defaulted on a payment agreement, and then the agency has to tell them that they are not eligible for OnTrack.

- PPL should enable the application to be filled in with information from the customer's record. This would reduce errors and increase efficiency.

- PPL should reduce the number of documents that are sent to OnTrack customers.

- PPL should have a one to two-page cheat sheet that summarizes the application procedures.

Table II-15
Agency Referrals to OnTrack Clients

Agency	Works Well	Challenges	Recommendations
1	Ability to access and transmit customer information to PPL. Flexibility.	Getting information from customers. Address search in CSS requires address to be typed in exactly.	None.
2	Without program, many customers would not have electricity.	Not enough time to do the work. She does work on her own time because of limited overtime.	Clients should not be able to keep on defaulting and get back on the program. If the application was on the computer, would not have to type in the client's information.
3	Program works great – helps people.	Getting people to understand what information you are requesting, especially the elderly. They do not understand that the tax form is not enough.	None.
4	It's a good program.	Customers who are referred by PPL to the agency, but who are not eligible for the program. They either don't have a broken payment arrangement or they are over the income limit. Some will make a payment agreement and then intentionally break it so they can get in OnTrack.	PPL waits too long to deal with customers with large arrearages.
5	It's an excellent program.	Auto defaults – some clients figure out that they can miss payments and when they make them up, they come right back into OnTrack.	If the client auto defaults more than 2 times, they should have to wait 6 months to get back into the program.
6	Working very well.	Customers that default and come back in are a problem. It's difficult to calculate how much the customer needs to pay to come back into the program.	None.
7	Helps customers learn to make on time payments. For others it helps to afford their bills. It was good to limit the benefit.	Dealing with unhappy, disgruntled customers. Customers feel like they are entitled to a low payment and complain when their payment is increasing or their	Create a closed door policy to prevent too many reapplications after autodefaults. When someone autodefaults, they are able to refresh their benefits. They start with another 12 months of credit. The same applies for LIHEAP.

Agency	Works Well	Challenges	Recommendations
		maximum benefit has been met.	
8	Program is working well.	Getting the clients enrolled before they are shut off.	Keep language used in all communication as simple as possible.
9	Very good for the majority of people.	Receiving referrals for customers who are not eligible.	None.
10	Program is a tremendous service for the low-income population. It brings in money from customers who never paid before.	The caseworker workload has increased as the program has changed. There are too many phone calls and most of the phone calls require action.	1-2 page cheat sheet with application procedures would be helpful Too many documents are sent out the customers. They question whether the customer reads all of the documents. PPL should handle some of the letters. The caseworkers have a lot of clerical work to do. They have to type in each customer's name, account #, dollars, payment, and writeoff amount. There is room for error. Maybe this could be uploaded from the customer's account. There have been cases where the customer has taken their agreement into the bill payment center and paid someone else's bill because there was a mistake in the account number. Have a stay out provision for customers who exceed their benefits. Have a stay out provision for customers who default. Many customers default 3-4 times. They know how the program works. Have less paperwork. Cut down on the phone calls. When a person moves, they are told to call the agency to tell them, but the agency can't do anything until PPL transfers the balances. The reps should explain this to the customer to save the phone call to the agency.

III. Operation HELP Program Description

Operation HELP, founded in 1983, is a hardship fund that is supported by PPL Electric Utilities, its employees, retirees, and its customers. Operation HELP provides grants to low-income customers who have overdue balances and cannot pay their energy bills.

A. Fundraising

PPL encourages its customers to contribute to Operation HELP by adding $1, $2, or $5 to their monthly electric bill or by sending in lump-sum donations. Over 20,000 PPL customers contribute to Operation HELP with their electric payments.

Employees can support Operation HELP through payroll deductions. Over 30 percent of PPL's employees (approximately 1,400 employees) contribute to Operation HELP through the payroll deduction program. PPL also encourages retirees to contribute through pension reduction or lump sum donation.

PPL Operation HELP conducts the following solicitation activities each December.

Table III-1
PPL Fundraising Activities

Method	Audience
Bill Insert	All Customers
Enrollment Form	All Customers
Return Postcard	Electronic Fund Transfer Customers
PPL Electric President Letter	Employees and Retirees
News Release	General Public

PPL's other fundraising activities include a golf tournament (which raises $4,000 to $5,000 as well as publicity for the program) and a cookbook sale. All PPL final bills with balances under one dollar are directed to the Operation HELP fund.

B. Goals and Resources

The objectives of Operation HELP are:

- Provide financial assistance to qualified low-income families who are having difficulty paying the full amount of their energy bills.
- Offer financial assistance to low-income households that are ineligible for LIHEAP.
- Coordinate and expand the activities of CBOs that provide energy-related assistance.
- Administer a year-round cost-effective program.

The annual budget for Operation HELP for 2008 through 2010 is shown in the table below.

Table III-2
Operation HELP Budget

Year	Operation HELP Funding Level
2008	$1,500,000
2009	$1,100,000
2010	$1,100,000

Each year PPL provides $700,000 in funding. (However, in 2008 PPL provided $1,000,000 in finding.)   Combined with customer and staff contributions, the total is about $1.135 million. (In 2007, the total of donations and fundraising was approximately $455,000.) The corporate amount does not vary based upon customer and staff contributions.

The corporate part is broken up between Operation HELP, matching credits, and CARES credits. $200,000 is allocated for matching credits and $30,000 for CARES. $120,000 is for Operation HELP administration.

PPL provides the remainder of the Operation HELP funding to the agencies in January. This is to start the agencies off and for the administrative fund. After that, the customer and staff contributions that come in during the quarter are divided between the 14 agencies every quarter.

C. *Operations*

PPL and the administering agencies have responsibilities with respect to the Operation HELP program.

1. PPL Responsibilities

PPL has the following responsibilities:

- Collecting and disbursing contributions to the CBOs.
- Providing funding for program administration.
- Processing Operation HELP payments.
- Soliciting donations from customers, employees, and retirees.
- Maintaining close working relationships with the CBOs.
- Conducting procedural audits to review performance.

The Operation HELP Program manager has the following responsibilities:

- Overseeing program expenditures.
- Promoting the program.

- Fundraising.
- Making sure the reports are run. Every month the program manager receives reports with accounts and payments that were made. She sends these reports to the CPDs and they extract needed information for agency reconciliation.
- Making sure that expenditures are reconciled.
- PUC reports.
- Monthly reports.

The CPDs are responsible for:

- Working with the agencies.
- Conducting an annual audit of the agencies.
- Reconciling Operation HELP expenditures with the agencies.

PPL administrative support is responsible for:

- Taking care of donations that come in through all sources.
- Sending out Thank You notes to everyone who sends in a check.

2. Agency Responsibilities

PPL contracts with 14 community based organizations (CBOs) to administer Operation HELP. Almost all of these CBOs have been involved with the program since its inception in 1983.   The CBOs use approximately 33 caseworkers at 32 sites.

The agency responsibilities are:

- Conduct intake and verify applicants' eligibility.
- Verify customer information with energy vendors.
- Process Operation HELP authorization forms. This is an electronic process, and it involves logging on to a website, completing the authorization form online, printing a copy for agency records, and printing a list of the most recent entries to be sent to PPL with a check.
- Send timely payments directly to energy vendors.
- Refer applicants to other assistance programs.
- Establish a separate account for processing donations and disbursements.
- Maintain detailed program records and arrange for an annual financial audit of Operation HELP. Each agency arranges for an independent audit of the Operation HELP program to be performed as part of its normal annual audit or by a certified public accounting firm. The costs of the audit can be paid with Operation HELP administrative funds.

The agencies are required to maintain the following records.

- A financial record of contributions received and payments issued from the Operation HELP fund.

- Intake documentation, which must include:
  o Number of households assisted
  o Living arrangement – homeowner, renter, etc
  o Primary heating source
  o Household members under 18, 18-62, over 62, disabled
  o Annual household income and family size
  o Primary source of income

- Documentation of need – copies of energy bills, termination notices, etc. to verify that the household was faced with an energy emergency.

- Documentation of annual income – letters of verification from income sources, copies of income checks, etc. to verify the annual income of the household.

- Assistance documentation
  o Operation HELP authorization form
  o Cases authorized for PPL matching energy credits
  o Documentation of customer payment of $15 or more – copy of check or money order of financial record of cash received.
  o Documentation of CBO's waiver of the $15 minimum payment requirement – statement of the household's extraordinary circumstances signed by an authorized representative of the administering organization.

3. **Agency Training and Communication**

   PPL has several avenues for agency training and communication.

- *Meetings*: PPL conducts an annual meeting with the CBOs to discuss Operation HELP and other Universal Service Programs. At least one representative from each agency is required to attend.

- *Feedback*: PPL provides monthly reports to the CBOs that monitor and track their performance.

- *Quality control:* PPL Electric requires that the Operation HELP agencies have a Certified Public Accounting firm conduct an annual financial audit of the program. Most agencies complete the audit in conjunction with their annual federal and state-funded program audits.

- *External audit:* PPL uses an outside auditor to review internal procedures and Operation HELP records. The audit includes a review of record-keeping procedures and a reconciliation of donations from a sampling of customers.

- *Procedural audit:* CPDs also conduct procedural audits of the Operation HELP agencies. The purposes of these audits are to:
  - o Review CBOs record keeping procedures.
  - o Identify problem areas.
  - o Discuss findings with the CBOs and implement corrective action where necessary.
  - o Monitor CBOs adherence to Operation HELP guidelines and procedures.
  - o Ensure the proper expenditure of donations.

Most agency caseworkers felt that the Operation HELP procedures are clear and well documented. The interviews with the caseworkers did show that most provided the Operation HELP assistance if the customers met the requirements, and that the caseworkers did not assess whether the customer was facing a time of hardship. PPL should clarify the role of Operation HELP with the agencies. If PPL would like agencies to restrict Operation HELP assistance to those customers who have good payment histories prior to facing a hardship, they should develop a guideline such as a certain number of payments or dollar amount of payments prior to grant application. This would assist agency caseworkers to consistently award grants.

D. *Eligibility and Benefits*

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

1. Eligibility Guidelines

Customers with limited incomes and other hardships are eligible for assistance. The eligibility criteria are as follows.

- Annual income at or below 200 percent of the Federal Poverty Level.

- Customers should have a minimum overdue balance of $150 to qualify for an Operation HELP grant on their electric bill (this is PPL's threshold to start the collections process. CPDs must approve exceptions.) The $150 minimum overdue does not apply to Operation HELP grants for other heating sources.

- The primary heating fuel has been exhausted, placing the members of the household in a life or health threatening situation or the termination of service for electricity or gas is about to take place and would present a health hazard for the household or the electricity or gas service has already been terminated.

- Customer can receive assistance once in a calendar year – but CBOs have flexibility to review referrals if customers have compelling and extenuating circumstances. They must discuss extenuating circumstances with PPL's CPDs.

- The following factors are considered:
  o Death of a primary wage earner.
  o Serious injury or illness to primary wage earner.
  o Life-threatening or health-threatening situations.
  o Families with infants.
  o Households with elderly or disabled occupants.
  o Eligibility for LIHEAP – 150-200 percent of poverty are targeted because there are no other programs for these customers.
  o PPL Electric overdue amount and payment history – CBOs have access to PPL's system. They reserve benefits for people who have paid bills. This is something that the auditors look at.

- Operation HELP cannot be used for security deposits, reconnection fees, or charges for insufficient funds.

- For an OnTrack customer to receive Operation HELP, it would have to be approved by a CPD or by the program manager. This would be in a special hardship case. The agency would call and get it approved. This happens during cut season.

Agency caseworkers were asked whether there is an effort to target Operation HELP benefits to customers with income above 150 percent of the poverty level. Only a few of the caseworkers said that they did target the grants to this population. Most caseworkers stated that they provide the grants to customers who come in and meet the eligibility criteria.

2. Program Benefits

Operation HELP provides services throughout the year. The benefits include:

- Direct financial assistance for overdue bills. The assistance can be used for any type of home energy bill – electric, gas, coal, oil, etc. Customers can receive grants on more than one bill, but agencies need to contact CPDs for account review and approval.

- The maximum Operation HELP grant is $500, and the maximum match is $250. The grant amount is what is needed to maintain service, up to $500. The customer can also receive up to $250 in matching credits, so the total can go up to $750.

- The Matching Credits can bring them over to a positive balance on their bill, but the grant part cannot be more than what the customers are behind.

- Protection against shutoffs. If PPL has issued a service termination or has already cut an applicant's service and the grant is equal to the amount quoted to the customer to maintain or reconnect service, there is a contact number for agencies to call.

- Referrals to other programs and services.

- Customers receive an energy conservation tips sheet at the time of grant application. PPL has begun to provide CFLs to Operation HELP customers as well. Agencies ask the customers to fill out a card and the customer will receive the CFLs in the mail. (This program ends 12/31/08).

A payment toward the PPL bill through Operation HELP is eligible to receive matching energy credits on a 2:1 basis. For example, if the payment from the administering organization is $100, the PPL matches it with another $50 from company funds, if requested.

The following rules apply to matching credits:

- Matching credits must be in the form of credits to the PPL bills of customers who have been certified by the Operation HELP administering organization as qualified for assistance.

- Matching energy credits are available for payment of PPL bills only.

- Applicants must pay at least $15 towards their electric bill to receive matching energy credits from PPL. The payment must have been within the last 30 days. Agencies may waive this minimum when necessary but must document the reason for the waiver. They ask for $15 contribution, but make a note if the customer cannot come up with it. Some customers get money from their church, and then this is counted as the customer payment. PPL also will match this.

- Matching credits are done on a $1 match for every $2 of Operation HELP funds. That matching credits can also include a match of the amount paid by the applicant or other private funds such as a donation from a church.

- If no Operation HELP funds are given, then no Matching Credits can be given.

- PPL will not match contributions from public, tax-supported sources such as LIHEAP or FEMA.

Agency caseworkers did not understand that they can provide a grant to more than one utility. Some did not understand that they could provide an Operation HELP grant to a utility or fuel vendor other than PPL.

E. Application Procedures

Customers are referred to Operation HELP through PPL and through the community. Some customers come back every year for assistance.

Customers are required to go to the agencies to apply for Operation HELP. However, in areas where customers live a long distance from the agency and do not have easy access to travel to an intake site, the intake can be done by mail. Currently, the Lehigh Operating area utilizes the mail-in method for applicants that live in outlying areas and who do not have easy access to public transportation.

When customers apply for Operation HELP benefits, the agency caseworkers are required to do the following.

- Contact the appropriate energy vendor to verify the customer information.

- Determine eligibility for PPL matching credits.

- Process Operation HELP authorization forms. This is an electronic form. The process involves logging on to a website, completing the authorization form online, printing a copy for agency records, and printing a list of most recent entries to be sent along with the check to PPL.

- Notify the vendor and customer by telephone or mail of the pending payment.

- Send timely payments directly to energy vendors, so they can be credited to the customers' accounts.

- Provide education on energy conservation. This involves giving the customer a sheet on energy conservation tips and the CFL request form.

- Refer applicants to other assistance programs including WRAP and OnTrack. Referrals are made for whatever assistance the customer needs.

Most agency caseworkers reported that the application process works well and that there are no barriers to Operation HELP application. The agencies reported that they make the following types of referrals when processing Operation HELP applications.

- Food bank (11 agencies)
- Housing assistance (10 agencies)
- Food stamps (6 agencies)

- Public assistance (6 agencies)
- Weatherization (4 agencies)
- Medical assistance (4 agencies)
- Gas program (4 agencies)
- Prescription program (3 agencies)
- Employment assistance (3 agencies)
- Transportation assistance (3 agencies)
- WIC (2 agencies)
- Heating assistance (1 agency)
- Family savings account program (1 agency)
- Telephone lifeline (1 agency)
- Child care assistance (1 agency)
- Head Start (1 agency)
- Budget counseling (1 agency)
- General counseling (1 agency)

When asked whether they discuss energy conservation with grant applicants, four caseworkers said that they did have these discussions, eight noted that they provide PPL's fact sheet, and six noted that they provide the energy conservation kits.

Caseworkers were also asked whether they ask customers to fill out an OnTrack application. More than half of the agencies said that they ask customers to fill out the applications or make referrals to PPL. About half of the caseworkers also said that they ask the clients to fill out a LIHEAP application or make the LIHEAP referral.

F. Operation HELP Statistics

In 2007, 3,529 customers were assisted by Operation HELP. The annual projected number of households assisted in 2008 through 2010 is 3,500. Historically, the average Operation HELP grant is $236. Table III-3 shows that the average, including the matching credit, was $282 in 2007.

Table III-3
2007 Operation HELP Assistance

	Customers	HELP Grants	Matching Credits	Total Assistance
Total Assistance	3,529	$796,784	$197,828	$994,612
Average Assistance		$226	$56	$282

Table III-4 displays the number of customers assisted with different fuel types. The table shows that 87 percent of the customers were assisted with electric bills, ten percent were assisted with oil bills, and a few percent were assisted with natural gas, propane, kerosene,

and coal bills. The payment amounts are distributed approximately the same for the different types of fuels.

Table III-4
2006 Operation HELP – Type of Energy Bills Assisted

	Number of Grants	Percent	Payments	Percent
Electric	3,350	87%	$783,576	85%
Oil	380	10%	$106,469	11%
Natural Gas	72	2%	$19,418	2%
Propane	43	1%	$9,911	1%
Kerosene	21	1%	$5,982	1%
Coal	2	<1%	$738	0%
Total	3,868	100%	$926,094	100%

G. Program Coordination

Most of the agencies do OnTrack, WRAP, and Operation HELP. PPL program managers noted that there is a lot of coordination between the programs. They make sure that the agencies know each other and that they have PPL's email and phone numbers.

H. Challenges

The only challenge that was cited by PPL staff was the continuing need to raise funds to meet the need for customer assistance. Most of the agency caseworkers felt that the program works very well. The challenges that were cited by the caseworkers are summarized below.

- Making sure that they obtain correct and accurate information from the client.

- Getting clients to provide the documentation.

- Getting clients to show up for appointments.

- Increase in Operation HELP applications.

- Dealing with crisis situation. When they need to provide the grant money in an hour or by the end of the day, it is difficult to work Operation HELP in with the other agency responsibilities.

- Not enough funding.

- The rising cost of fuel oil.

- If a customer has a poor payment history, PPL asks for a higher payment amount to prevent shutoff, but there is only so much assistance that the agency can provide.

- The number of shutoffs this year.

- Customers apply repeatedly throughout the year, but can only receive one grant per year.

- There is a lack of consistency. Some PPL staff say that you cannot provide Operation HELP to OnTrack participants and some say that you can.

- PPL customer service reps refer everyone they speak with to Operation HELP. The initial screening for clients should be stronger. Operation HELP needs black and white standards like OnTrack. Customer service representatives should only refer clients who have made some level of payments to Operation HELP. Other than a person's income eligibility, there are not a lot of guidelines for caseworkers. As such, the guidelines I create for my clients are probably stricter than others.

Agency caseworkers made the following recommendations for improvements to Operation HELP.

- Exceptions should be allowed for customers who fall slightly above the income guidelines.

- PPL should give fewer referrals to Operation HELP. They should not refer customers who are not eligible.

IV. CARES Program Description

CARES is a referral service for customers with temporary hardship such as illness, injury, loss of employment, or high medical bills. This program serves customers who generally meet their payment obligations, but then face a hardship that requires some assistance.

The primary objectives of CARES are to:

- Help customers experiencing temporary hardships to manage their overdue electric bills by providing them with information and resources.
- Make tailored referrals to PPL Electric and/or community assistance programs.
- Maintain and/or establish partnerships with community-based organizations to ensure maximum and timely assistance for CARES customers.
- Act as an internal advocate for payment troubled customers.

