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BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Proposed Rulemaking Relating to Universal Service and Energy Conservation Reporting Requirements and Customer Assistance Programs : Docket No. L-00070186

COMMENTS of
THE ENERGY ASSOCIATION of PENNSYLVANIA

I. Introduction

The Pennsylvania Public Utility Commission ("PUC" or the "Commission") proposed to amend Chapters 54, 62 and 76 (relating to electricity generation customer choice; natural gas supply customer choice; and customer assistance programs) in a rulemaking initiated in 2007. Currently, pursuant to a Notice published in the April 2, 2010 *Pennsylvania Bulletin*, the PUC continues the original proposed rulemaking and reopens the public comment period to obtain additional input and suggestions on the following six specific topics:

1) A policy change proposed by the Pennsylvania Department of Public Welfare ("Department" or "DPW") regarding application of LIHEAP[1] cash grants to accounts for those customers participating in utility Customer Assistance Programs ("CAP");

2) Factors impacting CAP costs and affordability of bills;

3) Whether savings occur through the use of cost recovery mechanisms so as to impact the valuation of costs claimed for rate recovery;

4) Proposed triennial review process for universal service and energy conservation ("US&EC") plans, as well as funding and cost recovery and whether the process should be initiated with a tariff filing;

[1]LIHEAP (Low-Income Home Energy Assistance Program) is a federally-funded home energy assistance program for low-income customers that is administered by the Pennsylvania Department of Public Welfare.

5) PUC reporting requirements regarding costs of universal service programs ("USPs"); and

6) Whether the Commission's approval process for utilities' three-year universal service plans should provide for public comment.

Interested parties have until June 2, 2010 to provide written comments to the Commission on the six identified topics listed above as well as other related issues.

The Association commends the Commission's efforts in this regard and appreciates the opportunity to provide additional comments on behalf of its member companies[2]. The issues identified by the Commission in this rulemaking are complex and affect the cost of universal service. As a result, this necessitates careful consideration of the issues presented in the instant rulemaking in order to maintain a balance between the needs of low-income utility consumers and the ability and/or fairness of requiring other residential customers to subsidize universal service programs.

II. Specific Comments

Topic #1

The impact of the Department of Public Welfare's proposed policy change regarding the use of Low-Income Home Energy Assistance Program ("LIHEAP") funds on a distribution company's Customer Assistance Program ("CAP") design.

EAP Response:

In July 1992, the Commission adopted a policy statement establishing CAP guidelines, which became final on July 25, 1992 upon publication in the *Pennsylvania Bulletin*. The CAP policy statement provided major regulated gas and electric utilities with cost-effective design criteria for modeling their respective CAP programs and for providing eligible low-income customers with affordable energy service at greatly discounted rates. In turn, participants in

[2] Allegheny Power, Citizens' Electric Company, Columbia Gas of PA, Duquesne Light Company, Equitable Gas Company, Metropolitan Edison Company, National Fuel Gas Distribution Corporation, PECO Energy Company, Peoples Natural Gas Company, Pennsylvania Electric Company, Pennsylvania Power Company, Philadelphia Gas Works, Pike County Light & Power Company, PPL Electric Utilities Corporation, UGI Central Penn Gas, UGI Penn Natural Gas, UGI Utilities, Inc. (Electric and Gas), Valley Energy Company, and Wellsboro Electric Company.

utility CAP agree to make regular timely monthly payments and participate in conservation efforts in order to reduce energy usage and control program costs.

In March 1999, the Commission amended its CAP policy statement "*...because of the experiences learned from the CAP pilots and the results of evaluations*" in order to provide regulated utilities with an option to incorporate or leverage the use of existing government funded low-income energy assistance programs (i.e., LIHEAP) with CAP, so as to lessen the CAP costs paid by the remainder of the residential rate base. See, *Customer Assistance Program Final Policy Statement Order* entered March 31, 1999 at Docket No. M-991232.

In the summer of 2009, the Department of Public Welfare ("DPW") proposed policy changes to the manner in which (regulated utility) LIHEAP vendors apply cash grants to the accounts of customers enrolled in the utility CAPs. The newly-proposed policy directly conflicted with several sections of the 1999 CAP policy statement. Specifically, the change proposed by DPW prohibits application of LIHEAP cash grants to CAP credits[3] or CAP pre-program arrearages[4] which comprise a significant portion of overall CAP program costs. In 2009, CAP credits (or, shortfall) accounted for 72% of the expense for electric CAPs and 88% of the expense for natural gas CAPs out of the total annual CAP program costs. [5] By prohibiting the application of LIHEAP cash grants to the shortfall, the utility will have to cover the difference between the cost of the commodity to the company and the amount charged to CAP participants through increasing the amounts billed to the remaining residential customers.

Further, the DPW proposed policy directly opposed the CAP policy statement by substituting LIHEAP grants for the customer's monthly CAP payment. Pennsylvania established

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[3] A CAP credit (sometimes referred to as CAP shortfall) is the difference between the amount billed at the standard residential rate and the amount billed at the CAP rate.

[4] A pre-program arrearage is an arrearage accumulated by the customer before entering CAP. This amount is forgiven over a period of time through receipt of timely customer payments while a participant in CAP.

[5] Source: Annual Universal Service Reporting Requirements, as filed by EAP member companies for 2009.

CAP to address affordable bill issues for eligible low-income consumers and in turn, those consumers who participate in CAP agree to conserve energy and to make regular monthly payments. In this manner, CAP in Pennsylvania mirrored the goals of other programs across the nation that require regular monthly payments from low-income participants who then enjoy discounted utility rates.

Following the objection of a variety of stakeholders, DPW implemented the policy change for PPL and PGW only, agreeing to delay further implementation until LIHEAP FY 2010-2011. Both PPL and PGW complied with the Department's requested changes in the context of addressing program adjustments necessitated under federal law. Then, in March 2010, recognizing that DPW would likely implement the proposed change, the Commission waived certain sections of the CAP Policy Statement so as to protect the utilities' ability to obtain vendor status under LIHEAP. See, *Customer Assistance Program Policy Statement Suspension and Revision Order* at Docket No. M-00920345.

The Department's policy directing the application of LIHEAP cash grants to CAP customers' accounts will have a significant impacts on a majority of utilities that administer CAP, including program design changes, IT programming and testing, bill format changes, employee training, and outside communications to customers and other stakeholders. Each of these impacts will increase expenses associated with universal service programs. As a result, it is conceivable that necessary program design changes may include limitations on the number of customers enrolled in CAP and limitations on the amount of utility funding provided.

EAP also contends that the DPW change will affect Pennsylvania's regulated utility customers:

- CAP customers may need to come up with additional funds to pay anticipated higher CAP bills and accumulating shortfall amounts. CAP customers are likely to experience behavioral setbacks due to the variance in the CAP regular payment schedule.

- And, non-CAP low-income and working poor customers who themselves struggle to meet their own energy needs and who help pay for universal service programs, may experience an increase in their monthly bills as the cost of operating CAP increases because utilities can no longer apply LIHEAP cash grants to the program arrearage or shortfall.

In 2009, the average universal service expense per residential customer (of which the majority is CAP program costs) had increased 81% for customers of electric distribution companies and 39% for customers of natural gas distribution companies when compared to 2005 average universal service expense.

Average Annual Universal Service Spending Per Residential Customer
EAP Major Electric & Gas Major Members - Combined

	2005	2009
Electric	$ 25.83	$ 46.81
Natural Gas	$ 60.78	$ 84.73

Source PA PUC Report on Universal Service Programs & Collections Performance (Various Years), 2009 Data not yet verified