A. Goals and Resources

The annual funding for CARES is shown in the table below for 2008, 2009 and 2010. Approximately $50,000 pays for staff that supports the program and approximately $30,000 funds the CARES credits.

Table IV-1
CARES Funding

Year	Funding Level
2008	$80,000
2009	$82,000
2010	$84,000

B. Operations

PPL's manager of Universal Services Programs oversees the CARES program expenditures. PPL has one staff person who screens the customers for CARES and recommends CARES credits. The CPDs approve the CARES credits and reconcile the CARES budget for their service territory.

C. Eligibility and Benefits

Residential customers, regardless of income level, who face a temporary hardship that could result in the loss of electric service are eligible for CARES. Temporary is defined as three months or less.

The CARES staff member discusses the customer's sources of income and the customer's need for assistance. This information is used to direct the customer to programs and services.

The benefits of CARES include:

- Protection against shutoff of electric service for 2 to 3 months. CARES customers have their accounts coded so that they are taken out of credit and collections for 3 months.

- Payment plans based on the customer's ability to pay.

- Referrals to other programs and services – PPL support staff communicates directly with CARES customers and try to match their needs with PPL and/or community programs.

- CPDs use CARES credits to help pay electric bills for customers who have run out of other options. This may happen when LIHEAP is closed or the customer is ineligible for services because his or her household income is above the program guidelines.
  - The CPDs have a maximum of $30,000 annually in CARES credits ($6,000 per CPD) which come from PPL Corporation's annual donation to Operation HELP.
  - No formal guidelines exist for the use of CARES credits. The funds are applied on a case-by-case basis.
  - They often use the credits for customers with high medical bills or the death of the primary wage earner.

The CPDs do not normally conduct home visits for CARES participants. If there were a particularly difficult and compelling situation, they would attempt to schedule a home visit. But these types of situations are rare. The CPDs help to coordinate home visits conducted by caseworkers from CBOs, such as the Area Agency on Aging.

D. Program Referrals

PPL does not conduct outreach for CARES. The primary sources of referrals are:

- PPL Electric's Customer Contact Center (CCC)
- Social agency caseworkers
- Self-referrals

PPL staff members provide an electronic referral for CARES.

Conditions when CCC employees and CBO caseworkers refer customers to CARES include:

- Illness, injury, or high medical bills

- Previously good-paying customers with temporary hardship situation
- Recent loss of job or major reduction in household income
- Abandoned spouse
- Confused and disoriented customer

The number of CARES referrals decreased when OnTrack was introduced, as many of the customers have their needs served by OnTrack.

E. CARES Statistics

PPL has monthly reports that show the number of customers who participated in CARES and their demographics.

The table below shows the number of customers who received CARES referrals and had CARES credits applied in 2006 and 2007. In 2006, PPL applied $32,868 in CARES Credits to 177 accounts, with an average CAREs grant of $186.

Table IV-2
CARES Referrals and Credits

Year	Number of Customers	
	Referrals	**CARES Credits Applied**
2006	795	177
2007	498	135

V. Winter Relief Assistance Program Description

PPL Electric Utilities (PPL) implemented the Winter Relief Assistance Program (WRAP) in 1985 to help reduce electric bills and improve home comfort for low-income customers. The objectives of the WRAP are to reduce energy usage and bills of low-income customers and to increase low-income customers' ability to pay their electric bills, resulting in reduced arrearages. The program also aims to improve health, safety, and comfort for low-income occupants; create and maintain partnerships with community based organizations and contractors; and make referrals to other low-income assistance programs. This section describes the policies and procedures for PPL's WRAP. The findings in this section are based upon reviews of program documents, analysis of program statistics, and interviews with PPL personnel who have responsibilities related to WRAP.

A. WRAP Background

The Pennsylvania Public Utility Commission (PUC) directed PPL to develop a weatherization program for electric heating and/or electric water heating customers with income below 150 percent of the federal poverty level in 1984. The program was implemented with a $2 million annual budget, and offered insulation, storm windows, caulking and weather-stripping, and water heating measures. It was the first utility run weatherization program in Pennsylvania.

In 1988, the PUC required that all electric and gas utilities in Pennsylvania offer a low-income usage reduction program (LIURP) to customers in their service territories, and WRAP became part of LIURP. PPL increased WRAP funding to $3 million annually and added energy education to the program services. Program services were enhanced again in 1992, 1995, and 1998 with blower door testing, air infiltration measures, education and CFLs for baseload customers, and refrigerator replacement.

The PUC increased PPL's WRAP annual expenditure goal to $5,700,000 with the implementation of universal service in 1999, and to $6,250,000 in accordance with PPL's rate case settlement in 2005. The budget was increased again, and is $7.75 million annually for 2008 through 2010. The program budget, actual service delivery expenditures, and customers served for 2003 through 2007 are shown in the table below.[7]

Table V-1
WRAP Expenditures and Customers Served
2003 – 2007

	2003	2004	2005	2006	2007
WRAP Budget	$5,700,000	$5,700,000	$6,250,000	$7,250,000	$6,800,000
WRAP Expenditures	$5,970,554	$5,765,336	$6,328,715	$7,488,846	$6,753,061

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[7] Average costs increased because of the solar water heating and the OnTrack High Usage Pilot.

	2003	2004	2005	2006	2007
Customers Served	2,948	2,356	2,422	2,630	2,372
Average Expenditure	$2,025	$2,447	$2,613	$2,847	$2,847

WRAP objectives, established by the PUC are to:

1. Reduce the energy usage and electric bills of low-income customers.
2. Increase the ability to pay/decrease arrearages of low-income customers.

Secondary objectives include:

1. Improve comfort for low-income customers.

2. Promote safer living conditions of low-income customers through the reduction of secondary heating devices.

3. Maintain/establish partnerships with social service agencies, community based organizations (CBOs), and local contractors to ensure maximum and timely assistance.

4. Make tailored referrals to Company and other assistance programs such as OnTrack, Operation HELP, LIHEAP, and other weatherization programs.

B. Program Management and Administration

WRAP is managed through PPL's Customer Services Department. The Customer Relations Specialist is responsible for managing the overall program and for regulatory reporting to the PUC. She is responsible for dividing the WRAP budget among PPL's five geographical areas. She is also responsible for solar water heating services, including assigning jobs to contractors and overseeing the budget. As of 2008, the CPDs are responsible for administering the solar water heating program in their respective areas. The Customer Relations Specialist administers the final inspections and maintenance for systems installed prior to 2008.

There are five Customer Programs Directors (CPDs) who oversee the implementation of WRAP, as well as the other Universal Service Programs, in their geographical areas. PPL's service territory is divided into the Allentown, Hazleton, Scranton, Harrisburg/Montoursville, and Lancaster areas, each with a CPD. The CPDs are responsible for allocating a contract amount to each of the contractors in their region, negotiating contracts with the contractors, overseeing the work of the contractors, approving exceptions, approving invoices, monitoring the budget, and supervising staff. CPDs review their contractors' prices each year. CPDs do not usually inspect the work of the contractors, except when there is a problem. Each CPD has a WRAP coordinator who is responsible for customer interactions and data entry.

PPL does not have an advisory panel for WRAP. However, the contractors are involved in the evolution of the program and provide suggestions for program improvements and pilot measures. PPL has utilized consultants to develop field standards, determine areas where training is needed, and conduct supplemental training.

While PPL requires that WRAP expenditures are within four percent of their expenditure goal, the PUC requires that PPL spend 100 percent of their goal. If PPL under spends in one year, they are required to make up the spending in the next year. If they overspend, they can take the difference out of the next year's budget.

PPL spends a great deal of time and effort to ensure that they come within four percent of their expenditure goal. They review expenditure reports on a monthly basis at the beginning of the year, on a weekly basis by October, and every other day beginning in November. They log every invoice into Excel to make sure that the budget is on target. Tracking the solar water heating expenses separately added more time to this process. However, PPL eliminated its solar water heating expenditure goal as part of its 2008-2010 WRAP Plan. The Company no longer tracks solar water heating expenditures, thus reducing administrative time.

C.   WRAP Needs Assessment

PPL used the 2000 Census to estimate that there are approximately 240,000 customers with income below 200 percent of the Federal Poverty Level in their service territory. They further estimate that approximately 143,000 of these customers have high enough usage to be eligible for WRAP, and have not received WRAP in the past seven years. However, they assert that there are fewer eligible customers because some of these customers do not have a PPL account, have homes that are in such poor condition that services cannot be safely provided, or refuse to apply for WRAP because they do not want to receive social programs or because they are satisfied with their bills and comfort.

D.   Targeting and Referrals

OnTrack customers are required to receive WRAP, and about sixty percent of WRAP referrals currently come from OnTrack.

Customers are usually referred for WRAP services in four ways:

1. Customer Contact Center (CCC) referrals – Customer Service Reps and Collection Assistants are trained to refer payment-troubled customers or customers experiencing hardships to WRAP. The WRAP support person in the appropriate area follows up with a letter and/or phone call.

2. OnTrack Agency referrals – Customers who apply for OnTrack are required to apply for WRAP if they meet the usage criteria. The customer completes the WRAP application while at the agency or the agency sends a referral to the appropriate area

in PPL for follow-up. As of 2008, PPL Solutions contacts newly-certified customers to enroll in WRAP. (Solutions is a support group for the regulated and deregulated businesses within PPL.) The OnTrack agencies are responsible for verifying that eligible customers participated in WRAP as part of the recertification process. If not, the customer completes an application while at the agency or sends a referral to PPL for follow-up.

3. Advertising – Customers call a designated call center in response to WRAP outreach or advertising. The representative usually completes the application with the customer over the phone. PPL also uses call centers to do outbound calling for customers at or below 200 percent of poverty level with high electric usage.

4. Direct referrals – The customer or a caseworker calls the WRAP toll-free number (1-877-342-5972). A PPL employee responds to inquiries and completes the application with the customer over the phone.

Depending on the availability of funding and the customers' response, PPL will use some or all of the following efforts to promote WRAP.

- Presentations and special mailings to agencies that administer PPL's other universal service programs.
- Presentations and special mailings to agencies, senior citizen groups, and low-income audiences.
- Presentations to employee groups such as Customer Service Representatives (CSRs), Collection Assistants, Customer Contact Representatives, and Servicemen.
- Telephone contact of payment-troubled customers and/or customers who live in low-income neighborhoods.
- PPL bill inserts (minimum once per year)
- Newspaper, magazine, radio, and TV advertising

E. Eligibility

Customers must meet the following requirements to be eligible for WRAP:

- The household income is at or below 200 percent of the Federal Poverty Guidelines
- The primary customer is at least 18 years old
- The customer's home is individually metered
- The customer's home is a primary home
- The home has not received WRAP in the past seven years
- The customer has lived in the home for at least nine months
- The customer has installed electric heat or uses a minimum of 6,000 kWh per year

Exceptions can be made to the last three requirements with PPL approval. For example, customers may receive services although it has not yet been seven years since they last

received WRAP if usage is still high, the program has new measures that can be installed in the customer's home, or in a real hardship situation where a referral is made by an agency caseworker.

Renters can receive WRAP services, but the landlord is required to provide written consent before the customer is approved for the program. The WRAP coordinator will send an authorization form to the landlord to receive approval for program services. If the landlord does not respond within 30 days, the coordinator sends another letter. CPDs report that PPL is successful in obtaining landlord approval in more than 75 percent of the cases where the customer is a renter. However, obtaining the approval is sometimes a time-consuming process that requires several phone calls and letters. The CPDs reported that the customer will receive an energy education packet, but no energy conservation measures, if landlord approval is not received.[8] (PPL now offers limited baseload services to renters without landlord consent.)

F. Program Enrollment

Customers must fill out the WRAP application over the phone with a PPL representative or agency caseworker, or fill out the application at home and mail it to PPL to be considered for WRAP. WRAP coordinators review completed applications and check that the data are complete. If information is missing from an application, they will call the customer, and then send a letter if they cannot get in touch with the customer by phone. If required fields on the application are not completed, such as income, PPL will not proceed with the job.

The WRAP coordinator reviews the completed WRAP application to determine if the customer meets the income eligibility criteria for WRAP, makes sure the customer has enough usage history, makes sure the customer's usage is high enough for WRAP, determines the seasonal usage, and determines the job type. All jobs begin as baseload or full cost jobs. The WRAP coordinator then sends the customer an eligibility letter, or a letter that explains why the customer is not eligible for the program.

The WRAP coordinator enters the data from the customer's application into the WRAP database. The coordinator then sends the job to a contractor, or places the job on a waiting list depending on the contractor workload and funding for the area. Jobs are not usually sent out for audit immediately unless the contractor is looking for that type of work. Jobs generally are sent out for audit in about six months.

The WRAP coordinator mails the customer's information to the contractor, including the application, a blank audit form with the top portion filled in, and the customer's usage history. About five years ago, PPL provided contractors with the opportunity to directly access their system to obtain a customer's usage history. Access to the system was very slow, so only a few of the contractors obtain data in this manner. For the most part the contractors receive the usage data from the WRAP coordinator.

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[8] The landlord is not required to contribute to the cost of program services.

PPL states that they give priority to customers who have the highest electric usage history, greatest arrearages, and lowest income. However, the CPDs reported that the jobs are generally sent to the contractors on a first come, first serve basis, other than perhaps for prioritizing OnTrack High Usage Pilot customers or all OnTrack customers. As of 2008, WRAP Coordinators prioritize applications of OnTrack customers who are likely to exceed their benefit amount.

Customers may not receive WRAP services if they drop out of OnTrack and do not want to receive WRAP, they move, they become ill, they have health and safety issues in their home that prevent services from being provided, or the work required in the home is beyond the scope of WRAP. Contractors make several attempts to contact the customers before they send the jobs back to PPL. Estimates vary by CPD, but on average they serve about 80 to 90 percent of customers who complete applications.

G. *Job Types*

Customers must have at least 6,000 annual kWh or installed electric heat to receive program services. These customers will all receive at least one home energy education visit and an energy audit. There are three types of WRAP services that customers may receive.

1. Baseload: Customers with no electric heat will receive this type of service. Measures include CFLs, refrigerator replacement, air conditioner replacement, dryer venting, waterbed replacement, heating filter changing or cleaning, water heater set-back, and other measures that meet the PUC payback criteria. Effective 2008, baseload recipients may receive up to $200 in comfort measures such as weather stripping and door sweeps.

2. Low Cost: In addition to the baseload measures, customers with electric hot water are eligible for water heater replacement, Gravity Film Exchange (GFX), repairs of plumbing leaks, water pipe insulation, showerheads/aerators, and solar water heating.[9] Contractors can replace a washing machine with PPL approval.

3. Full Cost: Customers are eligible for full cost WRAP if the home has installed electric heat and the customer uses installed electric heat as the main heating source. The auditor can upgrade a baseload job to full cost when full cost measures will reduce electric energy usage. This may include homes with defacto electric heat and high cooling usage. In addition to the baseload and water heating measures, they may receive heating and/or cooling measures, as well as additional follow-up energy education (site or phone). The additional measures for full cost customers include blower-door guided air sealing, insulation, heating repair/retrofit/replacement, cooling system repair and replacement, duct insulation and repair, caulking and weather stripping, and thermostat replacement.

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[9] PPL does not require a payback for the solar water heating.

PPL has piloted several WRAP measures to test whether the addition of such measures can improve the cost effectiveness of the program. These pilots have included:

- Horizontal-axis washing machines
- Cooling measures – insulation, air sealing, duct insulation, window fans, central air conditioner repair/replacement, tinted windows, roof coating.
- Solar water heating
- Photovoltaic
- OnTrack High Usage

PPL mails educational materials and a conservation kit and provides referrals to other programs including state weatherization, gas utility programs, LIHEAP, OnTrack, and CARES for customers with usage below 6,000 annual kWh.

H. Contractors

PPL uses contractors to install weatherization measures and conduct audits, inspections, and energy education sessions. Contractors often use sub-contractors for specialized work including electrical, plumbing, and heating equipment repair. PPL assigns work to contractors based on customer need, location, skill sets, experience, and ability to handle increased workload.

Most of PPL's contractors have been working on WRAP since 1987. PPL developed and implemented a WRAP RFP process in 2007. PPL's Procurement Department sent an RFP to existing contractors and to contractors who requested a bid. The Company awarded three-year contracts to successful bidders with the opportunity for annual price adjustments.

One of the changes that PPL would like to make to WRAP is to standardize the services that are offered throughout PPL's service territory. They currently have some contractors who do not provide certain WRAP measures.

The weatherization contractors purchase the majority of tools and equipment used for WRAP. However, there are situations when PPL purchases equipment for contractor use to implement new and pilot technologies, or to support a sudden increase in workflow.

In 2004-2006, PPL reserved $40,000 per year for the purchase of contractor equipment, including an infrared camera, diagnostic and monitoring equipment, carbon monoxide testing equipment, and upgrade of PPL-owned computers and printers.

I. Training

PPL provides training when there are new WRAP measures or procedures. In the past they have partnered with the state weatherization program to sponsor a contractor training, and they have had consultants observe and participate in installation and inspection work. PPL recently provided an education and communication training. PPL also offers sponsorships

to the annual Affordable Comfort Conference and other training courses. PPL offers a training honorarium to contractors for mandatory training that is not conducted on the job site.

All WRAP partners, including subcontractors, are always allowed to attend WRAP training sessions. WRAP contractors have provided training to their subcontractors.

J. Service Delivery

Contractors are not required to collect income documentation to verify customers' eligibility for WRAP. However, PPL asks contractors to let them know if the customer does not appear to be low income.[10]

Each WRAP job receives an energy audit to determine which measures should be installed. Contractors decide which measures to install based upon the customer interview, the customer's electric usage history, on-site diagnostics, prioritization of measures, and the PUC payback criteria.

The following criteria are used for determining spending and measure selection:

1. Baseload: PPL has no limit on the amount of money spent on baseload measures in a home. However, measures must meet the PUC's payback criteria. PPL approves exceptions on a case-by-case basis.[11]

2. Low Cost: If a baseload customer has an electric water heater and has the potential for major water heating measures, PPL may upgrade the WRAP job to "low cost" at the time of the audit. PPL has no limit on the amount of money spent on low cost measures. With the exception of water heater replacement as a "repair" measure, low cost measures must adhere to PUC payback criteria.

3. Full Cost: The PUC LIURP guidelines suggest a seven or twelve-year payback for most measures. In 2002, PPL implemented an aggregate payback formula based on the customer's electric usage. PPL assigns a "shell allowance" for each full cost job that serves as a spending guideline for full cost measures. In additional to the shell allowance, contractors can perform the following work on full cost jobs:

    • Incidental Repairs – Contractors can make small incidental repairs needed for the installation of other weatherization measures. As a general guideline, the suggested spending allowance for incidental repairs is 20 percent of the shell allowance.

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[10] PPL does not have a requirement to gather income documentation from customers. They send a letter requesting income documentation if the customer is not elderly and they do not have the documentation on file, but this is not a standard procedure. Most of the customers come from OnTrack, so they know they are income eligible.

[11] Exceptions are approved by the CPD or the WRAP coordinator on a case-by-case basis. Exceptions may be approved in hardship cases or to finish a recommended measure.

- Comfort Repairs – Contractors can repair, replace or add (rare) electric heating equipment in homes where there is inadequate heat to maintain comfort. These cases will usually result in an increase in electric usage. As a result, PPL may not analyze them in the pre- to post-usage evaluation of WRAP.

- Health & Safety – Contractors are required to conduct combustion safety testing before applying air sealing or insulation to a home. Contractors may spend up to $250 in diagnostic health and safety measures. If the cost of required health and safety measures exceeds this allowance, contractors are asked to use other funding sources such as the state weatherization program, gas utility funding, or crisis funding. If these funding sources are not available, PPL may provide the needed funding for the health and safety repairs.

While there is no maximum job limit, spending is defined based on pre-weatherization electric usage. Average program expenditures have increased since the introduction of solar water heating.

Contractors are expected to complete audits within two months. After the audit, contractors can move ahead with measure installation if the measures do not exceed the cost allowance and the measures are on PPL's measure list. If the measures exceed the cost allowance and the contractor does not adequately document the reason, the CPD or the WRAP coordinator will call the contractor. Contractors are expected to complete measure installation within three months after the audit (excluding seasonal measures such as window tints and solar water heating), for a total job time of five months.

After they complete service delivery, contractors send job tickets and paperwork to the WRAP coordinators and invoices to PPL's Financial Department. The job ticket shows the work that was done and the materials that were used. The WRAP coordinators review the paperwork and do the necessary data entry. They must approve the invoices before they can be paid by the Financial Department. The WRAP Coordinators verify the invoices for accuracy and the CPDs approve the invoices.

K. Energy Education

The goals of energy education are to empower customers to make good energy choices, to involve the customer in the process, and to help the customer understand the electric bill.

PPL asks customers who apply for WRAP to sign a Customer Partnership Agreement/Consent Form which authorizes PPL to do work on the customer's home and which states that the customer will actively participate in WRAP. Customers who refuse to sign the partnership agreement may still receive WRAP services, as required by the PUC.

All WRAP participants receive at least one on-site energy education visit. Additional energy education is offered to customers with greater opportunities for usage reduction. The three types of energy education that are offered are:

1. Initial education session: The educator conducts the initial energy education session during the audit or the installation of measures for baseload and low cost customers. The educator conducts the initial session before the audit by telephone, during the audit, or during the inspection for full cost customers.

2. Follow-up education session: The educator provides follow-up education at the time of the inspection or within six months after the installation of measures by phone for full cost customers. The session will include a review of the installed measures, discussion of changes in electric use, and additional education on energy saving actions.

3. Remedial education session: PPL provides remedial education by telephone to customers whose usage increases by at least 10 percent after six months of the installation of measures. The educator attempts to identify reasons for the increased usage and to identify ways to reduce electric usage.

L. PPL's New Conservation Initiatives

PPL has implemented new conservation initiatives – baseload WRAP services in some additional situations, weatherization kit mailings, and energy education delivered over the telephone. These initiatives are described below.

Baseload WRAP
PPL will begin provide baseload or partial WRAP services to some additional groups of customers.

- PPL will offer energy education and limited baseload measures (CFLs, refrigerator replacement if owned by the renter) for qualified WRAP customers who do not receive landlord consent.
- PPL will offer baseload or partial WRAP where lifestyle choices account for the major usage in the household.
- PPL will offer baseload or partial WRAP when a family's income is less than their monthly rent or mortgage payment and, if sold, the next occupant is not likely to be low-income.

Weatherization Kits
PPL Electric expects to serve an additional 900 customers not eligible for WRAP through energy education, weatherization kits, and referral services. PPL Electric selected AM Conservation Group as the vendor and began offering kits in June 2008.

Under this new program, OnTrack customers are screened for usage by PPL Solutions. PPL Solutions will send customers a postcard that asks them whether they would like to receive the kit. PPL will send lists of customers to the vendor on a monthly basis.

Customers who apply for WRAP and are not eligible will also receive the kit.

Telephone Energy Education
PPL provides energy education over the telephone for the following customers:

- Customers who are in danger of exceeding the CAP credit limit who will not receive WRAP within the next 30 days.
- Customers who request energy education.
- Customers who receive full cost WRAP may receive follow-up education over the telephone.

PPL's contractors provide the energy education. They have 30 days to reach the customer. The educator is instructed to explain OnTrack, provide energy tips, and make a recommendation as to whether the customer should receive the mailed conservation kit, an on-site education visit, or WRAP. These services were originally provided as part of PPL's Managing CAP Credits pilot.

There is an Educator Fact Sheet and forms used for phone OnTrack remedial energy education. PPL does not provide a script or detailed talking points to the educators. PPL provides specific information on each customer's usage, payment, and benefit level and asks the educators to cover certain items during the call ("goals"). PPL's staff provided OnTrack training to the educators during the Managing CAP Credits pilot and reinforce with field visits.

M. Program Coordination

PPL does not track the extent to which WRAP service delivery is coordinated with other weatherization programs. (Effective 2008, the WRAP Assessment Form includes a section on the coordination of services. However, there is no place on WRAP V to include this information other than in "remarks".) The CPDs reported that their contractors often refer customers to other programs, but that coordination does not happen very often. One CPD reported that most of her contractors provide work under the state weatherization program, and that they have been successful in coordinating the programs.

Barriers to coordination with other programs include long waiting lists for state weatherization and Crisis, long waiting lists and stringent usage requirements for gas usage programs, and some customers with a combination of electric and gas heat do not have high enough usage to qualify for either program.

N. Data and Reporting

All WRAP jobs are tracked in a special database system called WRAP V. Contractors submit their job information through an electronic web-based job ticket than is loaded directly into the WRAP V database.

WRAP V contains the dates of WRAP service delivery, the measures that were installed, and the material and labor costs for each measure. The information in WRAP V, coupled with a narrative report, is submitted to the PUC for evaluation every April.

PPL is required to submit the following reports to the PUC on an annual basis:

1. LIURP Status Report – February 28
2. USP Report (LIURP Section) – April 1
3. LIURP Report – April 30
4. LIURP Narrative Report – April 30

Information in the reports includes, but is not limited to:

1. Number of homes weatherized by job type
2. Annual expenditures
3. Annual household income and source of income
4. Number of household members by USP age categories
5. Payment status when applying for WRAP
6. Cost per job
7. Name of WRAP contractor(s) for each job
8. Measures installed and their associated material and labor costs
9. Costs for administration, field support, inspection, and energy education
10. Twelve months pre and-post electric usage and billing amounts
11. Customers who are on OnTrack (CAP) or receive fuel assistance during the pre and post-periods
12. Outreach efforts
13. Customer satisfaction information
14. Program goals and future enhancements

The Company analyzes trends and patterns of electric savings' results in the narrative report. The information for the reports comes from the WRAP V database and reporting system, Company accounting reports, and customer postcards and phone calls.

O. Quality Control

PPL requires a site inspection for at least 60 percent of all WRAP jobs that receive at least $750 of measures, not including appliance replacement costs. PPL usually inspects most full cost jobs, except those where the customer refuses the inspection. Beginning in summer 2008, PPL hired a contractor to inspect a ten percent sample of baseload jobs.   Contractors

use phone inspections when job costs are below $750, or when the customer refuses to cooperate with the site inspection.

The inspectors do not usually conduct diagnostic testing during the inspection. They review the job folder, confirm that invoiced measures are installed to PPL's standards, check whether priority measures are installed, look for major missed opportunities, and determine customer satisfaction.

The inspector records any customer concerns or problems on an inspection action sheet. The contractor has 30 days to respond to action sheets. In most cases this requires a return to the customer's home. Estimates of the frequency of action sheets vary by CPD, from a low of one percent to a high of 35 percent. A few CPDs reported that their contractors receive action sheets on about ten percent of WRAP jobs.

PPL conduct annual performance reviews with their WRAP contractors. They evaluate the contractors on their job turn-around time, work quality, cost-effectiveness, and customer satisfaction. They also discuss the contractor's savings statistics. The performance review provides contractors with the opportunity to express any problems and concerns and to make suggestions for program improvement.

PPL may request additional meetings and/or training for contractors that do not meet WRAP requirements. If performance does not improve, PPL may terminate the WRAP contract.

P. Customer Feedback

PPL does not receive much feedback from customers on the WRAP services. They occasionally hear from customers who did not receive something they expected from the program. PPL has not recently conducted a customer satisfaction survey that focuses on WRAP, but they sometimes receive comments on WRAP in a general customer satisfaction survey that they do. The contractor leaves a customer comment card at the inspection, but the cards are rarely completed.

Q. Program Performance

PPL's annual internal WRAP evaluation estimated savings of seven percent for full cost jobs, five percent for low cost jobs, and four percent for baseload jobs. Savings are shown in table below.

Table V-2
2006 WRAP Savings

	2006 WRAP Savings	
	kWh	**Percent Savings**
Full Cost Jobs	1,475	7%

	2006 WRAP Savings	
	kWh	**Percent Savings**
Low Cost Jobs	454	5%
Baseload Jobs	388	4%

Several years ago the PUC had stated usage reduction goals of ten percent for electric heat, ten percent for baseload, and eight percent for water heat. PPL's standard is to reduce all customers' usage by ten percent through the provision of WRAP.

VI. Customer Survey

APPRISE conducted a survey with PPL OnTrack current participants, past participants, and low-income non-participants to develop information on customer's knowledge, understanding and satisfaction with OnTrack. This section presents the methodology used to implement the customer survey and summarizes the findings from the interviews.

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 Braun Research to conduct the telephone survey through its call center. A researcher from APPRISE trained Braun's employees on the survey instrument and monitored survey implementation. Braun'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. Braun'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 July and August 2008. During this time period, 202 interviews were completed.

2. Sample Selection and Response Rates

The survey sample was designed to furnish data on OnTrack current participants, past participants, and non-participants.

Table VI-1 details the number of customers selected to complete the survey, 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 275 current participants, 175 past participants, and 250 non-participants chosen for the survey sample. Due to recoding based on

respondents answers to questions about OnTrack participation, there were 279 current participants, 182 past participants, and 239 non-participants.

- **Unusable:** There were 121 current participant cases, 92 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 OnTrack, 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 31 current participant cases, 20 past participant cases, and 39 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. These households are included in the denominator of the cooperation rate, the response rate, and the completed interview rate.

- **Unknown eligibility:** There were 24 current participant cases, 18 past participant cases, and 37 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 103 interviews with current participants, 52 interviews with past participants, and 47 interviews with non-participants.

- **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 backs[12]). Overall, this survey achieved a 77 percent cooperation rate for current participants, a 72 percent cooperation rate for past participants, and a 55 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

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[12] 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.

(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 58 percent response rate for past participants, and a 38 percent response rate for non-participants.

Table VI-1
Sample and Response Rates

	Current Participants		Past Participants		Non-participants	
Initial selection	275		175		250	
Number selected (recoded)	279		182		239	
	#	**%**	**#**	**%**	**#**	**%**
Unusable	121	43%	92	51%	116	49%
Non-Interviews	31	11%	20	11%	39	16%
Unknown eligibility	24	9%	18	10%	37	15%
Completed interviews	103	37%	52	29%	47	20%
Cooperation rate	77%		72%		55%	
Response rate	65%		58%		38%	

B. *Demographics*

PPL provided APPRISE with a file of current OnTrack participants, past OnTrack participants, and LIHEAP recipients who were not OnTrack participants in February 2008. APPRISE selected a sample of each of group for the survey. Some customers had a change in status between the file download date and the survey date, six months later.

- Current Participants – 91 percent of the customers who were OnTrack participants at the time of the file download were still OnTrack participants at the time of the survey and 9 percent were past participants. Customers who were current participants in the database but who said that they never participated in OnTrack were not eligible for the survey.

- Past Participants – 87 percent of customers who had previously participated in OnTrack 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. Thirteen percent had rejoined OnTrack between the time of the file download and the survey implementation. Customers who were past participants in the database but who said that they never participated in OnTrack were not eligible for the survey.

- Non-participants – 96 percent of the customers who had not participated in OnTrack at the time of the file download reported that they had never participated in the program, two percent reported that they were currently participating, and two percent reported that they had previously participated in OnTrack.

Table VI-2
Change in Participation Status

	Recoded Status		
Original Status	**Current Participant**	**Past Participant**	**Non-participant**
Current Participant	91%	9%	0%
Past Participant	13%	87%	0%
Non-participant	2%	2%	96%

Respondents were asked whether they own or rent their home. Table VI-3 shows that 33 percent of current participants, 38 percent of past participants, and 43 percent of non-participants reported that they own their home.

Table VI-3
Own or Rent Home

	Do you own or rent your home?		
	Current Participant	**Past Participant**	**Non-participant**
Rent	65%	62%	53%
Own	33%	38%	43%
Other	0%	0%	4%
Don't Know	1%	0%	0%
Refused	1%	0%	0%

An analysis of the data in the PPL database showed that a small percentage of each group had an elderly household member. While nearly 75 percent of the current and past participants had a child in the household, only 9 percent of the non-participants had a child in the household. Approximately half of the respondents reported that they had a disabled household member. When considering elderly, children, or the disabled as vulnerable, 91 percent of current participants, 87 percent of past participants, and 51 percent of non-participants had a vulnerable household member.

Table VI-4
Vulnerable Household Members

	Is anyone in your home disabled? (Elderly and child status are from PPL database.)		
	Current Participant	**Past Participant**	**Non-participant**
Elderly	5%	8%	2%
Child	72%	73%	9%
Disabled	44%	50%	43%
Any vulnerable member	91%	87%	51%

Table VI-5 shows that 27 percent of current participants, 44 percent of past participants, and 13 percent of non-participants reported that they are currently married.

Table VI-5
Marital Status

	What is your marital status?		
	Current Participant	**Past Participant**	**Non-participant**
Not Married	73%	56%	85%
Married	27%	44%	13%
Don't Know	0%	0%	2%

Respondents were asked about the highest level of education that was reached by any member of the household. Table III-5 shows that the majority of all groups have not attended college. Thirty-two percent of current participants, 31 percent of past participants, and 36 percent of non-participants attended college or received some sort of college degree.

Table VI-6
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	17%	15%	19%
Vocational training	4%	6%	4%
High school diploma / GED	48%	46%	38%
Some college / Associates Degree	27%	27%	21%
Bachelor's Degree	4%	2%	11%
Master's Degree or higher	1%	4%	4%
Don't know	0%	0%	2%

Table VI-7 shows the types of income and benefits that respondents reported they received in the past year. The table shows that many of these households participate in other sources of assistance that are available.

- 34 percent of current participants, 42 percent of past participants, and 15 percent of non-participants reported that they received wages or self employment income.

- 12 percent of current participants, 10 percent of past participants, and 45 percent of non-participants reported that they received retirement income.

- 44 percent of current participants, 42 percent of past participants, and 13 percent of non-participants reported that they received public assistance.

- 65 percent of current participants, 56 percent of past participants, and 45 percent of non-participants reported that they received non cash benefits.

Table VI-7
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	34%	42%	15%
Retirement income	12%	10%	45%
Public assistance	44%	42%	13%
Non-cash benefits	65%	56%	45%

Respondents were asked whether they or a member of the household had been unemployed and looking for work in the past year. Table VI-8 shows that 27 percent of current participants, 40 percent of past participants, and 11 percent of non-participants reported that they had been unemployed.

Table VI-8
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**
No	72%	60%	87%
Yes	27%	40%	11%
Don't Know	1%	0%	2%

Table VI-9 displays annual household income from PPL's database. The table shows that non-participants were most likely to have annual income below $10,000. This is likely related to the fact that they are more likely to be elderly and retired.

Table VI-9
Annual Household Income

	Income data from PPL Database		
	Current Participant	**Past Participant**	**Non-participant**
≤ $ 10,000	26%	35%	85%
$10,001 - $20,000	46%	29%	9%
$20,001 - $30,000	22%	31%	4%
$30,001 - $40,000	6%	4%	2%
> $40,000	0%	2%	0%

The household's poverty level was calculated from information in the PPL database on household income and number of household members. The table shows that non-participants are most likely to have income below 50 percent of the poverty level. Current and past participants are most likely to have income between 51 and 100 percent of the poverty level.

Table VI-10
Poverty Level

	Current Participant	**Past Participant**	**Non-participant**
≤ 50%	17%	25%	77%
51% - 100%	46%	38%	15%
101% - 150%	34%	31%	4%
>150%	3%	6%	4%

C. *Participation, Enrollment, and Recertification*

Current and past OnTrack participants were asked several questions about program participation, enrollment, and recertification. Table VI-11 shows that most current and past participants learned about OnTrack through a PPL representative, a friend or relative, or a nonprofit or state agency.

Table VI-11
How the Customer Learned About OnTrack

	How did you find out about the OnTrack Program?	
	Current Participant	**Past Participant**
PPL customer service representative	34%	46%
Friend or relative	27%	25%
Agency	22%	21%

	How did you find out about the OnTrack Program?	
	Current Participant	Past Participant
Print information material	2%	2%
Other	6%	4%
Don't know	9%	4%

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

Most customers reported that they decided to enroll in OnTrack to reduce their bills or their arrearages. Other customers reported that they enrolled due to their low income or a temporary financial situation.

Table VI-12
Reason for Participation

	Why did you decide to enroll in the OnTrack Program?	
	Current Participant	Past Participant
Reduce bills	46%	50%
Reduce arrearages	25%	23%
Low-income	17%	15%
Temporary financial situation	12%	13%
Prevent shut-off	3%	4%
Even monthly payments	3%	0%
Other	4%	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 OnTrack. Only six percent of currently participants and 16 percent of past participants reported that it was very or somewhat difficult. The majority of current participants, 65 percent, reported that it was not at all difficult to enroll in OnTrack.

Table VI-13
Difficulty of OnTrack Enrollment

	How difficult was it to enroll in the OnTrack Program?	
	Current Participant	Past Participant
Very difficult	1%	10%
Somewhat difficult	5%	6%
Not too difficult	29%	37%
Not at all difficult	65%	48%

The parts of enrollment that were cited as difficult were completing the application, providing proof of income, and contacting the agency.

Table VI-14
Difficult Parts of OnTrack Enrollment

	What parts of enrollment in the OnTrack program were most difficult?	
	Current Participant	**Past Participant**
Completing the application	2%	4%
Providing proof of income	1%	8%
Contacting the agency	1%	8%
Other	2%	0%
Enrollment was not difficult	94%	85%
Don't know	1%	0%

* Note: The sum of the percentages exceed s100% as some of the respondents have given more than one response.

Sixty-nine percent of current participants and half of the past participants reported that they have recertified for OnTrack.

Table VI-15
OnTrack Recertification

	Have you ever recertified for OnTrack?	
	Current Participant	**Past Participant**
Yes	69%	50%
No	25%	48%
Don't know	6%	2%

Of those who had recertified, 91 percent of current participants and 73 percent of past participants said that it was not difficult to recertify.

Table VI-16
Difficulty of OnTrack Recertification

	How difficult was it to recertify for OnTrack?	
	Current Participant	**Past Participant**
Observations	71	26
Very difficult	0%	12%
Somewhat difficult	8%	15%
Not too difficult	25%	23%
Not at all difficult	66%	50%

Customers who did say that it was difficult to recertify said that it was difficult to provide proof of income or to complete the application.

Table VI-17
Difficult Parts of OnTrack Recertification

	What parts of the recertification in the OnTrack program were most difficult?	
	Current Participant	**Past Participant**
Observations	71	26
Providing proof of income	4%	27%
Completing the application	3%	0%
Waiting time	1%	0%
Other	1%	4%
Nothing	1%	0%
Recertification was not difficult	92%	73%

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

D. *Understanding of OnTrack*

Current and past OnTrack participants were asked several questions to assess their understanding of OnTrack. Table VI-18 shows that 98 percent of current participants and 85 percent of past participants reported that they felt they have a good understanding of OnTrack.

Table VI-18
OnTrack Understanding

	Do you feel you have a good understanding of the services provided by PPL's OnTrack program?	
	Current Participant	**Past Participant**
Yes	98%	85%
No	1%	15%
Don't know	1%	0%

Current and past OnTrack participants were asked what their understanding of their responsibility in the program was. Most respondents reported that their responsibility was to keep up with payments. Some customers reported that they needed to conserve energy, accept weatherization services, or manage their finances.