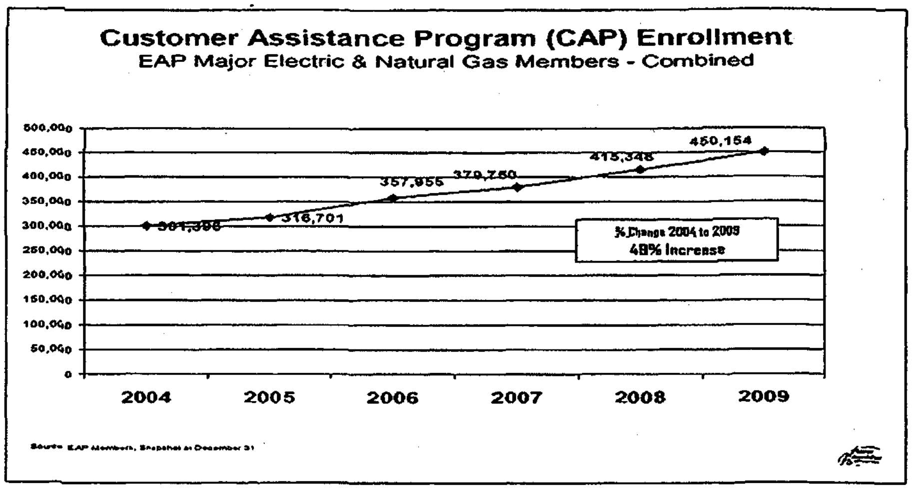
As detailed above, the Association believes that implementation of the DPW proposed policy will impact program design by increasing expense and the financial burden of both CAP participants and non-participants.

Topic #2:

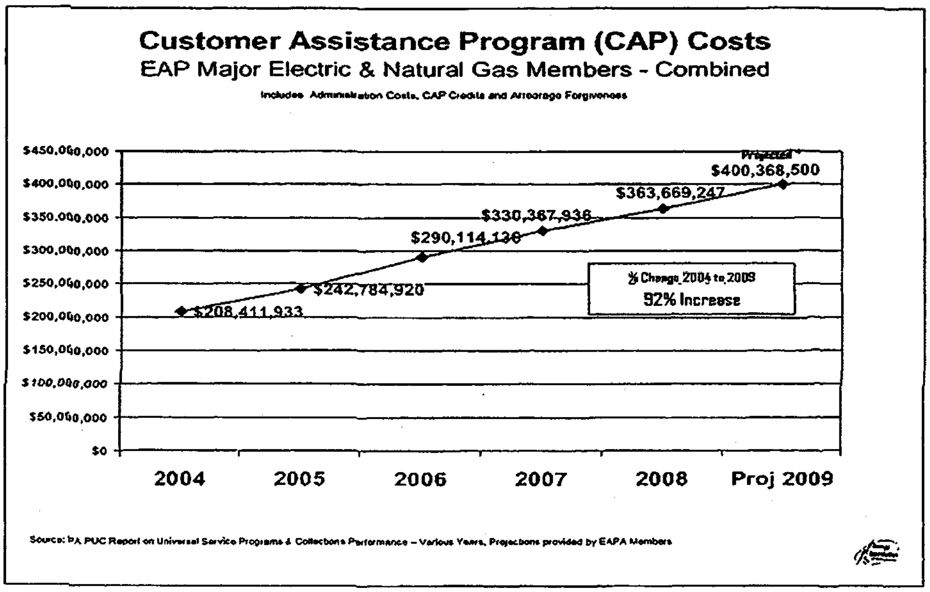
Factors that may impact CAP costs and affordability of bills, such as increased CAP enrollment levels, the recent economic decline, the expiration of electric generation rate caps, the impact on residential rates from the initiation of energy efficiency and conservation programs under Act 129 of 2008, and the potential impact on residential bills from smart metering initiatives.

<u>EAP Response</u>:

Over the last six years, enrollment in EAP member companies' CAP programs have increased by 49%.



Program expenses have seen a 92% increase during that same period.



In almost all instances, utilities recover CAP program costs from non-CAP residential customers, either through a surcharge or in base rates. All of the factors listed in Topic #2 (the recent economic decline, the expiration of electric generation rate caps, the impact on residential rates from the initiation of energy efficiency and conservation programs under Act 129 of 2008, and the potential impact on residential bills from smart metering initiatives) will affect the costs of CAP programs; as will the following additional factors:

- DPW's LIHEAP policy change;
- Normal commodity price fluctuations; and
- Documented increases in Pennsylvania's poverty populations as noted in the ***U.S. Census Bureau's American Community Survey 2006-2008 (See Appendix A)*** statistics compiled by the Penn State Consumer Services Information Systems (CSIS) Project.

The Project estimates the number of households living at or below 150% of the federal poverty guidelines and, as detailed below and in Appendix A, demonstrates an increase in households in that economic strata from 19.33% in 2000 to 25.10% in 2008.