Table VI-19
Customer Responsibility in OnTrack

	What is your understanding of your responsibility in this program?	
	Current Participant	Past Participant
Keep up with payments	90%	88%
Conserve energy	9%	4%
Accept weatherization services	4%	6%
Learn to manage finances	3%	4%
Keep up with paperwork and documentation	0%	2%
Other	3%	4%
Don't know	2%	2%

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

When asked what they felt were the benefits of the program, the most common response was that they received a lower energy bill. However, many respondents also stated that the even monthly payments were a benefit of the program. Other benefits that were cited were maintaining electric service, reduced arrearages, and help through time of financial hardship.

Table VI-20
Benefits of OnTrack (Unprompted)

	What do you feel are the benefits of the program?	
	Current Participant	Past Participant
Lower energy bill	35%	40%
Even monthly payments	23%	25%
Maintaining electric service	16%	15%
Reduced arrearages	12%	12%
Help through financial hardship	12%	6%
Ability to pay other bills	6%	4%
Helps pay bills on time	5%	2%
Weatherization services received	2%	2%
Other	13%	12%
Don't know	1%	4%

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

Following the open-ended questions, customers were asked whether they felt lower energy bills, reduced arrearages, and maintaining electric service were benefits of the program. Table VI-21 shows that most customers agreed that these were all benefits of the program.

Table III-20
Benefits of OnTrack (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	91%	85%
Maintaining electric service	98%	88%

Table VI-22 shows that customers were most likely to report that a lower electric bill and maintaining their electric service were the most important benefits of the program.

Table VI-22
Most Important Benefit of OnTrack?

	What do you feel is the most important benefit of the program?	
	Current Participant	**Past Participant**
Lower energy bill	28%	37%
Maintaining electric service	28%	33%
Even monthly payments	11%	8%
Reduced arrearages	8%	8%
Help through financial hardship	6%	4%
Weatherization services received	2%	0%
Helps pay bills on time	1%	4%
Ability to pay other bills	0%	2%
Other	11%	4%
Don't know	6%	2%

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

Customers were asked how much they thought OnTrack saved them on a typical monthly electric bill. Table VI-23 shows that most customers reported that OnTrack saves them $50 or more each month. About 20 percent of the customers reported that they did not know how much they saved with the program.

Table VI-23
Monthly Savings With OnTrack Program

	How much money does the OnTrack program save you on a typical monthly electric bill?	
	Current Participant	**Past Participant**
$0	1%	0%
$1 - $25	6%	4%
$26 - $50	18%	29%
$51 - $100	38%	25%
$101 or more	17%	23%
Don't know	19%	19%

Customers were also asked how much arrearage forgiveness they received each month from OnTrack. Sixty-eight percent of respondents reported that they did not know how much arrearage forgiveness they received. The majority of the respondents who did provide an answer reported that they received less than $50 or between $51 and $100 in forgiveness each month.

Table VI-24
Monthly Arrearage Forgiveness with OnTrack Program

	How much of what you owe PPL for past due balances or for past bills that were not paid is forgiven each month?
	Current Participants
≤ $50	15%
$51 - $100	14%
$101 - $200	2%
$201 or more	2%
Don't know	68%

Customers who did provide an estimate of their arrearage forgiveness were asked whether the forgiveness made them more likely to pay their electric bill. Ninety-six percent of these respondents said that the arrearage forgiveness did make them more likely to pay their electric bill.

Table VI-25
Impact of Arrearage Forgiveness On Bill Payment

	Does this forgiveness of money owed for past due balances or for past bills that were not paid make you more likely to pay your electric bill?
	Current Participants
Observations	28
Yes	96%

	Does this forgiveness of money owed for past due balances or for past bills that were not paid make you more likely to pay your electric bill?
	Current Participants
No	0%
Don't know	4%

E. Financial Obligations and Bill Payment Difficulties

All respondents were asked several questions about their bill payment difficulty. Table VI-26 shows the responses to questions about the difficulty of paying the PPL bills prior to and during OnTrack participation for current participants, and for non-participants in the past year.

The table shows that respondents felt that they had much less difficulty paying their PPL bills after they enrolled in the program. While 72 percent of current participants said that it was very difficult to pay their PPL bills prior to enrolling in OnTrack, only 4 percent said it was very difficult to pay their PPL bills while they were participating in the program. While 69 percent of past participants said that it was very difficult to pay their PPL bills prior to enrolling in OnTrack, only 6 percent said that it was very difficult to pay their PPL bills while enrolled in the program. Thirty-six percent of non-participants said that it was very difficult for them to pay their PPL bills in the past year.

Table VI-26
Bill Payment Difficulty

	How difficult was it to make your monthly PPL payments before participating in PPL's OnTrack 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**		
	Before OnTrack	**In OnTrack**	**Before OnTrack**	**In OnTrack**	**Non-participant**
Very difficult	72%	4%	69%	6%	36%
Somewhat difficult	25%	21%	27%	33%	28%
Not too difficult	2%	37%	4%	33%	15%
Not at all difficult	1%	38%	0%	29%	19%
Don't know	0%	0%	0%	0%	2%

Table III-26 shows responses to questions about difficult of paying other bills and expenses prior to and during OnTrack participation, and in the past year for non-participants. This table also shows that participants feel they had less difficulty meeting their other needs after

they enrolled in OnTrack. For example, 78 percent of current participants said that they had to delay or skip purchases of food before OnTrack, and 29 percent said they had to do so while they participated in the program. Differences are also shown for medicine, medical or dental services, mortgage or rent, telephone or cable, and credit card or loan payments.

Table VI-27
Financial Obligations – Every Had Problem

| | In the year BEFORE participating in the OnTrack 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 OnTrack 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 OnTrack	In OnTrack	Before OnTrack	In OnTrack	
Food	78%	29%	54%	33%	40%
Medicine	46%	26%	50%	35%	19%
Medical or dental	46%	28%	38%	21%	30%
Mortgage or rent	61%	25%	54%	33%	9%
Telephone or cable	84%	45%	81%	52%	26%
Credit card or loan payment	33%	18%	25%	12%	13%
Car payment	23%	17%	15%	6%	6%

Table VI-28 shows that the percent of customers who said that they always or frequently faced these financial difficulties was lower when they participated in OnTrack. For example, 23 percent of past participants said that they always or frequently had to skip or delay medical or dental care prior to participating in OnTrack, and six percent said they had to do so while they participated in the program.

Table VI-28
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 OnTrack	In OnTrack	Before OnTrack	In OnTrack	
Food	34%	6%	17%	8%	15%
Medicine	15%	6%	12%	6%	9%
Medical or dental	19%	10%	23%	6%	17%
Mortgage or rent	12%	6%	15%	8%	4%

	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 OnTrack	In OnTrack	Before OnTrack	In OnTrack	
Telephone or cable	33%	9%	31%	8%	11%
Credit card or loan payment	16%	6%	10%	6%	9%
Car payment	6%	4%	4%	2%	2%

Customers were asked whether they used their kitchen stove or oven to provide heat. Table VI-29 shows that 41 percent of current participants said that they did so prior to participating in the program and 20 percent said that they did so while they participated in the program. Thirty percent of non-participants said that they used their kitchen stove or oven for heat.

Table VI-29
Used Kitchen Stove for Heat

	In the year before participating in the OnTrack Program, did you use your kitchen stove or oven to provide heat? While participating in the OnTrack 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		
	Before OnTrack	In OnTrack	Before OnTrack	In OnTrack	Non-participant
Yes	41%	20%	35%	27%	30%
No	59%	80%	65%	73%	70%

Table VI-30 shows that the frequency of kitchen stove use also declined after customers began participating in OnTrack.

Table VI-30
Frequency of Kitchen Stove Use

	Always or frequently used your kitchen stove or oven to provide heat?				
	Current Participant		Past Participant		Non-participant
	Before OnTrack	In OnTrack	Before OnTrack	In OnTrack	
Always	3%	1%	8%	2%	2%
Frequently	5%	2%	8%	6%	11%
Sometimes	32%	17%	19%	17%	15%
Never	60%	80%	65%	75%	72%

Customers were asked whether there was a time that they wanted to use their main source of heat but could not because their heating system was broken and they were unable to pay for its repair or replacement. Table III-30 shows that 21 percent of current participants and 31 percent of past participants said that they faced this problem prior to enrolling in OnTrack. The table shows that 16 percent of current participants and 17 percent of past participants said that they faced this problem while participating in OnTrack. It is expected that there would be less of a difference in heating availability because many of the OnTrack participants do not use electricity as their main source of heat.

Table VI-31
Could Not Heat Home

	In the year before enrolling in the OnTrack 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 OnTrack 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		
	Before OnTrack	In OnTrack	Before OnTrack	In OnTrack	Non-participant
Yes	21%	16%	31%	17%	11%
No	79%	84%	69%	83%	89%

F. Program Impact

Respondents were asked several questions about the impact of OnTrack. Table VI-32 shows the responses to a question about whether their electric bill was higher, lower, or unchanged in OnTrack, as compared to before they participated in the program. The table shows that 60 percent of current participants and 58 percent of past participants said that their bill was lower when they participated in OnTrack.

Table VI-32
Electric Bill On Program Compared to Before 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	12%	15%
Lower	60%	58%

	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**
No change	21%	27%
Don't know	7%	0%

Respondents were also asked about whether their electric usage changed as compared to before they participated in OnTrack. Table VI-33 shows that 16 percent of current participants said their usage was higher, 27 percent said their usage was lower, and 48 percent said there was no change in their usage.

Table VI-33
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	16%	15%
Lower	27%	44%
No change	48%	33%
Don't know	10%	8%

Respondents who said that their usage was higher were asked why they felt it had increased. The most common responses were that it was a warm summer, they were not conserving energy, they used an electric space heater, or that they needed electricity for medical devices.

Table VI-34
Reason for Increase in Electric Usage

	Why do you feel that your usage has increased?	
	Current Participant	**Past Participant**
Observations	16	8
Warm summer	31%	25%
Not conserving	19%	13%
Use electric space heater	13%	38%
Need electricity for medical devices	13%	0%
Bad insulation	6%	13%
Cold winter	6%	0%

	Why do you feel that your usage has increased?	
	Current Participant	**Past Participant**
Can use more because of OnTrack	0%	13%
Other	18%	25%

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

Respondents who said that their usage was lower were asked why they felt it had decreased. The most common responses were that they had tried to conserve energy, they received weatherization or LIURP services, they received other services, or they spent less time at home.

Table VI-35
Reason for Decrease in Electric Usage

	Why do you feel that your usage has decreased?	
	Current Participant	**Past Participant**
Observations	28	23
Try to conserve energy	50%	52%
Weatherization/WAP	14%	9%
LIURP/WRAP	7%	9%
Other services received	7%	0%
Fewer family members/ Spend less time at home	4%	22%
Other	14%	9%
Don't know	18%	13%

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

G. *Energy Assistance Benefits*

Customers were asked whether they had applied for LIHEAP in the past 12 months. Table VI-36 shows that 72 percent of current participants, 50 percent of past participants, and 66 percent of non-participants said that they had applied for LIHEAP.

Table VI-36
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	72%	50%	66%
No	26%	46%	32%
Don't know	2%	4%	2%

Table VI-37 shows that 53 percent of current participants, 38 percent of past participants, and 55 percent of non-participants said that they received LIHEAP.

Table VI-37
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	53%	38%	55%
No	18%	10%	11%
Did not apply	28%	50%	34%
Don't know	0%	2%	0%

Table VI-38 shows that 27 percent of current participants, 21 percent of past participants, and 47 percent of non-participants reported that they assigned LIHEAP benefits to PPL. It is not surprising that non-participants were more likely to assign LIHEAP benefits to PPL, as program participants have their LIHEAP benefits applied to their OnTrack credit.

Table VI-38
LIHEAP – Assigned Benefit to PPL

	Did you assign the LIHEAP grant to PPL?		
	Current Participant	Past Participant	Non-participant
Yes	27%	21%	47%
No	25%	17%	6%
Did not receive benefits	47%	62%	45%
Don't know	1%	0%	2%

Customers who did not apply for LIHEAP were asked why they did not apply. Table VI-39 shows that customers were most likely to say that they did not know about the program, they were not eligible, or they did not need the assistance.

Table VI-39
LIHEAP – Why Did Not Apply

	Why did you not apply for LIHEAP?		
	Current Participant	Past Participant	Non-participant
Observations	27	24	15
Did not know about program	33%	25%	40%
Not eligible	19%	4%	0%
Did not need it	11%	21%	13%

	Why did you not apply for LIHEAP?		
	Current Participant	**Past Participant**	**Non-participant**
Because in OnTrack	7%	4%	0%
Did not have documentation	7%	4%	0%
Income too high	4%	21%	27%
Did not know how to apply	4%	0%	0%
Application process difficulty	4%	0%	0%
Missed deadline	0%	8%	0%
Other	7%	0%	13%
Don't know	4%	13%	7%

H. Program Success

Past participants were asked why they were no longer participating in OnTrack. The most common responses were that they did not recertify, they missed a payment and were removed, they were no longer eligible, or they exceeded the credit limit.

Table VI-40
Reason for Stop in OnTrack Participation

	Why are you no longer participating in the OnTrack Program?
	Past Participants
Did not recertify	25%
Missed payment and was removed	17%
Income increased, no longer eligible	12%
Exceeded credit limit	12%
Graduated	8%
Moved to a different home	4%
No income/unemployed	2%
Other	19%
Don't know	6%

Respondents were asked whether they felt PPL could have done anything to help them stay in OnTrack. Table VI-41 shows that 40 percent of the past participants felt that PPL could have provided more assistance to help them remain in OnTrack.

Table VI-41
PPL Assistance Could Have Helped the Customer Remain in OnTrack

	Do you feel that there was anything that PPL could have done to help you stay on the OnTrack Program?
	Past Participants
Yes	40%
No	46%
Don't know	13%

Some of the ways the customers stated they felt PPL could have provided more assistance were to extend the program benefit period, provide help with recertification, provide more information, and loosen the strictness of the program application guidelines.

Table VI-42
PPL Assistance that Could Have Helped the Customer Remain in OnTrack

	What could PPL have done to help you stay on the OnTrack Program?
	Past Participants
Extend program benefit period	6%
Recertification/re-enrollment help	6%
Increased flexibility	6%
Provide more information	4%
Less strict application guidelines	4%
Not needed	60%
Other	13%
Don't know	2%

Ninety percent of the past participants said that they would be interested in re-enrolling in OnTrack if they were eligible.

Table VI-43
Interest in OnTrack Reenrollment

	If you were currently eligible under program rules, would you be interested in re-enrolling in the program?
	Past Participants
Yes	90%
No	6%
Don't know	4%

Current participants were asked how likely they were to continue to participate in OnTrack. Table VI-44 shows that 92 percent said that they are very likely and six percent said that they are somewhat likely.

Table VI-44
Likelihood of Continued OnTrack Participation

	How likely are you to continue to participate in OnTrack? Would you say you are very likely, somewhat likely, not too likely, or not at all likely?
	Current Participants
Very likely	92%
Somewhat likely	6%
Not too likely	0%
Not at all likely	1%
Don't know	1%

When asked how long they expected to continue to participate in OnTrack, 65 percent said that they would participate as long as they needed assistance, eight percent said they would participate until the program ended, and 12 percent provided an estimate of the length of time.

Table VI-45
Expected Length of Continued OnTrack Participation

	How long do you think you will continue to participate in the program?
	Current Participants
<6 months	1%
6-12 months	6%
More than 12 months	5%
Until program ends	8%
As long as I need assistance	65%
Other	2%
Don't know	14%

I.   OnTrack Satisfaction

Current and past participants were asked how important the OnTrack program had been in helping them to meet their needs. Table VI-46 shows that 91 percent of current participants said it was very important and 8 percent said it was somewhat important.

Table VI-46
Importance of OnTrack

	How important has the OnTrack 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	91%	88%
Somewhat important	8%	10%
Of little importance	0%	2%
Not at all important	1%	0%

When asked whether they need additional assistance to pay their electric bill, 36 percent of current participants, 69 percent of past participants, and 51 percent of non-participants said that they did need additional assistance.

Table VI-47
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	36%	69%	51%
No	63%	31%	45%
Don't know	1%	0%	4%

When asked what type of additional assistance they needed, the most common responses were lower bills, more bill payment assistance, more time to pay the bill, and increased income. Past participants were likely to say that they needed to get back in OnTrack.

Table VI-48
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**
Lower bill	9%	17%	13%
More bill payment assistance	8%	15%	13%
Increased income	3%	6%	6%
More time to pay the bill	3%	6%	0%
Getting back/Remaining on Program	2%	17%	0%
Help with other bills/purchases	2%	2%	2%
Getting on LIHEAP	1%	0%	4%
Even monthly payments	1%	4%	4%

	What additional assistance do you need to pay your bill?		
	Current Participant	**Past Participant**	**Non-participant**
No additional assistance needed	64%	31%	49%
Other	4%	6%	4%
Don't know	7%	4%	9%

Table VI-49 shows that customers are very satisfied with OnTrack. While 91 percent of current participants and 81 percent of past participants reported that they are (were) very satisfied, eight percent of current participants and 12 percent of past participants reported that they are (were) very satisfied.

Table VI-49
OnTrack Satisfaction

	Overall, how satisfied were you with OnTrack? Would you say that you were very satisfied, somewhat satisfied, somewhat dissatisfied, or very dissatisfied?	
	Current Participant	**Past Participant**
Very satisfied	91%	81%
Somewhat satisfied	8%	12%
Somewhat dissatisfied	1%	6%
Very dissatisfied	0%	2%

Customers were asked whether they have any recommendations for the program. Table VI-50 shows that some of the more common recommendations were increased flexibility, additional payment assistance, easier application and recertification, and improved communication.

Table VI-50
OnTrack Recommendations

	Do you have any recommendations for improvements to OnTrack? Are there any other recommendations?	
	Current Participant	**Past Participant**
Increased Flexibility	5%	8%
Lower bill/More payment assistance	5%	6%
Ease application/recertification process and have less strict guidelines	3%	8%
Improve Communication/More Information	2%	10%
Extend Program benefit period	2%	4%
Other	2%	4%
None	81%	67%

	Do you have any recommendations for improvements to OnTrack? Are there any other recommendations?	
	Current Participant	**Past Participant**
Don't know	2%	4%
Refused	1%	0%

* 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.

- *Demographics – Vulnerable Households:* Households with greater need are more likely to be served by the program. The combination of PPL and survey data showed that while 91 percent of current participants and 87 percent of past participants had a vulnerable household member (elderly, child, or disabled), 51 percent of non-participants had a vulnerable household member.

- *Demographics – Elderly Households:* An exception to high participation rates for vulnerable households is that households with elderly members are less likely to participate in OnTrack. PPL's database shows that 5 percent of current participants, 8 percent of past participants, and 2 percent of non-participants have an elderly household member. This may be an understatement of the percent with an elderly member. However, the data on retirement income show that elderly households are underrepresented in OnTrack. While 45 percent of non-participants reported that they received retirement income in the past year, 12 percent of current participants and 10 percent of past participants reported that they received retirement income in the past year.

  Research has shown that elderly households are more likely than other households to pay their utility bills, sometimes at the expense of other necessities. *PPL may consider waiving the broken payment arrangement requirement for elderly households who show difficulty paying electricity bills compromises their health and safety.*

- *Ease of Enrollment:* Participants do not feel that OnTrack enrollment and recertification are difficult. Only 6 percent of current participants and 16 percent of past participants said that the enrollment process was somewhat or very difficult.

- *OnTrack Benefits:* Customers were most likely to state that the benefit of OnTrack 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, more than ten percent of customers cited the even monthly

payments. *PPL 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 PPL's database showed that 75 percent of OnTrack customers receive arrearage forgiveness. However, most customers, 68 percent, reported that they do not know how much arrearage forgiveness they receive each month as a result of the participation in OnTrack. This is likely related to the fact that the PPL bill does not provide information on arrearage forgiveness in the customer's monthly bill. (Note: the bill does provide information on monthly OnTrack credits and only 19 percent of customers reported that they do not know how much they save on a monthly electric bill.) *PPL should consider adding information to the customer's bill that shows the amount of arrears that are forgiven each month.* This is important because 96 percent of customers who did know how much forgiveness they received said that the forgiveness made them more likely to pay their electric bill.

- *OnTrack Impacts:* Customers are very likely to perceive that the OnTrack program increased their ability to pay both their PPL bill and to meet other financial obligations. While 72 percent of current participants said that it was very difficult to pay their PPL bill prior to OnTrack participation, only four percent said it was very difficult for them to pay their PPL bill while participating in the program. While 78 percent of current OnTrack participants said that they delayed purchases of food in the year prior to the program, only 29 percent said that they did so while participating in OnTrack.

- *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. *PPL should continue to provide outreach about LIHEAP and make sure that OnTrack participants and other low-income households know that the benefits are available.*

- *OnTrack Satisfaction:* Satisfaction with the OnTrack program is very high. Ninety-one percent of current participants said that the program is very important in helping them meet their needs and 99 percent of current participants said that they are very or somewhat satisfied with the program.

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

1. PPL may consider waiving the broken payment arrangement requirement for elderly households where there is an indication that difficulty paying electricity bills compromises their health and safety.

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

3. PPL should consider adding information to the customer's bill that shows the amount of arrears that are forgiven each month.

4. PPL should continue to provide outreach about LIHEAP and make sure that OnTrack participants and other low-income households know that the benefits are available.

VII. OnTrack Participant Characteristics and Program Impacts

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

A. OnTrack 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.

- *OnTrack Population Characteristics:* We examine the demographic characteristics of the OnTrack participants and the comparison groups used in the analyses. Available OnTrack 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.

- *OnTrack and Account Characteristics:* We examine the following OnTrack and account characteristics at the time of enrollment and one year later (or as close to one year later as data are available).

  - *OnTrack Payment Type:* OnTrack payments are based upon a percent of the bill, a percent of the customer's income, a minimum payment, agency selected, or an annual average payment.

  - *OnTrack Status:* Customers are classified as active, current bill, recertified, moved, cancelled, defaulted, lifestyle, or graduated.

  - *Billing Account Status:* The customer's account status is active or finaled.

- *OnTrack Retention, Recertification, and Graduation Rates:* We analyze how long customers stay in the program and what percentage recertify and graduate.

- *Arrearage Forgiveness:* We analyze the number of months that customers receive arrearage forgiveness and the amount of arrearage forgiveness received in the year after OnTrack enrollment.

- *Affordability Impacts:* We analyze the impacts of OnTrack 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. Comparison groups are used to control for changes in affordability that are unrelated to OnTrack.

- *Payment Impacts:* We compare payment behavior for program participants in the year preceding program enrollment and the year following program enrollment. Comparison groups are used to control for changes that are unrelated to OnTrack.

- *OnTrack 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. Comparison groups are used to control for changes that are unrelated to OnTrack.

- *Assistance Payments:* We compare assistance payments received by OnTrack participants in the year preceding program enrollment and the year following program enrollment. Comparison groups are used to control for changes that are unrelated to OnTrack.

- *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. Comparison groups are used to control for changes that are unrelated to OnTrack.

- *Service Termination:* We compare the rate of service termination for customers who enrolled in OnTrack to that for the comparison groups.

- *Electric Usage:* We compare weather normalized electric usage for customers who enrolled in OnTrack to that for the comparison groups.

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

OnTrack customers whose latest program enrollment was in 2006 and who did not participate in OnTrack 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, and customer data were obtained beginning in March 2008. Customers who participated in OnTrack 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 OnTrack. 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

PPL provided customer data, program data, billing and payment data, collections data, and usage data for all customers who participated in the OnTrack between 2005 and 2007, as well as for all customers who did not participate in OnTrack but who received an energy assistance grant to serve as a comparison group. These data were provided in electronic format. Billing, payment, usage data, and collections data extended from January 2005 through December 2007. 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 OnTrack to one year after the customer joined OnTrack.

- Non-participants comparison group data included one year of data before the mid-point of the first quarter of 2006 to one year of data after the mid-point of the last quarter of 2006.

- 2007 Enrollee Comparison group data extended two years before the customer joined OnTrack.

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

Table VII-1
Treatment and Comparison Groups

	Treatment Group	Comparison Group 1	Comparison Group 2
Group	2006 Enrollees	Non-participants	2007 Enrollees
Enrollment Requirement	Last enrollment date is in 2006	Did not participate in OnTrack	Last enrollment date is in 2007
OnTrack Participation Requirement	Did not participate in OnTrack in the year prior to enrollment	Never participated in OnTrack	Did not participate in OnTrack in the two years prior to enrollment
Pre-participation Dates	1 year prior to enrollment	One year prior to the quasi enrollment dates of 2/15/06, 5/15/06, 7/15/06, 11/15/06	2 years prior to enrollment
Post-participation Dates	1 year after enrollment	One year after the quasi enrollment dates of 2/15/06, 5/15/06, 7/15/06, 11/15/06	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 OnTrack 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 OnTrack, we were able to obtain two good comparison groups. Each comparison group is 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 OnTrack, to utilize as a comparison group. The group of customers was replicated to represent customers who enrolled in the program in each quarter of 2006. 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 use customers who last enrolled in OnTrack in 2007 and who did not receive OnTrack discounts in the two years preceding enrollment as a comparison group. We require that they have no discounted bills 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 OnTrack 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 OnTrack in both analysis years, changes in bills and behavior should be related to factors that are exogenous to the program.

The actual impact of OnTrack on customer affordability and payment is estimated as the average of the estimates using the two comparison groups. The low-income non-participants are probably somewhat better off than the 2006 enrollees, because they have not needed to enroll in the program. The payment statistics show that these customers do a better of job of paying their bills and controlling their balances. The 2007 enrollees are probably worse off because these customers' behavior is examined in the year prior to

program enrollment, when they need more assistance in paying their bills. The payment statistics show that these customers are having a more difficult time paying their bills.

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 OnTrack Participant Analysis

In addition to examining the pre and post OnTrack enrollment data for 2006 enrollees compared to the comparison groups described above, we examine the program behavior for all OnTrack customers for whom we have data. Because many customers enroll and disenroll in OnTrack over the course of a few years, and in an attempt to retain as many of these customers in this analysis as possible, we chose which enrollment date to analyze for each customer based on the following order:

1) The last enrollment date in 2006

2) The last enrollment date in 2005

3) The first 2007 enrollment date

C. Data Attrition Analysis

Customers were divided into the treatment group and comparison groups as described above. However, some 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 VII-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 OnTrack enrollment and the year following OnTrack 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.

- *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 OnTrack enrollment and the year following OnTrack 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.

- *Zero Dollars of Bills:* Customers were excluded from the analyses if they had zero dollars of bills in the pre or post enrollment period.

Table VII-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. Below we describe the percentage of original customers that remain in the analysis.

- *2005-2007 OnTrack Enrollees*: 43 percent of the original analysis group was included in the final analysis sample.

- *Treatment Group:* 24 percent of the original analysis group was included in the final analysis sample.

- *Non-participant Comparison Group*: 52 percent of the original analysis group was included in the final analysis sample.

- *2007 Participant Comparison Group*: 27 percent of the original analysis group was included in the final sample.

Table VII-2
Data Attrition

	2005 – 2007 OnTrack Enrollees	Treatment Group 2006 Enrollees That Did Not Participate in the Year Prior to Enrollment	Non-participant Comparison Group Quasi 2006 Enrollment Date				2007 OnTrack Enrollees Comparison Group
			Q1	Q2	Q3	Q4	
All Eligible	49,087	7,764	990	990	990	990	10,312
Full Year of Pre Billing and Payment Data	47,034	3,518	623	662	719	776	2,908

	2005 – 2007 OnTrack Enrollees	Treatment Group 2006 Enrollees That Did Not	Non-participant Comparison Group Quasi 2006 Enrollment Date				2007 OnTrack Enrollees Comparison Group
Full Year of Post Billing and Payment Data	21,272	1,922	511	513	518	515	2,908
Usage Data	21,248	1,888	511	513	518	515	2,814
Customer Information Data	21,248	1,888	511	513	518	515	2,814
Analysis Group	21,132	1,885	511	510	516	512	2,809
% of Total	43%	24%	52%	52%	52%	52%	27%

D. Customer Characteristics

Table VII-3 displays the characteristics of all OnTrack enrollees, the 2006 treatment group, the non-participant comparison group, the 2007 participant comparison group.

- *Elderly households:* The table shows that only about six percent of the OnTrack participants have an elderly household member. The survey analysis, presented in Section VI showed that this statistic may be understated, and the actual percentage of OnTrack participants with an elderly member may be about ten percent. The survey also showed that approximately 45 percent of non-participants had an elderly household member.

- *Children:* The table shows that a large percentage of the participants have children. About 70 percent of the OnTrack participants and 30 percent of the non-participants have children.

- *Income:* Approximately 30 percent of the OnTrack participants have annual income below $10,000 and approximately 40 percent have annual income between $10,000 and $20,000. About 70 percent of the non-participants have income below $10,000.

- *Poverty Level*: Most of the OnTrack participants have income above 50 percent of the Federal Poverty Level.   Non-participants are more likely to have income below 25 percent of the Federal Poverty Level.

- *Income Sources*: Approximately half of the OnTrack participants have employment income. The next most common source of income was SSI.

- *Home Ownership*: Approximately 15 to 20 percent of the OnTrack participants own their homes.

- *Heating Type*: Approximately 25 percent of OnTrack participants use electric heat as their main source of heat. Approximately 60 percent of the non-participant comparison group uses electric heat.

Table VII-3
Customer Characteristics

	2005 – 2007 OnTrack Enrollees		Treatment Group 2006 Enrollees That Did Not Participate in the Year Prior to Enrollment		Non-participant Comparison Group		2007 Participant Comparison Group	
	All	Analysis Group	All	Analysis Group	All	Analysis Group	All	Analysis Group
Observations	49,087	21,132	7,764	1,885	990	511	10,312	2,809
Senior	6%	8%	4%	5%	2%	2%	5%	9%
Children	72%	68%	76%	73%	31%	20%	73%	65%
Annual Income[1]								
<=$10,000	34%	31%	33%	23%	72%	77%	33%	28%
$10,001-$20,000	43%	42%	43%	38%	17%	12%	44%	43%
$20,001-$30,000	18%	19%	18%	24%	7%	6%	19%	23%
$30,001-$40,000	4%	6%	5%	10%	3%	4%	4%	6%
>$40,000	1%	2%	2%	5%	1%	1%	1%	1%
Poverty Group								
≤ 25%	5%	5%	7%	6%	56%	64%	6%	6%
26% - 50%	15%	13%	16%	10%	7%	4%	15%	11%
51% - 100%	47%	45%	44%	34%	21%	16%	44%	39%
>100%	33%	37%	34%	49%	17%	16%	35%	44%
Income Sources								
Salary	47%	47%	52%	61%	22%	16%	51%	50%
Public Assistance	13%	10%	14%	7%	5%	3%	13%	9%
Social Security	14%	16%	11%	12%	5%	6%	11%	15%
SSI	26%	27%	20%	9%	6%	5%	19%	16%
Unemployment	5%	4%	5%	5%	2%	2%	6%	6%
Other Income 1	29%	30%	29%	33%	16%	13%	28%	29%
Other Income 2	5%	5%	4%	6%	3%	3%	5%	5%
Own Home								
Yes	16%	19%	13%	25%	13%	14%	17%	27%
No	72%	61%	79%	53%	62%	41%	75%	46%
Missing	13%	20%	7%	22%	25%	45%	8%	27%
Heat Type								

	2005 – 2007 OnTrack Enrollees		Treatment Group 2006 Enrollees That Did Not Participate in the Year Prior to Enrollment		Non-participant Comparison Group		2007 Participant Comparison Group	
	All	Analysis Group	All	Analysis Group	All	Analysis Group	All	Analysis Group
Not Electric	71%	71%	73%	73%	29%	24%	72%	71%
Electric	23%	24%	22%	23%	59%	65%	22%	23%
Missing	6%	5%	6%	5%	12%	11%	6%	6%

E. *OnTrack Characteristics*

Table VII-4 displays OnTrack and account statistics at 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. The 2005-2007 OnTrack Enrollees "All" group in the Beginning of Analysis Period shows the status for a snapshot of OnTrack participants in the month after enrollment or recertification. The End of Analysis Period shows the status as close to one year later that is available in the data. The other columns show the beginning and one year later status for customers with more complete data available and for the treatment analysis group.

- *Payment agreement type*: The table shows that the majority of OnTrack customers have a payment agreement that was determined as a percentage of their bill. This is consistent with information provided by the agency caseworkers. The average annual payment was the least frequent type selected; only about five percent of OnTrack participants had this type of payment.

- *OnTrack status*: Most of the OnTrack participants had an active status at the beginning of the analysis period. Approximately 34 percent were active at the end of the analysis period, 10 percent had a status of current bill (still in OnTrack, but had their balance forgiven), 12 percent had recertified, and 2 percent had graduated. About 9 percent were missing because they did not have OnTrack information at that time, probably because their account was no longer active. The remaining 30 percent had moved, cancelled, or defaulted.

- *Billing Account Status*: Most of the OnTrack participants had an active account status at the beginning of the analysis period. Approximately 70 percent were still active at the end of the analysis period.

Table VII-4
OnTrack Statistics

	2005-2007 OnTrack Enrollees				2006 Enrollee Treatment Group			
	All		Analysis Group		All		Analysis Group	
	Beginning of Analysis Period	End of Analysis Period	Beginning of Analysis Period	End of Analysis Period	Beginning of Analysis Period	End of Analysis Period	Beginning of Analysis Period	End of Analysis Period
Payment Agreement Type								
% of Bill	52%	50%	50%	46%	63%	60%	65%	60%
% of Income	14%	14%	14%	14%	14%	14%	12%	11%
Min Payment	14%	12%	16%	13%	12%	11%	13%	12%
Agency Select	10%	10%	13%	13%	6%	5%	5%	4%
Annual Average Payment	5%	5%	6%	6%	5%	5%	5%	4%
Missing	5%	9%	<1%	7%	<1%	5%	0%	7%
OnTrack Status								
Active	75%	34%	71%	21%	95%	26%	99%	23%
Current Bill	3%	10%	5%	18%	<1%	4%	1%	8%
Recertified	14%	12%	24%	25%	<1%	1%	<1%	2%
Moved	2%	15%	<1%	2%	5%	32%	0%	2%
Cancelled	1%	6%	<1%	10%	<1%	8%	<1%	21%
Defaulted	<1%	12%	<1%	13%	0%	22%	0%	31%
Graduated	<1%	2%	<1%	4%	<1%	2%	0%	6%
Lifestyle	<1%	<1%	0%	<1%	0%	0%	0%	0%
Missing	5%	9%	<1%	7%	<1%	5%	0%	7%
Billing Account Status								
Active	92%	70%	100%	90%	95%	55%	100%	88%
Finaled	3%	21%	0%	3%	5%	40%	0%	5%
Missing	5%	9%	<1%	7%	<1%	5%	0%	7%

Table VII-5A displays an analysis of the OnTrack status of the full group of 2005-2007 enrollees in the year after enrollment or re-certification. This table provides a snapshot of how the status of OnTrack participants evolves in the year after enrollment or recertification. The categories including active, current bill, recertified, graduated, and lifestyle are shaded, as they are considered the successful program statuses, those customers who continue to participate in OnTrack or who leave because their arrearages have been forgiven and their OnTrack bill is close enough to their budget bill.

Customers may have left the OnTrack program because they moved, had the agreement cancelled, did not pay their bill for two months and the system auto defaulted them, or they defaulted because they did not recertify. Customers will be missing if they no longer have an account because they moved or their service was terminated.

The table shows the following progression of these groups:

- *Month 1:* In the month after enrollment or recertification, approximately 85 percent of the customers continued to participate in OnTrack.

- *Month 3:* In the third month, 71 percent of the customers continue to participate in OnTrack. By this point, nine percent have moved, two percent have cancelled, four percent have defaulted, and 13 percent are missing.

- *Month 6:* In the sixth month, 54 percent continue to participate. By this point, 12 percent have moved, two percent have cancelled, eight percent have defaulted, and 24 percent are missing.

- *Month 9:* In the ninth month, 41 percent continue to participate. By this point, ten percent have moved, two percent have cancelled, seven percent have defaulted, and 39 percent are missing.

- *Month 12:* In the 12th month, 28 percent continue to participate, and two percent have graduated. After the year, eight percent have moved, five percent are cancelled, eight percent are defaulted, and 51 percent are missing.

Table VII-5A
OnTrack Retention
2005-2007 OnTrack Enrollees

	Months After Enrollment											
	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Active	68%	62%	54%	48%	43%	38%	33%	29%	25%	20%	13%	9%
Current Bill	7%	8%	9%	9%	10%	10%	10%	11%	11%	10%	9%	8%
Recertified	10%	9%	8%	8%	7%	6%	6%	5%	5%	7%	10%	11%
Graduated	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	1%	2%
Lifestyle	<1%	0%	0%	0%	<1%	<1%	0%	0%	0%	<1%	<1%	<1%
Moved	5%	8%	9%	11%	11%	12%	12%	11%	10%	9%	9%	8%
Cancelled	1%	1%	2%	2%	2%	2%	2%	2%	2%	2%	3%	5%
Auto Defaulted	<1%	2%	4%	5%	6%	7%	7%	7%	7%	7%	7%	7%
Defaulted - Other	<1%	1%	<1%	1%	1%	1%	1%	<1%	<1%	<1%	1%	1%
Missing	7%	10%	13%	16%	20%	24%	29%	34%	39%	43%	47%	51%

Table VII-5B displays an analysis of the OnTrack status of the 2006 OnTrack Enrollees Final Analysis group in the year after enrollment. This is the group of customers who enrolled in OnTrack in 2006, did not participate in the year prior to enrollment, and have enough transactions data to examine their payment statistics for a full year after enrollment. It is expected that this group will have better retention statistics than the full group of OnTrack participants shown above, as they are a group that are selected because they have enough data to determine bill coverage for a full year. The table below shows that six months after enrollment, about 85 percent of the customers are still participating in OnTrack. However, at 12 months, only about 30 percent are still participating and six percent have graduated. More than 50 percent of the customers have cancelled or defaulted.

Table VII-5B
OnTrack Retention
2006 OnTrack Enrollees, Final Analysis Group

	Months After Enrollment											
	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Active	98%	97%	93%	89%	85%	81%	77%	73%	67%	58%	40%	20%
Current Bill	1%	2%	2%	3%	3%	4%	5%	6%	8%	9%	9%	8%
Recertified	0%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	1%	2%
Graduated	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	2%	3%	6%
Moved	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	3%
Cancelled	1%	1%	1%	1%	1%	1%	1%	1%	1%	2%	10%	22%
Auto Default	0%	<1%	4%	6%	10%	11%	13%	15%	19%	22%	25%	27%
Defaulted - Other	<1%	1%	<1%	1%	<1%	<1%	<1%	1%	1%	1%	2%	4%
Missing	0%	<1%	<1%	1%	1%	2%	3%	4%	5%	6%	7%	8%

F. Arrearage Forgiveness

Customers who pay their bill on time and in full are eligible for a portion of the arrearages to be forgiven. Table VII-6 displays the analysis of arrearage forgiveness received by OnTrack participants. The table shows that 92 percent of the 2006 OnTrack Enrollees received arrearage forgiveness, and 85 percent of all of the OnTrack participants received arrearage forgiveness. The 2006 Enrollees received an average of 6.7 arrearage forgiveness payments, totaling $346.