Percent of Pennsylvania Households Living at or Below Poverty Level	
2000 Census Data	**2008 Census Data**
19.33%	25.10%

The effect of this confluence of factors is that in the future, larger sectors of the residential population will likely become eligible for utility CAP programs, based on current eligibility criteria, increasing arrearages and shortfall amounts and ultimately increasing the costs of CAP programs. This is occurring at the same time greater numbers of non-eligible CAP customers (i.e., "working poor" who may have income only a few percentage points above the federal poverty level) are also experiencing increased difficulty paying their bills. Examining the chart attached here as Exhibit A, the number of Pennsylvania households living at or below

150% of the federal poverty level has clearly risen since the 2000 U.S. Census. This rising need must be balanced against rising expense for the non-CAP residential customers and underscores the benefit of leveraging all sources of energy assistance, both public and private, in designing CAPs.

With regard to the smart metering initiatives, Act 129 of 2008 requires the deployment of smart meters over the next 15 years. Moreover, a variety of stakeholders in the Act 129 arena ascribe to the belief that energy efficiency and conservation will only be maximized with the introduction of smart meters. EAP notes, however, that there has been significant criticism of the premature introduction of smart meters in markets across the nation (e.g., California, Texas). A number of states, particularly in the residential setting, have scaled-back their smart meter deployment.

As stated in a *Wall Street Journal* article (April 27, 2009), "such knowledge, however, doesn't come cheap. Meters are expensive, often costing $250 to $500 each when all the bells and whistles are included, such as the expense of installing new utility billing systems. And utilities typically pass these costs directly on to consumers."

The author notes that smart meter technology is still evolving and developing. Some consumer advocates have expressed the fear that the costs of installing smart meters could be greater than the savings for many households. Additionally, the costs of using smart meter equipment generally exceed the incremental rate increase to cover the utility capital investment because display controls and the networking of home equipment and appliances is the responsibility of the end-user.

The article recounts the experiences of CenterPoint Energy, Inc., in Houston, which began charging its customers an extra $3.24 a month for smart meters, sparking fiery protest since the charges will continue for a decade and eventually approach $1 billion.

The Association recommends that the Commission move cautiously regarding the installation and/or expansion of smart metering technologies. EAP and its member companies have concerns about upward cost pressures on residential energy bills created by smart meter deployment and, in turn, the impact on bill affordability for low-income customers.

Topic #3:

Whether cost recovery mechanisms, which have been implemented by some distribution companies, have produced savings from improved timeliness of collection activities and whether these savings should be considered in evaluating costs claimed for rate recovery.

<u>EAP Response</u>:

EAP members employ various means of cost recovery (i.e., base rate recovery, riders and surcharges) for their universal service programs and CAP program expenses and, such mechanisms are implemented and adjusted differently. Even so, according to EAP members' experience, these cost recovery mechanisms are not directly linked or designed to provide discernible or calculable savings nor to improve the timeliness of collection activities. Such a determination is more appropriately addressed in individual base rate cases or proceedings to establish or adjust cost recovery mechanisms. The Association believes that this issue is not suitable for resolution in a rulemaking.

Topic #4:

Proposed rules in 52 Pa. Code §§ 54.74 and 62.4 (relating to review of universal service and energy conservation plans, funding and cost recovery), which create a triennial review process that takes the form of a tariff filing and addresses CAP program funding.

AND

Topic #6:

The Commission's USP approval process, specifically, whether the Commission should issue tentative orders to provide an opportunity for comments and reply comments before approving a distribution company's USP, and whether the companies' USPs should be served on the statutory advocates.

EAP Response:

With respect to topics 4 and 6, EAP believes that both questions seek to establish a procedure for the triennial review process, which historically has focused on program plan design following an independent evaluation. Further, as suggested in the original rulemaking Order, the Commission looks to consider the cost recovery mechanism at the same time. Two separate procedures are considered: a tariff filing and the use of a tentative order process. As detailed below, there are benefits and drawbacks to either procedure.

Proposed regulations at 52 Pa. Code §54.74(a) and §62.4(a) provide that the utility submit an updated universal service and energy conservation plan "in the form of a tariff filing" every three years. The use of a tariff filing was previously raised in this rulemaking and the Association restates its original 2008 comments found at pp. 18-19 of its filing.