The table also shows the amount of arrearage forgiveness received by customer characteristics. The table shows that non senior households, households with children, households with higher income, home owners, and electric heaters received more in arrearage forgiveness.

Table VII-6
Arrearage Forgiveness

	2005-2007 OnTrack Enrollees Analysis Group				2006 OnTrack Enrollees Analysis Group			
	% Received Arrearage Forgiveness	Mean # of Arrearage Forgiveness Payments	Mean $ Forgiven	Median $ Forgiven	% Received Arrearage Forgiveness	Mean # of Arrearage Forgiveness Payments	Mean $ Forgiven	Median $ Forgiven
Observations	21,132				1,885			
All	85%	6.2	$277	$204	92%	6.7	$346	$287
Senior	71%	5.4	$185	$77	92%	7.2	$267	$216
Not Senior	86%	6.3	$286	$215	92%	6.7	$350	$292
Children	88%	6.4	$304	$239	92%	6.6	$358	$302
No Children	77%	5.7	$220	$129	92%	7.0	$313	$245
Annual Income								
<=$10,000	83%	5.9	$246	$167	87%	6.3	$288	$225
$10,001-$20,000	84%	6.2	$272	$203	93%	6.6	$313	$252
$20,001-$30,000	88%	6.5	$319	$253	94%	6.9	$389	$332
$30,001-$40,000	88%	6.5	$328	$258	93%	7.1	$434	$385
>$40,000	87%	6.4	$333	$263	94%	7.5	$479	$433
Poverty Group								
≤ 25%	87%	5.8	$273	$204	89%	6.1	$287	$208
26%-50%	89%	6.3	$299	$230	85%	6.2	$318	$245
51%-100%	84%	6.1	$267	$193	92%	6.3	$302	$250
>100%	84%	6.3	$284	$209	94%	7.2	$390	$338
Own Home								
Yes	86%	6.4	$308	$236	94%	7.0	$387	$315
No	87%	6.3	$282	$211	91%	6.4	$324	$255
Missing	76%	5.7	$236	$138	92%	7.1	$352	$337
Heat Type								
Not	88%	6.5	$279	$211	92%	6.8	$328	$279

	2005-2007 OnTrack Enrollees Analysis Group				2006 OnTrack Enrollees Analysis Group			
Electric								
Electric	77%	5.2	$270	$180	91%	6.4	$396	$326
Missing	84%	6.1	$290	$211	88%	6.7	$375	$281

G. *Affordability Impacts*

This section of the report assesses the impact of the OnTrack program on the affordability of electric bills for program participants. Table VII-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 did not change, they were approximately $1,380 in the year prior to OnTrack enrollment and in the year following OnTrack enrollment. Electric bills for the non-participant comparison group stayed approximately the same and bills for the 2007 enrollees increased by $136.   Therefore, the net change in the full bill for the treatment group was a decline of $90 (the average of the net change for the two comparison groups).

- *OnTrack Discount*: The table shows that customers received an average OnTrack discount of $450 on the electric bill in the year following enrollment.

- *Energy Burden*: Energy burden for OnTrack participants declined from twelve percent in the year preceding enrollment to nine percent in the year following enrollment, a statistically significant decline of four percentage points.   The comparison groups experienced very small changes in their energy burden from the pre to the post period analysis years. Therefore, the gross change was a decline of five percentage points.

Table VII-7A
Affordability Impacts
All Customers

	Treatment Group 2006 OnTrack Enrollees No Participation in the Year Before Enrollment			Comparison Group			
				Non-Participants		2007 Enrollees	
	Pre	Post	Change	Change	Net Change	Change	Net Change
Number of Customers	1,885			2,049		2,809	
Full Bill	$1,382	$1,369	-$13	$18**	-$31**	$136**	-$148**
Discount	$0	$450	$450**	$0	$450**	$0	$450**

| | Treatment Group 2006 OnTrack Enrollees No Participation in the Year Before Enrollment | | | Comparison Group | | | |
| | | | | Non-Participants | | 2007 Enrollees | |
	Pre	Post	Change	Change	Net Change	Change	Net Change
Discounted Bill	$1,382	$919	-$463**	$18**	-$482**	$136**	-$599**
Energy Burden	12%	9%	-4%**	<1%	-4%**	1%**	-5%**

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

Table VII-7B displays the results for electric heating customers. The table shows similar results. The average discount for this group was $581, and the net change in energy burden was a decline of six percentage points.

**Table VII-7B
Affordability Impacts
Electric Heating Customers**

| | Treatment Group 2006 OnTrack Enrollees No Participation in the Year Before Enrollment | | | Comparison Group | | | |
| | | | | Non-Participants | | 2007 Enrollees | |
	Pre	Post	Change	Change	Net Change	Change	Net Change
Number of Customers	427			1,328		654	
Full Bill	$1,855	$1,808	-$47*	$19**	-$66**	$122**	-$169**
Discount	$0	$581	$581**	$0	$581**	$0	$581**
Discounted Bill	$1,855	$1,226	-$628**	$19**	-$647**	$122**	-$750**
Energy Burden	15%	10%	-5%**	<1%	-5%**	1%**	-6%**

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

Table VII-7C displays the results for non-electric heating customers. The table shows similar results. The average discount for this group was $410, and the net change in energy burden was a decline of five percentage points.

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

| | Treatment Group 2006 OnTrack Enrollees No Participation in the Year Before Enrollment | | | Comparison Group | | | |
| | | | | Non-Participants | | 2007 Enrollees | |
	Pre	Post	Change	Change	Net Change	Change	Net Change
Number of Customers	1,367			495		2,000	
Full Bill	$1,220	$1,223	$3	$18	-$15	$138**	-$136**
Discount	$0	$410	$410**	$0	$410**	$0	$410**
Discounted Bill	$1,220	$813	-$407**	$18	-$425**	$138**	-$545**
Energy Burden	12%	8%	-4%**	<1%	-4%**	1%**	-5%**

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

The Pennsylvania Public Utility Commission (PUC) has set targets for the energy burden for non-electric heaters and electric heaters by poverty level. Table VII-8 displays the average energy burden by poverty level and by whether or not the customers have electric heat. The table also shows the PUC energy burden targets, and the percentage of customers with energy burden above the target in the pre and post program periods.

The table shows that the program had a large impact on customers' energy burdens. For example, while non-electric heating customers with income between 26 and 50 percent of the poverty level had a mean energy burden of 17 percent in the year prior to OnTrack enrollment, they had an average energy burden of nine percent in the year following enrollment.

However, the vast majority of customers with income below 50 percent of the poverty level had energy burdens above the PUC targeted level in both the pre program and program participation periods. For example, the table shows that all electric heating customers with income between 26 and 50 percent of the poverty level had an energy burden that exceeded the PUC target in the year prior to enrollment, and 91 percent had income that exceeded the PUC target in the year following enrollment.

Table VII-8
Electric Burden
And Relationship to PUC Target
2006 OnTrack Enrollees

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**
<=25%	58%	46%	2%-5%	100%	100%
26% - 50%	17%	9%	2%-5%	100%	100%
51%- 100%	9%	6%	4%-6%	90%	52%
101% - 150%	5%	4%	6%-7%	23%	4%
Electric Heating					
Poverty Level	**Energy Burden**		**PUC Electric Heating Energy Burden Target**	**Percent with Burden Above PUC Target**	
	Pre	**Post**	**Heating**	**Pre**	**Post**
<=25%	87%	73%	7%-13%	100%	100%
26% - 50%	27%	15%	7%-13%	100%	91%
51%- 100%	15%	10%	11%-16%	53%	10%
101% - 150%	8%	5%	15%-17%	3%	0%

H. Payment Impacts

This section analyzes the impact of OnTrack participation on bill payment and bill coverage rates. Table VII-9 presents the following information:

- *Number of cash payments*: The table shows that customers increased the number of cash payments made from 6.5 in the year prior to enrollment to 8.9 in the year following enrollment. The comparison groups did not increase the number of payments made during the same time period.

- *Late Payment Charges:* The table shows that customers received lower late payment charges in the year following OnTrack enrollment. While the charges averaged $43 in the year preceding enrollment, the charges averaged $17 in the year following enrollment. The comparison groups did not show the same decline, so the net change in late payment charges is a decline of $31.

- *Cash payments*: OnTrack participants reduced the amount of cash payments made by an average of $77 in the year following enrollment. The non-participants had an

increase in cash payments and the 2007 enrollees had a smaller decline in cash payments. The net change in cash payments was a decline of $109.

- *Assistance Payments*: LIHEAP payments are not counted toward the OnTrack participants payment obligations. Therefore, assistance payments that were credited to the customers' bills declined by $81. The net change was a decline of $73.

- *Total Payments*: Total payments for OnTrack participants declined by $348 as a result of the reduced cash payments, assistance payments, and other credits. The net change in total payments was a decline of $444.

- *Total Coverage Rate*: The total coverage rate increased from 82 percent in the pre-treatment period to 89 percent in the OnTrack participation period. The net change in the total coverage rate was six percentage points.

- *Shortfall*: The difference between the bill and the customer's total payments declined by $115. The net change was a decline of $97.

- *Arrearage Forgiveness*: OnTrack participants received an average of $346 in arrearage forgiveness.

- *Balance*: Average balances for program participants declined from $771 to $692, a decline of $79. Then net balance change was a decline of $204.

Table VII-9
Payment Impacts
All Customers

| | Treatment Group 2006 OnTrack Enrollees No Participation in the Year Before Enrollment | | | Comparison Group | | | |
| | | | | Non-Participants | | 2007 Enrollees | |
	Pre	Post	Change	Change	Net Change	Change	Net Change
Number of Customers	1,885			2,049		2,809	
Charges	$1,382	$919	-$463**	$18**	-$481**	$136**	-$599**
Number Cash Payments	6.5	8.9	2.5**	0.1	2.4**	-0.2**	2.6**
Late Payment Charge	$43	$17	-$26**	-$4**	-$22**	$13**	-$39**
Cash Payments	$826	$749	-$77**	$70**	-$148**	-$9	-$69**
Assistance Payments	$89	$8	-$81**	-$38**	-$43**	$21**	-$102**
Other Credits	$210	$38	-$172**	$27*	-$199**	$106**	-$278**
Total Payments	$1,138	$790	-$348**	$60**	-$407**	$132**	-$480**
Cash Coverage Rate	61%	86%	24%**	3%**	21%**	-8%**	32%**

| | Treatment Group 2006 OnTrack Enrollees No Participation in the Year Before Enrollment | | | Comparison Group | | | |
| | | | | Non-Participants | | 2007 Enrollees | |
	Pre	Post	Change	Change	Net Change	Change	Net Change
Total Coverage Rate	82%	89%	7%**	5%*	2%	-2%**	9%**
Shortfall	$244	$129	-$115**	-$40**	-$74**	$4	-$119**
Arrearage Forgiveness	$0	$346	$346**	$0	$346**	$0	$346**
Balance	$771	$692	-$79**	$14*	-$94**	$234**	-$314**

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

Table VII-10 displays the percent of customers 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 25 percent in the year prior to enrollment in OnTrack to 39 percent in the year following enrollment. The comparison groups did not experience this increase. Additionally, the percentage of customers paying less than 80 percent of the bill declined from 47 percent in the year prior to OnTrack enrollment to 32 percent in the year following OnTrack enrollment.

Table VII-10
Analysis of Total Bill Coverage Rates

Coverage Rate	2006 Enrollee Treatment Group		Non-participant Comparison Group		2007 Enrollee Comparison Group	
	Pre	Post	Pre	Post	Pre	Post
≥ 100%	25%	39%	81%	83%	40%	39%
90%-99%	12%	18%	7%	8%	18%	17%
80%-89%	15%	11%	7%	4%	15%	14%
< 80%	47%	32%	8%	6%	27%	30%

I. *Energy Assistance*

This section examines the change in energy assistance received after customers enrolled in OnTrack. Customers who participate in OnTrack have the regular LIHEAP benefit credited to cover their arrearages or the OnTrack credit, rather than their monthly bill payment obligation. Therefore, one may expect to see a reduction in the percentage of customers who receive LIHEAP in the year following enrollment. Table VII-11a shows that while 14 percent of customers received LIHEAP in the year prior to enrollment, only eight percent received LIHEAP in the year following enrollment. There was an even larger decline seen for the non-participant comparison group, but the 2007 enrollee comparison group had an increase in the percentage of customers who received LIHEAP.

Table VII-11A
Percent Received LIHEAP
All Customers

	2006 Enrollee Treatment Group		Non-participant Comparison Group		2007 Enrollee Comparison Group	
	Pre	Post	Pre	Post	Post	Post
Percent Received LIHEAP	14%	8%	85%	73%	12%	16%
Mean LIHEAP Grant	$233	$253	$235	$240	$291	$253

The majority of the OnTrack participants do not heat with electricity. These households may receive LIHEAP but use the benefit to pay their heating vendor. Table VII-11B examines LIHEAP benefits only for those customers who have electric heating. The table shows that 38 percent of OnTrack participants received LIHEAP in the year prior to enrollment and 22 percent received LIHEAP in the year following enrollment. There was a similar decline in the percentage of non-participant electric heating customers who received LIHEAP during this time period, however, the percentage of non-participants who received LIHEAP was much greater. It may be possible for PPL to increase the percentage of electric heating OnTrack participants who receive LIHEAP. This would reduce the cost of the OnTrack credit.

Table VII-11B
Percent Received LIHEAP
Electric Heating Customers

	2006 Enrollee Treatment Group		Non-participant Comparison Group		2007 Enrollee Comparison Group	
	Pre	Post	Pre	Post	Post	Post
Percent Received LIHEAP	38%	22%	91%	79%	34%	40%
Mean LIHEAP Grant	$233	$253	$235	$240	$291	$253

Table VII-12 examines all types of energy assistance received by OnTrack participants. As above, the LIHEAP benefits are not counted in the total assistance payments in the post enrollment period for the OnTrack Enrollees. The table shows that only a small amount of energy assistance is received by OnTrack participants.

Table VII-12
Energy Assistance Impacts
All OnTrack Participants

	Treatment Group 2006 OnTrack Enrollees No Participation in the Year Before Enrollment			Comparison Group			
				Non-Participants		2007 Enrollees	
	Pre	Post	Change	Change	Net Change	Change	Net Change
Number of Customers	1,885			2,049		2,809	
Percent Received LIHEAP	14%	8%	-6%**	-12%**	6%**	4%**	-10%**
LIHEAP	$32	$21	-$12**	-$25**	$14**	$5*	-$17**
CRISIS	$31	$5	-$26**	-$13**	-$13**	$4	-$31**
Operation HELP Match	$6	$1	-$6**	$0	-$6**	$2*	-$7**
Operation HELP	$18	$3	-$16**	$0	-$16**	$10**	-$25**
Mean CARES Grant	$1	$0	-$1*	$0	-$1*	-$1	-$1
Total Assistance Payments	$89	$8	-$81**	-$38**	-$43**	$21**	-$102**

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

J. Termination Impacts

In this section we examine whether customers who participated in OnTrack were less likely to have their electric service terminated. Table VII-13 examines the percentage of customers who experienced a termination-related action (disconnect notice, eligible for disconnect, disconnect order, disconnection) and the percent that were disconnected.

The table shows that 14.2 percent of the customers had a termination-related action in the year prior to enrollment, and 13.0 percent had a termination related action in the year following enrollment, a decline of 1.2 percentage points. The net change in termination-related actions was a 1.5 percentage point decline. The change in the percentage of customers who were disconnected was not statistically significant; approximately seven percent were disconnect in the year prior to enrollment and the year following enrollment.

Table VII-13
Termination Impacts
All Customers

| | Treatment Group 2006 OnTrack Enrollees No Participation in the Year Before Enrollment | | | Comparison Group | | | |
| | | | | Non-Participants | | 2007 Enrollees | |
	Pre	Post	Change	Change	Net Change	Change	Net Change
Number of Customers	1,885			2,049		2,809	
Termination Related Action	14.2%	13.0%	-1.2%**	-0.2%*	-1.0%**	0.7%**	-1.9%**
Termination	7.5%	7.4%	-0.1%	0.1%	-0.3%	0.6%**	-0.7%*

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

K. Usage Impacts

There is sometimes a concern that customers who participate in payment assistance programs will increase their usage, as their bill remains constant throughout the year, and they face a lower cost for using electricity. Previous research has not found increases in usage, except in some cases when customers cannot afford bulk fuel delivery and switch to electric space heat. This section examines the change in usage for OnTrack participants in the year following enrollment to determine if participants do increase their usage.

Table VII-14 displays the data attrition statistics for the usage analysis. The starting group is the customers who were included in the payment analysis. Approximately 20 percent of these customers could not be included in the usage analysis because of extremely high or low usage, or because of an extremely large change in usage.

Table VII-14
Data Attrition for Usage Analysis

| | 2006 Enrollees That Did Not Participate in the Year Prior to Enrollment | Non-Participant Comparison Group Quasi 2006 Enrollment Date | | | | 2007 OnTrack Enrollees Comparison Group |
		Q1	Q2	Q3	Q4	
Payment Analysis Group	1,885	511	510	516	512	2,809
Annual Usage Between 1,200 and 40,000 kWh	1,852	507	502	512	507	2,764
Cooling Degree Days >=100 and Heating Degree Days>=1000	1,584	458	453	449	450	2,375
Change in Usage <65%	1,524	454	449	444	446	2,246

	2006 Enrollees That Did Not Participate in the Year Prior to Enrollment	Non-Participant Comparison Group Quasi 2006 Enrollment Date				2007 OnTrack Enrollees Comparison Group
% of Total	81%	89%	88%	86%	87%	80%

Table VII-15A displays the change in usage for the OnTrack participants and the comparison groups. The table shows that the OnTrack participants had an increase of 350 kWh in the weather normalized consumption, an increase of two percent over the year prior to OnTrack enrollment. However, the comparison groups also increased their usage during this time period, and this increase in usage therefore most likely reflects a general trend toward increased usage with the increased plug load that is seen in consumers' homes. The net change in usage for the treatment group was a decline of 101 kWh.

Table VII-15A
Usage Impacts
All Customers

	Treatment Group 2006 OnTrack Enrollees No Participation in the Year Before Enrollment (kWh)			Comparison Group (kWh)			
				Non-Participants		2007 Enrollees	
	Pre	Post	Change	Change	Net Change	Change	Net Change
Number of Customers	1,524			1,793		2,246	
Raw Electric Usage	13,883	14,004	122	108*	14	564**	-443**
Normalized Electric Usage	14,223	14,572	350**	188**	161*	713**	-363**

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

Table VII-15B examines the change in usage for electric heating customers. This table shows a 501 kWh increase in usage over the pre-enrollment period, a three percent increase. The comparison groups also showed increases in usage over this time period. The net change in usage was an increase of 63 kWh.

Table VII-15B
Usage Impacts
Electric Heating Customers

	Treatment Group 2006 OnTrack Enrollees No Participation in the Year Before Enrollment			Comparison Group			
				Non-Participants		2007 Enrollees	
	Pre	Post	Change	Change	Net Change	Change	Net Change
Number of Customers	369			1,176		575	
Raw Electric Usage	17,956	18,305	349*	165*	183	756**	-407*
Normalized Electric Usage	18,556	19,057	501**	138**	363**	738**	-237

**Denotes significance at the 99 percent level. *Denotes significance at the 96 percent level.

Table VII-15C examines the change in usage for non-electric heating customers. This is the group that we may expect to see a larger increase in usage. However, the table shows a 352 kWh increase in usage over the pre-enrollment period, a three percent increase and again the comparison groups showed similar increases in usage over this time period. The net change in usage was a decline of 131 kWh.

Table VII-15C
Usage Impacts
Nonheating Customers

	Treatment Group 2006 OnTrack Enrollees No Participation in the Year Before Enrollment			Comparison Group			
				Non-Participants		2007 Enrollees	
	Pre	Post	Change	Change	Net Change	Change	Net Change
Number of Customers	1,081			423		1,550	
Raw Electric Usage	12,410	12,497	86	-11	98	463**	-376**
Normalized Electric Usage	12,657	13,009	352**	286**	66	679**	-327**

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

VIII. Operation HELP Participant Characteristics and Program Impacts

This section of the report examines Operation HELP recipients' characteristics and their bill payment behavior following receipt of Operation HELP grants.

A. Methodology

The methodology for the Operation HELP analysis is similar to that for the OnTrack analysis. We examine payment statistics for a group of customers who received Operation HELP in 2006 but did not receive a grant in the 12 months before the 2006 grant. We compare their payment behavior in the year prior to grant receipt to their payment behavior in the year following grant receipt. We compare their change to the change for a low-income group of customers who did not receive Operation HELP or participate in OnTrack, and we also compare their change to that for a group of customers who received an Operation HELP grant in 2007.

B. Data Attrition

Table VIII-1 displays the data attrition for the treatment and comparison groups. 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 the Operation HELP grant and the year following receipt of the Operation HELP grant. 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.

- *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 receipt of the Operation HELP grant and the year following receipt of the Operation HELP grant. 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-1 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. Below we describe the percentage of original customers that remain in the analysis.

- *Treatment Group:* 43 percent of the original analysis group was included in the final analysis sample.

- *Non-participant Comparison Group*: 50 percent of the original analysis group was included in the final analysis sample.

- *2007 Participant Comparison Group*: 36 percent of the original analysis group was included in the final sample.

Table VIII-1
Data Attrition

	2006 Operation HELP Recipients Who Did Receive OH in the Previous Year	Non-participant Comparison Group				2007 Recipient Comparison Group
		Q1	Q2	Q3	Q4	
All Eligible	2,999	990	990	990	990	2,692
Full Year of Pre Billing and Payment Data	1,857	623	662	719	776	986
Full Year of Post Billing and Payment Data	1,300	511	513	518	515	986
Usage Data	1,300	511	513	518	515	986
Customer Information Data	1,300	511	513	518	515	986
Final Data Set	1,290	498	494	498	496	965
% of Total	43%	50%	50%	50%	50%	36%

C. *Operation HELP Customer Characteristics*

This section examines the characteristics of customers who received Operation HELP grants in 2006 and 2007. Table VIII-2 shows the following information.

- *Elderly households:* The table shows that only about two percent of the Operation HELP recipients have an elderly household member. Based on the results of the survey, this may be understated.

- *Children:* The table shows that a large percentage of the participants have children. About 65 percent of the Operation HELP recipients have children.

- *Income:* Approximately 40 percent of the Operation HELP recipients have annual income below $10,000 and approximately 30 percent have annual income between $10,000 and $20,000.

- *Poverty Level*: Approximately one third of the Operation HELP recipients have income below 50 percent of the Federal Poverty Level, one third have income between 50 and 100 percent of the Federal Poverty Level, and one third have income above 150 percent of the Federal Poverty Level.

- *Income Sources*: Approximately half of the Operation HELP recipients have employment income. The next most common source of income was other.

- *Home Ownership*: Approximately 20 percent of the Operation HELP recipients own their homes.

- *Heating Type*: Approximately 25 percent of Operation HELP recipients use electric heat as their main source of heat.

Table VIII-2
Customer Characteristics

	2006 Operation HELP Recipients Who Did Receive OH in the Previous Year		2007 Recipient Comparison Group	
	All	**Final Data Set**	**All**	**Final Data Set**
Observations	2,999	1,290	2,692	965
Senior	2%	4%	2%	3%
Children	65%	62%	65%	61%
Annual Income				
<=$10,000	41%	35%	38%	34%
$10,001-$20,000	33%	33%	34%	32%
$20,001-$30,000	18%	22%	18%	23%
$30,001-$40,000	6%	7%	6%	7%
>$40,000	2%	3%	4%	5%
Poverty Group				
≤ 25%	17%	15%	17%	17%
26% - 50%	14%	10%	13%	10%
51% - 100%	34%	34%	31%	28%
>100%	35%	41%	39%	45%
Income Sources				
Salary	46%	47%	45%	46%
Public Assistance	11%	9%	10%	7%
Social Security	10%	13%	9%	11%
SSI	13%	13%	10%	9%
Unemployment	4%	4%	4%	5%
Other Income 1	31%	33%	34%	33%
Other Income 2	5%	6%	7%	7%
Own Home				
Yes	19%	26%	20%	25%
No	68%	49%	70%	50%
Missing	13%	25%	10%	25%
Heat Type				

	2006 Operation HELP Recipients Who Did Receive OH in the Previous Year		2007 Recipient Comparison Group	
	All	**Final Data Set**	**All**	**Final Data Set**
Not Electric	70%	71%	68%	68%
Electric	25%	23%	25%	25%
Missing	6%	6%	7%	7%

D. Operation HELP Grants Characteristics

Table VIII-3 displays the mean and median Operation HELP grant, match, and total grant, as well as the percentage of customers who received a matching grant. The table shows that grants averaged about $296 total, with about $235 from Operation HELP and $61 from the match. Approximately half of the customers received a matching grant.

Table VIII-3
Operation HELP Grant Amount

	2006 Operation HELP Recipients Who Did Receive OH in the Previous Year				2007 Recipient Comparison Group			
	All		**Final Data Set**		**All**		**Final Data Set**	
	Mean	**Median**	**Mean**	**Median**	**Mean**	**Median**	**Mean**	**Median**
Observations	2,999		1,290		2,692		965	
Operation HELP	$235	$200	$241	$200	$218	$200	$226	$200
Match	$61	$0	$67	$0	$65	$25	$68	$39
Total Grant	$296	$265	$308	$275	$284	$236	$294	$250
% Received Match	47%		50%		50%		52%	

E. Payment Statistics

This section examines Operation HELP recipients' bill coverage in the year prior to grant receipt and the year following grant receipt. Table VIII-4 shows that many of the customers who received an Operation HELP grant were not enrolled in OnTrack in the year prior to the grant, but did enroll in OnTrack in the year following grant receipt. The comparison groups did not show an increase in OnTrack participation.

The table shows a small but statistically significant improvement in payment behavior. The number of cash payments increased from an average of seven to an average of eight in the year following grant receipt, and the amount of late payment charges declined. Cash payments and other credits also increased for this group.

The average bill coverage rate for the Operation HELP participants increased from 74 percent in the year prior to grant receipt to 95 percent in the year following grant receipt. The comparison groups did not see the same increase in bill coverage rates. The net change in bill coverage was a 26 percentage point increase. It is likely that some of the increase resulted from OnTrack participation and some resulted from the assistance that the program provided and the fact that it helped customers get caught up with their bill payment obligations.

The table also shows that customers received an average of $112 in arrearage forgiveness and saw their average balances decline by approximately $150. The net change in the balance was a decline of $333.

Table VIII-4
Payment Statistics
All Customers

| | Treatment Group 2006 Operation HELP Recipients Who Did Receive OH in the Previous Year | | | Comparison Group | | | |
| | | | | Non-participants | | 2007 Recipients | |
	Pre	Post	Change	Change	Net Change	Change	Net Change
Number of Customers	1,290			1,986		965	
Full Bill	$1,318	$1,341	$23*	$19**	$4	99**	-$76**
Discounted Bill	$1,276	$1,146	-$131**	$19**	-$149**	$135**	-$266**
% in OnTrack	12%	42%	30%**	0%	30%**	-4%**	34%**
% Received LIHEAP	15%	14%	0%	-12%**	11%**	2%	-3%*
Number Cash Payments	6.8	7.9	1.1**	0.1	0.9**	-0.5**	1.5**
Late Payment Charge	$29	$2	-$27**	-$3**	-$24**	$16**	-$44**
Total Cash Payments	$804	$863	$59**	$66**	-$7	-$1	$60**
Assistance Payments	$74	$62	-$11*	-$35**	$24**	$4	-$15*
Other Credits	$75	$147	$72**	$18	$54**	-$24*	$96**
Total Payments	$950	$1,073	$123**	$49**	$74**	-$23	$146**
Cash Coverage Rate	63%	76%	13%**	3%**	10%**	-9%**	22%**
Total Coverage Rate	74%	95%	22%**	5%**	17%**	-13%**	35%**
Shortfall	$326	$73	-$253**	-$30**	-$223**	$159**	-$412**
Arrearage Forgiveness	$11	$112	$101**	$0	$101**	-$12**	$114**
Balance	$679	$530	-$149**	$24**	-$174**	$342**	-$492**

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

Table VIII-5 shows the coverage rate and balances in the year prior to grant receipt and the year following grant receipt for Operation HELP recipients who did and did not participate

in OnTrack in the year following the grant. There are some large differences between the two groups. It appears that the agency caseworkers were referring the correct customers to OnTrack – those customers who had worse payment histories and higher account balances prior to applying for the Operation HELP grant. Despite the additional assistance provided by OnTrack, the customers who enrolled in the program had lower coverage rates in the year following the Operation HELP grant.

- *Cash payments*: OnTrack participants reduced their cash payments from $779 to $694, a decline of $85. Non OnTrack participants increased their cash payments from $823 to $988.

- *Total coverage rates:* OnTrack participants increased their total coverage rate from 70 to 85 percent, a 15 percentage point increase. Customers who did not participate in OnTrack in the year following grant receipt increased their total coverage rates from 76 to 103 percent, a 27 percentage point increase.

- *Balance:* OnTrack participants reduced their balance from $798 to $621 and non OnTrack participants reduced their balances from $592 to $463.

Table VIII-5
Payment Statistics
By OnTrack Participation

	Post Grant OnTrack Participant			Post Grant Not OnTrack Participant		
	Pre	**Post**	**Change**	**Pre**	**Post**	**Change**
Cash Payments	$779	$694	-$85**	$823	$988	$165**
Total Coverage Rate	70%	85%	15%**	76%	103%	27%**
Balance	$798	$621	-$177**	$592	$463	-$129**

Table VIII-6A displays bill coverage rates for the treatment and comparison groups in the year prior to the grant and the year following Operation HELP grant receipt. The table shows that only 14 percent of the treatment group paid their full bill in the year prior to the grant and 41 percent paid their full bill in the year following grant receipt. The non-participant comparison group had about 80 percent in the pre and post period that paid their full bill. Forty percent of the 2007 Operation HELP grantees paid their full bill two years prior to grant receipt and 17 percent paid their full bill in the year prior to grant receipt.

Table VIII-6A
Analysis of Bill Coverage Rates

Coverage Rate	2006 Operation HELP Recipients Who Did Receive OH in the Previous Year		Non-participant Comparison Group		2007 Recipient Comparison Group	
	Pre	Post	Pre	Post	Pre	Post
≥ 100%	14%	41%	81%	83%	40%	17%
90%-99%	10%	16%	7%	8%	15%	16%
80%-89%	15%	13%	4%	4%	13%	17%
< 80%	60%	30%	8%	6%	33%	50%

Table VIII-6B displays bill coverage grants for the treatment group by whether or not they participated in OnTrack in the year after Operation HELP grant receipt. The table shows that of the customers who did participate in OnTrack in the year following Operation HELP receipt, 12 percent paid their full bill in the year prior to grant receipt and 29 percent paid their full bill in the year after grant receipt. Of the Operation HELP grantees who did not participate in OnTrack in the year after grant receipt, 16 percent paid their full bill in the year prior to the grant and 50 percent paid their full bill in the year after grant receipt.

Table VIII-6B
Analysis of Bill Coverage Rates
By Post OnTrack Participation

Coverage Rate	2006 Recipients Post OnTrack Participants		2006 Recipients Post Non OnTrack Participants	
	Pre	Post	Pre	Post
≥ 100%	12%	29%	16%	50%
90%-99%	10%	17%	11%	16%
80%-89%	15%	14%	16%	11%
< 80%	63%	40%	58%	23%

IX. CARES Customer Characteristics and Program Impacts

This section of the report examines characteristics of the CARES participants and their bill payment behavior following CARES program participation.

A. Methodology

The methodology for the CARES analysis is similar to that for the OnTrack analysis. We examine payment statistics for a group of customers who received CARES in 2006 but did not participate in CARES in the 12 prior months. We compare their payment behavior in the year prior to CARES to their payment behavior in the year following CARES. We compare their change to the change for a low-income group of customers who did not participate in CARES or in OnTrack, and we also compare their change to that for a group of customers who participated in CARES in 2007.

B. Data Attrition

Table IX-1 displays the data attrition for the treatment and comparison groups. 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 CARES participation and the year following CARES participation. 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.

- *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 CARES participation and the year following receipt CARES participation. 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 IX-1 shows the percentage of the original analysis groups that were included in the analyses. Below we describe the percentage of original customers that remain in the analysis.

- *Treatment Group:* 53 percent of the original analysis group was included in the final analysis sample.

- *Non-participant Comparison Group*: 51 percent of the original analysis group was included in the final analysis sample.

- *2007 Participant Comparison Group*: 60 percent of the original analysis group was included in the final sample.

Table IX-1
Data Attrition

	2006 CARES Participants Who Did Not Participate in the Year Prior to Enrollment	Non-Participant Comparison Group				2007 CARES Participant Comparison Group
		Q1	Q2	Q3	Q4	
All Eligible	634	990	990	990	990	455
Full Year of Pre Billing and Payment Data	457	623	623	623	623	274
Full Year of Post Billing and Payment Data	340	511	511	511	511	274
Usage Data	340	511	511	511	511	274
Customer Information Data	340	511	511	511	511	274
Final Data Set	339	504	504	504	504	272
% of Total	53%	51%	51%	51%	51%	60%

C. Customer Characteristics

Table IX-2 displays the customer characteristics for the 2006 and 2007 CARES participants. The table shows the following information.

- *Elderly households:* The table shows that only about five to ten percent of the CARES participants have an elderly household member. Based on the results of the survey, this may be understated.

- *Children:* The table shows that more than 40 percent of the CAREs participants have children.

- *Income:* Approximately 40 percent of the CARES participants have annual income below $10,000 and approximately 30 percent have annual income between $10,000 and $20,000.

- *Poverty Level*: Approximately 25 to 31 percent of CARES participants have income below 50 percent of the Federal Poverty Level, 23 to 28 percent have income between 50 and 100 percent of the Federal Poverty Level, and 41 to 53 percent have income above 150 percent of the Federal Poverty Level.

- *Income Sources*: Approximately 35 to 43 percent of the CARES participants have employment income. The next most common source of income was other.

- *Home Ownership*: Approximately 24 to 30 percent of the CARES participants own their homes. However, this statistics was missing for a large percentage of these customers.

- *Heating Type*: Approximately 30 percent of CARES participants use electric heat as their main source of heat.

Table IX-2
Customer Characteristics

	2006 CARES Participants Who Did Not Participate in the Year Prior to Enrollment		2007 CARES Participant Comparison Group	
	All	**Final Data Set**	**All**	**Final Data Set**
Observations	634	339	455	272
Senior	6%	9%	9%	13%
Children	42%	38%	47%	43%
Annual Income[1]				
<=$10,000	40%	33%	33%	31%
$10,001-$20,000	34%	35%	31%	32%
$20,001-$30,000	16%	18%	18%	19%
$30,001-$40,000	6%	8%	9%	8%
>$40,000	4%	6%	8%	10%
Poverty Group				
$\leq$ 25%	23%	19%	16%	14%
26% - 50%	8%	6%	9%	9%
51% - 100%	28%	27%	23%	20%
>100%	41%	49%	53%	57%
Income Sources				
Salary	35%	36%	43%	42%
Public Assistance	5%	3%	7%	7%
Social Security	15%	18%	18%	23%
SSI	13%	12%	11%	12%
Unemployment	4%	3%	5%	5%
Other Income 1	31%	34%	31%	28%
Other Income 2	4%	5%	6%	6%
Own Home				
Yes	24%	27%	30%	29%
No	44%	27%	42%	28%
Missing	32%	45%	28%	43%
Heat Type				

	2006 CARES Participants Who Did Not Participate in the Year Prior to Enrollment		2007 CARES Participant Comparison Group	
	All	**Final Data Set**	**All**	**Final Data Set**
Not Electric	65%	64%	62%	62%
Electric	28%	30%	30%	30%
Missing	6%	6%	8%	8%

D. CARES Grant Statistics

Table IX-3 displays the CARES grant amounts for the 2006 and 2007 CARES participants. CARES program data were missing for some of the CARES participants, so the table shows a slightly smaller sample group than show in the previous tables. The table shows that approximately 20 percent of the CARES participants received a CARES grant. The average grant for all participants was approximately $40 and the average among those who received a grant was approximately $200.

Table IX-3
CARES Grant Amount

	2006 Recipients That Did Not Receive a Grant in the Prior Year				2007 Recipient Comparison Group			
	All		**Final Data Set**		**All**		**Final Data Set**	
	Mean	**Mean for Grant Recipients**	**Mean**	**Mean for Grant Recipients**	**Mean**	**Mean for Grant Recipients**	**Mean**	**Mean for Grant Recipients**
Observations	574		316		417		249	
CARES Grant	$40	$178	$42	$176	$54	$224	$43	$213
% Received CARES Grant	22%		24%		24%		20%	

E. Payment Statistics

Table IX-4 displays the payment statistics for CARES participants in the year prior to CARES participation and the year following CARES participation. The table shows that CARES participants were more likely to participate in OnTrack in the year following participation. While 11 percent participated in OnTrack in the year prior to CARES participation, 25 percent participated in OnTrack in the year following CARES participation.

CARES participants increased the number of cash payments they made from eight to nine and increased their total cash payments made by $130. This was a greater increase than for the comparison groups.

Coverage rates for the group increased from 88 percent in the year prior to enrollment to 108 percent in the year following enrollment. This was similar to the improvement in payment

statistics for the non-participants. However, the 2007 participants, as expected, had a deterioration in the payment status in the year prior to program participation.

The 2006 CARES participants reduced their balances by $79. This was an improvement compared to both of the comparison groups. Therefore, the net change in the balance was a decline of $150.

Table IX-4
Payment Impacts
All Customers

| | Treatment Group 2006 CARES Participants No Participation in the Year Before Enrollment | | | Comparison Group | | | |
| | | | | Non-Participants | | 2007 Participants | |
	Pre	Post	Change	Change	Net Change	Change	Net Change
Number of Customers	339			2,016		272	
Full Bill	$1,336	$1,358	$21	$44	-$23	$95**	-$74**
Discounted Bill	$1,274	$1,221	-$53*	$44	-$97**	$113**	-$166**
% in OnTrack	11%	25%	14%**	0%	14%**	-1%	16%**
% Received LIHEAP	12%	14%	2%	13%**	-11%**	4%**	-2%
Number Cash Payments	8.2	9.4	1.2**	0.1	1.1**	-0.2	1.4**
Late Payment Charge	$16	$17	$1	-$5**	-$5**	$2	-$1
Total Cash Payments	$954	$1,084	$130**	$49**	$81**	$43	$88*
Assistance Payments	$53	$63	$10	$68**	-$58**	$7	$4
Other Credits	$89	$143	$54*	$65**	-$11	$13	$41
Total Payments	$1,094	$1,290	$196**	$182**	$14	$63*	$133**
Cash Coverage Rate	76%	89%	13%**	-1%	13%**	-6%**	18%**
Total Coverage Rate	88%	108%	20%**	15%**	5%	-4%	24%**
Shortfall	$180	-$69	-$249**	-$138**	-$111**	$50	-$299**
Arrearage Forgiveness	$8	$78	$69**	$0	$69**	$5	$65**
Balance	$445	$366	-$79**	$16**	-$95**	$128**	-$204**

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

Table IX-5 displays key payment statistics for CARES participants by whether they participated in OnTrack in the year following CARES. The table shows some significant differences between the two groups.