While certain sections of the three-year plans (i.e., cost recovery mechanisms) may be suitable for inclusion in a tariff, EAP contends that the actual program design is not easily included in a tariff. Plan designs, needs assessments, referral processes and company organizational structures have no place in a tariff, although such information may be set in documents filed to support a tariff revision. Incorporating this voluminous material into the tariff would be problematic and cumbersome in the context of tariff modifications or revisions and would restrict the flexibility needed to address the many issues faced by the low-income sector.

Moreover, as the Association commented in April 2008, the Commission's current process for reviewing and approving utilities' three-year universal service and energy conservation plans no longer satisfies the needs of utilities, stakeholders, and the Commission. In some instances, these proceedings have taken over two years to complete. Currently, after the

Commission has finally approved a plan, the utility has already begun preparing its next three-year plan.

Clearly, a specific and reasonable timeframe (e.g., 180 days) for the review and approval process of the three-year plan is a crucial component that needs to be determined and codified in regulation. EAP further suggests that once the specific timeframe has been established, the final Order should provide that the revised utility plan is final as of the date the final Order is entered. The triennial review would thus be complete and utilities would then have the plan in effect for three years prior to the next triennial review process.

Similarly, use of a tentative order process as suggested in Topic 6 does not necessarily fix a definitive time period for resolution of the triennial review process. Nor is the tentative order process well suited for a proceeding, which both necessitates the input of stakeholders, such as the statutory advocates, and the creation of a "record" on which to consider program design changes and approve or affirm a cost recovery mechanism.

Again, the Association references comments it filed earlier at this docket suggesting a procedure which adheres to a firm timetable, allows for inclusion of the cost recovery mechanism in the utility tariff, as appropriate, and provides opportunity for input from the Commission staff and statutory advocates in a manner which creates a record for ultimate Commission disposition. See, EAP 2008 Comments at pp. 17-19.

Topic #5:

Commissioner Kim Pizzingrilli's statement on *Dominion Peoples Universal Service and Energy Conservation Plan for 2009-2011,* Docket No. M-2008-2044646 (January 15, 2009), *which discusses a Commission reporting requirement that directs all distribution* companies to fully document the rate effect of program modifications in future universal service plans (USP). Under the requirement, distribution companies would include a table showing annual costs for each program, total cost for all USPs and the monthly cost of the programs on a per residential customer basis.

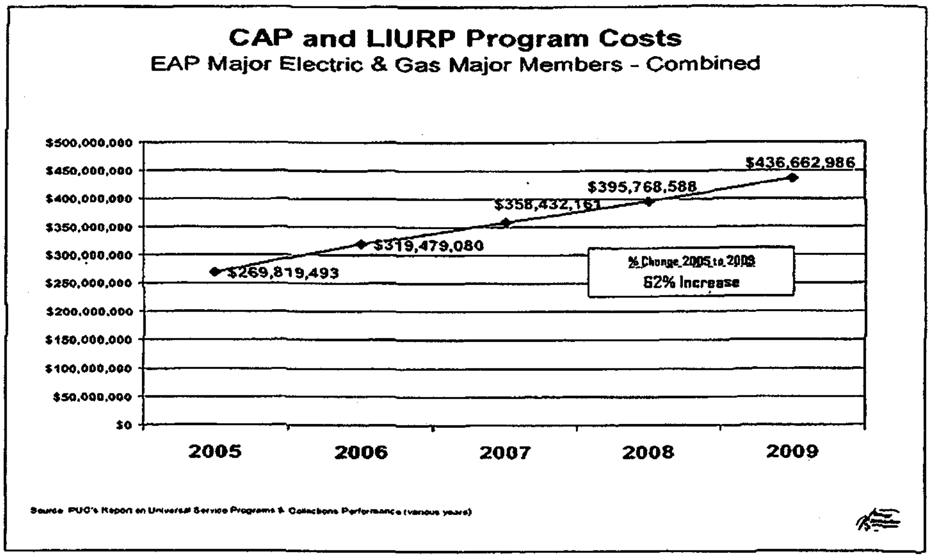
EAP Response:

EAP member companies currently provide the Commission with an estimate of annual costs and customer participation levels for each universal service program in their three-year universal service and energy conservation plans. Commissioner Pizzingrilli suggested incorporating additional reporting requirements into the three-year plans to document the rate effect of program modifications in future universal service plans.

EAP notes that this type of forecasted data is already provided by some utilities, but cautions the Commission in making this a mandatory requirement without first identifying the value and intended use of such a manually-intensive request. The Association avers that the proposed breakdown of this cost data for each program can be accomplished, but sees limited value in doing so through the three-year plan. The ability for a utility to accurately forecast this type of information over a three-year period is challenging to say the least, but would provide the Commission with projections only, which do not reflect actual results and cost impacts for residential customers. In other words, the cost data would be outdated as soon as the Commission approved a utility's plan.

EAP recommends that the Commission incorporate this data request into the existing annual Universal Service Reporting Requirements ("USRR"). The USRR data provides actual program expenditures, customer participation levels and demographic results for utilities' universal service programs for the previous year. As part of the USRR annual reporting in April, utilities could submit the type of cost table recommended above by former Commissioner Pizzingrilli in a consistent, apples-to-apples format. Further, EAP suggests that the monthly cost per residential customers for the universal service programs continue to include only those programs funded through the residential customer base (e.g., though base rates or riders) as it would not be appropriate to include programs funded through donations into this figure (i.e., utility hardship funds).

EAP understands the Commission's concern over the rising costs of utility universal service programs and the impact on residential customers who fund the programs. EAP members' combined expenditures for CAP and Low Income Usage Reduction Programs (LIURP) have increased 62% from 2005 to 2009.



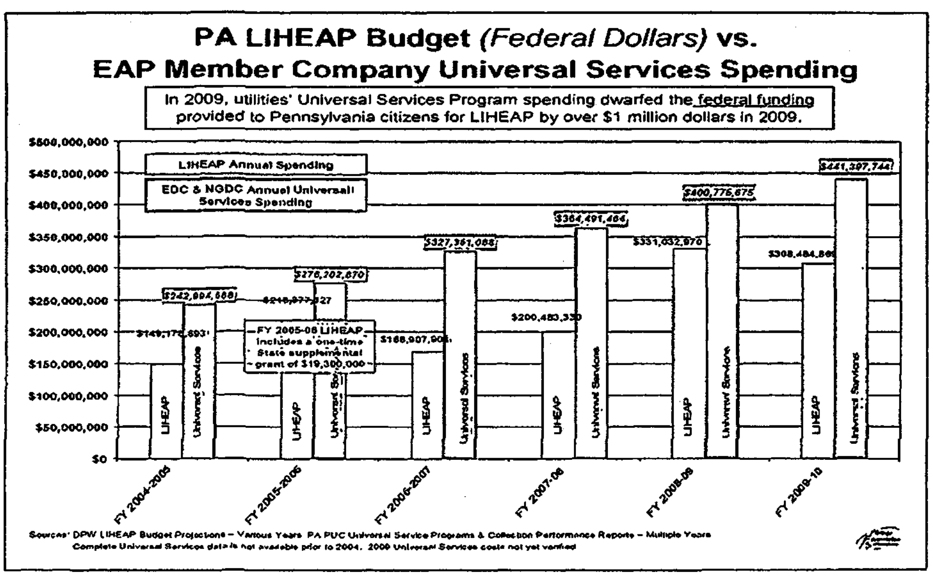
The increasing enrollment and expense of these programs highlight the critical need to consider the interests of all customers and to balance utility low-income customers' needs with the cost impacts on other residential customers.

III. CONCLUSION

The Energy Association acknowledges the need to reopen the comment period in this proceeding to collect additional input regarding universal service and energy conservation reporting requirements and CAPs. Changes in the economy, the need for energy assistance and the proposed DPW policy change regarding application of LIHEAP grants to CAP accounts underscores the need for these complex issues to be revisited, for additional comments to be solicited, and for a timely, holistic resolution to be identified and implemented. While the six topics identified by the Commission in this rulemaking assist in identifying areas for additional study, Pennsylvania's regulated utility customers deserve a universal service program that assists low-income customers with their energy needs, ensures adequate program funding without a significant strain on other residential customers, and does so within a structured and timely review process.