- *Cash payments*: OnTrack participants reduced their cash payments from $743 to $712, a decline of $31. Non OnTrack participants increased their cash payments from $1,024 to $1,208, an increase of $184.

- *Total coverage rates:* OnTrack participants increased their total coverage rate from 78 to 100 percent, a 22 percentage point increase. Customers who did not participate in OnTrack in the year following CARES participation increased their total coverage rates from 91 to 110 percent, a 19 percentage point increase.

- *Balance:* OnTrack participants reduced their balance from $549 to $330, a $219 decline, and non OnTrack participants reduced their balances from $410 to $378, a $32 decline.

Table IX-5
Payment Statistics
By Post CARES OnTrack Participation

	Post CARES OnTrack Participant			Post CARES Not OnTrack Participant		
	Pre	**Post**	**Change**	**Pre**	**Post**	**Change**
Cash Payments	$743	$712	-$31	$1,024	$1,208	$184**
Total Coverage Rate	78%	100%	22%**	91%	110%	19%**
Balance	$549	$330	-$219**	$410	$378	-$32

Table IV-6A examines bill coverage rates in the pre and post CARES participation years. The table shows that only 30 percent of 2006 participants covered their full bill in the year prior to participation and 66 percent covered their full bill in the year following CARES participation. Customers in the non-participant comparison group were also more likely to cover their full bill in the year following CARES participation, however their increase was not as large. As expected, customers who participated in CARES in 2007 were less likely to cover their full bill in the year prior to CARES participation.

Table IX-6A
Analysis of Bill Coverage Rates

Coverage Rate	2006 Participant Treatment Group		Non-participant Comparison Group		2007 Participant Comparison Group	
	Pre	**Post**	**Pre**	**Post**	**Pre**	**Post**
≥ 100%	30%	66%	73%	84%	61%	41%
90%-99%	18%	15%	9%	8%	13%	17%
80%-89%	14%	7%	6%	4%	12%	24%
< 80%	38%	13%	13%	5%	14%	18%

Table VIII-6B displays bill coverage grants for the treatment group by whether or not they participated in OnTrack in the year after CARES participation. The table shows that of the customers who did participate in OnTrack in the year following CARES, 20 percent paid their full bill in the year prior to grant receipt and 54 percent paid their full bill in the year after grant receipt. Of the Operation HELP grantees who did not participate in OnTrack in the year after grant receipt, 33 percent paid their full bill in the year prior to the grant and 68 percent paid their full bill in the year after grant receipt.

Table
Analysis of Bill Coverage Rates
By Post OnTrack Participation

Coverage Rate	2006 Recipients Post OnTrack Participants		2006 Recipients Post Non OnTrack Participants	
	Pre	Post	Pre	Post
≥ 100%	20%	54%	33%	68%
90%-99%	15%	19%	19%	14%
80%-89%	12%	14%	15%	5%
< 80%	53%	13%	33%	13%

X. Summary of Findings and Recommendations

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

A. Program Design

PPL has designed the OnTrack program to meet the needs of their most vulnerable households. They have developed a system that allows agency staff the flexibility to choose payment arrangements that best meet the needs of the OnTrack customers. Their procedures enable caseworkers to gradually increase customer payment obligations at the annual recertification until customers have worked up to their budget bill and can graduate from OnTrack. Below we discuss some parts of the program design that may be improved.

OnTrack Broken Payment Arrangement Requirement

The OnTrack program is only available to those customers who have defaulted on a payment arrangement in the past year. The purpose of this requirement is to limit the program to customers who are truly payment troubled. Our analyses showed that the program does indeed serve vulnerable households. Data from PPL's database and from the customer survey showed that while 91 percent of current participants and 87 percent of past participants had a vulnerable household member (elderly, child, or disabled), 51 percent of non-participants had a vulnerable household member.

An exception to high participation rates for vulnerable households is that households with elderly members are less likely to participate in OnTrack. The customer survey data on retirement income show that elderly households are underrepresented in OnTrack. While 45 percent of non-participants reported that they received retirement income in the past year, 12 percent of current participants and 10 percent of past participants reported that they received retirement income in the past year.

Research has shown that elderly households are more likely than other households to pay their utility bills, sometimes at the expense of other necessities. *PPL may consider waiving the broken payment arrangement requirement for elderly households who demonstrate that difficulty paying their electricity bills may compromise their health and safety.*

OnTrack Payment Calculation

PPL's payments are designed so that the customer's OnTrack payment cannot be above the maximum percent of income outlined in the PUC CAP Policy Statement. If the maximum percent of income payment outlined in the PUC CAP Policy Statement is less than the "minimum payment", then all four payment types will show this amount, and the agency caseworker is instructed to select the percent of income option.

In 2008, however, PPL implemented new procedures to control CAP credits.   CAP credits are limited to $1,800 for heating customers and $700 for non-heating customers. Beginning in March, 2008, customers who reach these limits before their one year OnTrack anniversary are removed from the program.

These two policies appear to be in conflict with one another. Payments are designed to ensure that customers do not exceed the energy burden targets specified by the PUC. Some customers will have payment plans that are designed in such a way that they will exceed their annual credit limit prior to their one year anniversary and be removed from OnTrack. At this time, customers will be required to pay their full budget bill until they reach their OnTrack anniversary and can re-enroll in the program. Such a design is not helpful to the customer in providing an equal monthly payment that can be maintained throughout the year. *PPL should consider a redesign of the program so that no OnTrack payment plans fall below the minimum payment which is equal to the budget bill minus the maximum monthly OnTrack credit. This design would prevent customers who do not increase their usage from exceeding the OnTrack credit prior to their one-year anniversary.*

OnTrack Auto Defaults

PPL's OnTrack program is designed so that customers who miss two monthly payments are auto defaulted by their computer system and are automatically removed from OnTrack. Customers may be reinstated in OnTrack when they make up all of their missed payments.

Many agency caseworkers reported that the allowance for customers to re-enter OnTrack with no limit on frequency and no stay out provision is detrimental to the program. The caseworkers encounter many customers who repeatedly auto default, make up payments, and re-enter the program. The system does not provide enough incentive for customers to keep current with their OnTrack payments. It also creates additional work for the agency and decreases the efficiency of the program. *PPL should consider two different approaches to the auto default issue. One potential approach would be to require customers to stay out of the program for a certain length of time after their second auto default. Another potential approach would be to keep customers in the OnTrack program for the full year and follow normal collections and termination procedures for customers who do not pay their bills, but without removing them from OnTrack.*

Operation HELP Eligiblity

Most agency caseworkers reported that the Operation HELP procedures are clear and well documented. The interviews with the caseworkers showed that most provided the Operation HELP assistance to all customers who met the program eligibility rules, and that the caseworkers did not assess whether the customer was facing a time of hardship. *PPL should clarify the role of Operation HELP with the agencies. If PPL would like agencies to restrict Operation HELP assistance to those customers who have good payment histories prior to facing a hardship, they should develop a guideline such as a certain number of payments or*

dollar amount of payments prior to grant award. This would assist agency caseworkers to consistently award grants.

B. Program Management

PPL has an effective management structure for their Universal Service programs. PPL's Customer Services Department manages the Universal Service programs. The Customer Relations Specialist is responsible for managing the overall program and for regulatory reporting to the PUC. There are five Customer Programs Directors (CPDs) who oversee the implementation of the Universal Service Programs in their geographical areas. The CPDs work with agencies in their local areas, providing guidance and quality control. The agencies work directly with the customers for enrollment and recertification.

Most of the PPL staff, agencies, and contractors have worked on PPL's programs for many years, are invested in the programs and the customers they serve, and continually work to improve the programs to provide greater benefits for their low-income customers. PPL also has an effective computer information system that provides reports and data to help managers monitor and assess their programs. Below we summarize some areas for potential program improvement.

OnTrack Referrals

Agency caseworkers reported that they often receive OnTrack referrals for customers who are not eligible for the program, usually because they have not defaulted on a payment arrangement is the past year. These referrals provide unnecessary work for the agencies and create bad will with customers who do not understand why PPL representatives told them that they may be eligible for the program and then agency staff state that they are not eligible. *PPL should provide additional training to customer service representatives to minimize the number of OnTrack referrals that are made to ineligible customers.*

OnTrack Procedural Updates

PPL managers continually work to update and improve the OnTrack procedures. As such, they send procedural updates to the agencies that are responsible for administering the programs. Agency staff reported that they appreciate PPL's efforts to improve the program and understand the need for periodic programmatic updates. However, the frequency of the updates sometimes makes it difficult for agency staff to keep up with current program requirements. *PPL could improve the efficiency of program administration by limiting the frequency of program updates and by providing a one to two page summary sheet that provides a concise summary of the steps required for OnTrack enrollment and recertification.*

OnTrack Customer Information

Agency caseworkers are required to send customers a package of information at the time of OnTrack application and recertification. This information includes:

- Customer Fact sheet
- OnTrack agreement
- Conservation tips
- Revenue shortfall and arrearage credits fact sheet
- Sample OnTrack bill

This is a large amount of information to send to customers at one time. *PPL should consider whether the information could be consolidated so that customers are sent a minimal amount of information at the time of OnTrack enrollment. Another possibility is to program the computer system to automatically generate a letter and conservation tips one month following OnTrack enrollment, so that the information on energy conservation is not lost with all of the other information that is sent to customers at the time of OnTrack enrollment.*

LIHEAP Benefits

Our analyses of PPL data showed that 39 percent of OnTrack customers who use electric heat received LIHEAP in the year prior to enrollment and 23 percent received LIHEAP in the year following enrollment. The customer survey found that 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. Additionally, agency caseworkers provided inconsistent reports about whether they discuss LIHEAP assistance with PPL OnTrack customers. Some of the caseworkers said that they do ask the customer to fill out a LIHEAP application. Others stated that they do not have applications in the office, but refer customers to an agency or the county assistance office where they can get the application. Some caseworkers reported that they do not discuss LIHEAP with OnTrack applicants.

It may be possible for PPL to increase the percentage of electric heating OnTrack participants who receive LIHEAP. One possible approach is to require all OnTrack agencies to stock LIHEAP applications and require all caseworkers to discuss LIHEAP and the application process with their clients. Another approach is for PPL to consider increasing their LIHEAP outreach for their low-income electric heating customers. Increasing the percentage of OnTrack customers who receive LIHEAP would help customers pay off their arrearages more quickly and reduce the cost of the OnTrack credit.

Arrearage Forgiveness

Our analysis of PPL's database showed that 75 percent of OnTrack customers receive arrearage forgiveness. However, most OnTrack participants who responded to the survey, 68 percent, reported that they do not know how much arrearage forgiveness they receive each month as a result of their participation in OnTrack. This is likely related to the fact that the PPL bill does not provide information on arrearage forgiveness in the customer's monthly bill. (Note: the bill does provide information on monthly OnTrack credits and only 19 percent of customers reported that they do not know how much they save on a monthly

electric bill.) *PPL should consider adding information to the customer's bill that shows the amount of arrears that are forgiven each month. This is important because 96 percent of customers who did know how much forgiveness they received said that the forgiveness made them more likely to pay their electric bill.*

Budget Billing

In response to customer survey questions about OnTrack program benefits, customers were most likely to state that the benefit of OnTrack 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, more than ten percent of customers cited the even monthly payments. *PPL should consider increasing their publicity about the budget bill for low-income customers who do not participate in OnTrack but who may really benefit from this bill payment option.*

Operation HELP Agency Training

Interviews with Operation HELP caseworkers revealed that there was a misunderstanding about the allowance of the program to assist customers with more than one energy bill at the time of Operation HELP grant application. Additionally, some of the caseworkers did not understand that Operation HELP could be used to provide assistance for a utility or fuel vendor other than PPL. *PPL should provide additional training to Operation HELP agencies to ensure sure that caseworkers understand all of the program benefits.*

C. Program Impact

The evaluation included an extensive study of the impact of the OnTrack, Operation HELP and CARES Programs.

OnTrack Impact

By providing discounted electric bills and arrearage forgiveness, OnTrack is expected to improve customers' ability to pay their electric bills and maintain electric service. Our analysis of PPL's program, billing, transactions, and collection databases provide information on the impact of OnTrack.

- *OnTrack Retention* – the retention analysis showed that only about one third of the customers had continuous participation in OnTrack (or participation and successful graduation) in the year following enrollment. Customers may have left the OnTrack program because they moved, had the agreement cancelled, did not pay their bill for two months and the system auto defaulted them, or they defaulted because they did not recertify. Customers will be missing if they no longer have an account because they moved or their service was terminated. In the 12th month after enrollment, 28 percent continued to participate, two percent graduated, eight percent moved, five percent cancelled, eight percent defaulted, and 51 percent were missing.

The retention statistics are discouraging. However, it is important to remember that OnTrack is limited to payment-troubled customers who have had one broken payment arrangement in the year prior to enrollment. By definition, these are the customers who have the most difficult time developing consistent payment behavior.

- *OnTrack Arrearage Forgiveness* – Over 92 percent of the 2006 OnTrack Enrollees received arrearage forgiveness. They received an average of 6.7 arrearage forgiveness payments, with a mean amount totaling $46.

- *OnTrack Affordability Impacts* – The average OnTrack discount was $450 in the year following enrollment. The average discount for electric heating customers was $581 and the average discount for non-heating customers was $410. Energy burden for OnTrack participants declined from twelve percent in the year preceding enrollment to nine percent in the year following enrollment, a statistically significant decline of four percentage points. The net change was a decline of five percentage points.

- *OnTrack Energy Burden Targets* – Our analysis examined average energy burden by poverty level and by whether or not the customers have electric heat. We found that OnTrack had a large impact on customers' energy burdens. However, the vast majority of customers with income below 50 percent of the poverty level had energy burdens above the PUC targeted level in both the pre program and program participation periods.

- *OnTrack Payment Impacts* – The analysis showed that OnTrack participants increased the number of cash payments made from 6.5 in the year prior to enrollment to 8.9 in the year following enrollment. Total coverage rates increased from 82 percent in the pre-treatment period to 89 percent in the OnTrack participation period. The net change in the total coverage rate was six percentage points. Average balances for program participants declined from $771 to $692, a net decline of $204.

- *OnTrack Termination Impacts* – The analysis showed that 14.2 percent of the OnTrack participants had a termination-related action in the year prior to enrollment, and 13.0 percent had a termination-related action in the year following enrollment, a decline of 1.2 percentage points. The net change in termination-related actions was a 1.5 percentage point decline. The change in the percentage of customers who were disconnected was not statistically significant; approximately seven percent were disconnected in the year prior to enrollment and the year following enrollment.

- *OnTrack Usage Impacts* – The analysis of OnTrack participants' usage did not find increases in electric usage following participation in OnTrack.

In many respects, the OnTrack program has the planned and expected impact on program participants, increasing payment regularity and bill coverage rates, and reducing customer balances. *Two areas are recommended for further study. First, half of the customers who enroll in OnTrack appear to have dropped off PPL's system one year after program enrollment. We recommend that PPL investigate a sample of customers to ensure that complete data have been provided for these customers. Second, the majority of the lowest income OnTrack participants have energy burdens that exceed the PUC target levels. PPL should investigate why this is the case, whether their system is correctly calculating customer payment amounts, and whether modifications to the system are needed.*

Operation HELP Impact

Operation HELP grant recipients appeared to have an improvement in their ability to meet bill payment requirements in the year following grant receipt.

- *Operation HELP OnTrack Participation* – Many of the customers who received an Operation HELP grant were not enrolled in OnTrack in the year prior to the grant, but did enroll in OnTrack in the year following grant receipt.

- *Operation HELP Bill Coverage* – The average bill coverage rate for the Operation HELP participants increased from 74 percent in the year prior to grant receipt to 95 percent in the year following grant receipt. The net change in bill coverage was a 26 percentage point increase. It is likely that some of the increase resulted from OnTrack participation and some resulted from the assistance that the program provided and the fact that it helped customers get caught up with their bill payment obligations.

CARES Impact

CARES participants also appeared to have an improvement in their ability to meet bill payment requirements in the year following program participation.

- *CARES OnTrack Participation* – CARES participants were more likely to participate in OnTrack in the year following CARES participation. While 11 percent participated in OnTrack in the year prior to CARES participation, 25 percent participated in OnTrack in the year following CARES participation.

- *CARES Bill Payment* – CARES participants increased the number of cash payments they made from eight to nine and increased their total cash payments made by $130. This was a greater increase than for the comparison groups. Coverage rates for the CARES participants increased from 88 percent in the year prior to enrollment to 108 percent in the year following enrollment.

- *CARES Balances* – The 2006 CARES participants reduced their balances by $79. The net change in the balance was a decline of $150.

D. PPL Universal Service Program Recommendations

1. PPL may consider waiving the OnTrack broken payment arrangement requirement for elderly households if there is an indication that difficulty paying electricity bills compromises their health and safety.

2. PPL should consider a redesign of the program so that no OnTrack payment plans fall below the minimum payment which is equal to the budget bill minus the maximum monthly OnTrack credit. This design would prevent customers who do not increase their usage from exceeding the OnTrack credit prior to their one-year anniversary.

3. PPL should consider two different approaches to the auto default issue. One potential approach would be to require customers to stay out of the program for a certain length of time after their second auto default. Another potential approach would be to keep customers in the OnTrack program for the full year and follow normal collections and termination procedures for customers who do not pay their bills, but without removing them from OnTrack.

4. PPL should clarify the role of Operation HELP with the agencies. If PPL would like agencies to restrict Operation HELP assistance to those customers who have good payment histories prior to facing a hardship, they should develop a guideline such as a certain number of payments or dollar amount of payments prior to grant award. This would assist agency caseworkers to consistently award grants.

5. PPL should provide additional training to customer service representatives to minimize the number of OnTrack referrals that are made to ineligible customers.

6. PPL could improve the efficiency of program administration by limiting the frequency of program updates and by providing a one to two page summary sheet with a concise summary of the steps required for OnTrack enrollment and recertification.

7. PPL should consider whether information could be consolidated so that customers are sent a minimal amount of paperwork at the time of OnTrack enrollment. Another possibility is to program the computer system to automatically generate a letter and conservation tips one month following OnTrack enrollment, so that the information on energy conservation is not lost with all of the other information that is sent to customers at the time of OnTrack enrollment.

8. It may be possible for PPL to increase the percentage of electric heating OnTrack participants who receive LIHEAP. One possible approach is to require all OnTrack agencies to stock LIHEAP applications and require all caseworkers to discuss LIHEAP and the application process with their clients. Another approach is for PPL to consider increasing their LIHEAP outreach for their low-income electric heating customers. Increasing the percentage of OnTrack customers who receive LIHEAP would help

customers pay off their arrearages more quickly and reduce the cost of the OnTrack credit.

9. PPL should consider adding information to the customer's bill that shows the amount of arrears that are forgiven each month. This is important because 96 percent of customers who could estimate the amount of monthly forgiveness they receive said that the forgiveness made them more likely to pay their electric bill.

10. PPL should consider increasing their publicity about the budget bill for low-income customers who do not participate in OnTrack but who may really benefit from this bill payment option.

11. PPL should provide additional training to Operation HELP agencies to ensure that caseworkers understand all of the program benefits.

12. Two areas are recommended for further study. First, half of the customers who enroll in OnTrack appear to have dropped off PPL's system by one year after program enrollment. We recommend that PPL study a sample of customers to ensure that complete data have been provided for these customers. Second, the majority of the lowest income customers have energy burdens that exceed the PUC target levels. Many of the customers exceed the target burdens because they miss payments and are removed from OnTrack. However, PPL should investigate whether their system is correctly calculating customer payment amounts, and whether modifications to the system are needed.