As previously detailed, the single most significant current impact on program costs arises from the decision of DPW to change the policy regarding application of LIHEAP cash grants to CAP customer accounts. Regulated utilities have historically leveraged LIHEAP cash grants to help offset CAP program costs, facilitating CAP program designs that offered very low, affordable CAP "asked to pay" bills. By eliminating the ability to leverage federal funds, CAP program costs will likely increase, affecting both the CAP "asked to pay" amount and the costs passed along to non-CAP residential ratepayers.

EAP member utilities have met with DPW and are subsequently reviewing their CAP program designs to respond to this policy change and at the same time control their program costs, which in 2009, exceeded $441 million dollars – dwarfing the entire LIHEAP grant received by Pennsylvania.



As noted by Commissioner Powelson, in several recent US&EC Plan proceedings, the costs of providing universal service programs has steadily increased and the DPW policy changes will likely lead to further increase. See, e.g., *PECO Energy Company's Universal Service and Energy Conservation Plan for 2010-2012 Submitted in Compliance with 52 Pa. Code §§54.74 and 62*, Docket No. M-2009-2094394. He called upon utilities to continue to explore ways to control the escalating costs and to help mitigate the problem. EAP member utilities aim to control costs and assist low-income customers through a variety of universal services initiatives, including reduced rates, weatherization and usage reduction measures, hardship fund grants, energy conservation education and referrals – and will continue to do so in a manner that seeks to balance the needs of all ratepayers.

Equally as important are the comments solicited by Topics 4 and 6 as set forth in the *Pennsylvania Bulletin*. These questions propose different procedures to address the triennial review and revision of plan design, as well as the current process for establishing and/or revising a rate recovery mechanism. The Association supports a procedure where plan design is reviewed in conjunction with a cost recovery mechanism. EAP further suggests that while it may be appropriate to include the specifics of a cost recovery mechanism in a utility tariff, the inclusion of plan design specifics would be cumbersome and not in keeping with the tariff function. At the same time, the tentative order process suggested by Topic 6 does not provide the Commission with the necessary foundation needed to review and approve design changes nor does it establish a definitive time frame for completion of the process and issuance of a final order. The Association recommends consideration of a process allowing for tariff revisions as deemed necessary by the utility, a specific time frame for completion and issuance of a PUC final order AND the establishment of the final order date as the beginning of the next triennial provided for review.

Revisions to the instant rulemaking are clearly a complicated undertaking and, as the Commission reviews the additional comments solicited, the Association suggests that Commission seek a balanced approach. Achieving a balance between plan design and the cost recovery mechanism would need to account for the many varied issues impacting low-income customers and the residential ratepayers who pay for universal service programs. Achieving a balance in the process employed to complete the triennial review of plan design and cost recovery mechanisms would permit utilities to implement plans which allow for the flexibility necessary to serve low-income customers in a timely fashion providing certainty for the next three-year period. The Association and its members are committed to achieving this balance and look forward to working with the Commission and other stakeholders to finalize the instant rulemaking.

Respectfully Submitted,

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APPENDIX A

2000 and 2008 Census Data
Number of Pennsylvania Low-Income Households, by County,
as compiled by Penn State Consumer Services Information Systems
(Households living at or below 150% of Poverty Level)

Note: 2008 Census Data was not available for the following counties with For Note: populations below 7,200: Cameron, Forest, Fulton, Montour, Potter and Sullivan. These counties were not surveyed in 2008. The census data from 2000 was used

	2000 Census Data				2008 Census Data		
County	Total N	N *	% *	County	Total N	N *	% *
Adams	33,647	5,001	14.86%	Adams	37,532	7,183	19.14%
Allegheny	537,405	106,443	19.81%	Allegheny	520,035	131,203	25.23%
Armstrong	28,932	6,922	23.93%	Armstrong	29,200	7,367	25.23%
Beaver	72,864	13,626	18.75%	Beaver	70,778	17,636	24.92%
Bedford	19,800	4,409	22.27%	Bedford	19,916	6,851	34.40%
Berks	141,609	22,070	15.58%	Berks	150,144	35,888	23.90%
Blair	51,622	12,543	24.30%	Blair	51,012	14,919	29.25%
Bradford	24,427	5,316	21.76%	Bradford	24,891	8,339	33.50%
Bucks	218,773	19,515	8.92%	Bucks	227,655	29,638	13.02%
Butler	65,929	11,159	16.93%	Butler	71,389	13,515	18.93%
Cambria	60,568	15,047	24.84%	Cambria	58,683	17,256	29.41%
Cameron	2,468	514	20.83%	*Cameron*	*2,468*	*514*	*20.83%*
Carbon	23,729	4,835	20.38%	Carbon	25,747	6,479	25.17%
Centre	49,336	13,068	26.49%	Centre	51,172	15,794	30.86%
Chester	158,025	14,104	8.93%	Chester	175,047	23,935	13.67%
Clarion	16,011	4,247	26.53%	Clarion	15,731	4,846	30.81%
Clearfield	32,792	8,074	24.62%	Clearfield	33,217	10,638	32.03%
Clinton	14,804	3,879	26.20%	Clinton	14,951	4,363	29.18%
Columbia	24,982	5,753	23.03%	Columbia	25,119	7,545	30.04%
Crawford	34,695	7,914	22.81%	Crawford	34,877	10,841	31.08%
Cumberland	83,047	10,266	12.36%	Cumberland	90,417	14,343	15.86%
Dauphin	102,667	16,920	16.48%	Dauphin	104,924	23,228	22.14%
Delaware	206,372	28,782	13.95%	Delaware	205,194	39,131	19.07%
Elk	14,105	2,337	16.57%	Elk	14,084	3,296	23.40%
Erie	106,488	23,108	21.70%	Erie	107,075	32,927	30.75%
Fayette	60,047	18,744	31.22%	Fayette	58,263	21,945	37.67%
Forest	1,996	559	28.01%	*Forest*	*1,996*	*559*	*28.01%*
Franklin	50,574	8,108	16.03%	Franklin	57,100	11,391	19.95%
Fulton	5,659	1,225	21.65%	*Fulton*	*5,659*	*1,225*	*21.65%*
Greene	15,081	4,128	27.37%	Greene	14,173	4,696	33.13%
Huntingdon	16,778	3,827	22.81%	Huntingdon	16,630	4,606	27.70%
Indiana	34,098	9,815	28.78%	Indiana	34,625	12,398	35.81%
Jefferson	18,396	4,285	23.29%	Jefferson	18,475	5,567	30.13%
Juniata	8,580	1,731	20.17%	Juniata	8,786	2,265	25.78%
Lackawanna	86,204	19,002	22.04%	Lackawanna	86,767	24,353	28.07%
Lancaster	172,780	23,088	13.36%	Lancaster	185,685	40,827	21.99%
Lawrence	37,136	8,630	23.24%	Lawrence	35,826	10,196	28.46%
Lebanon	46,611	7,135	15.31%	Lebanon	50,352	10,633	21.12%
Lehigh	121,947	19,371	15.88%	Lehigh	130,424	30,498	23.38%
Luzerne	130,703	29,855	22.84%	Luzerne	129,204	36,774	28.46%
Lycoming	47,040	10,598	22.53%	Lycoming	47,644	14,208	29.82%
McKean	18,027	4,106	22.78%	McKean	17,514	5,946	33.95%
Mercer	46,755	9,530	20.38%	Mercer	46,073	13,520	29.34%
Mifflin	18,446	4,639	25.15%	Mifflin	19,119	5,935	31.04%
Monroe	49,508	7,893	15.94%	Monroe	60,169	11,828	19.66%
Montgomery	286,255	25,210	8.81%	Montgomery	299,280	38,912	13.00%
Montour	7,107	1,192	16.77%	*Montour*	*7,107*	*1,192*	*16.77%*
Northampton	101,631	14,973	14.73%	Northampton	110,334	20,136	18.25%
Nortumberland	38,894	9,465	24.34%	Northumberland	38,170	12,072	31.63%
Perry	16,742	2,707	16.17%	Perry	17,331	3,435	19.82%
Philadelphia	590,283	190,461	32.27%	Philadelphia	563,837	237,617	42.14%
Pike	17,447	2,603	14.92%	Pike	23,261	4,352	18.71%
Potter	6,988	1,690	24.18%	*Potter*	*6,988*	*1,690*	*24.18%*
Schuylkill	60,500	13,549	22.40%	Schuylkill	60,293	16,709	27.71%
Snyder	13,643	2,807	20.57%	Snyder	14,012	3,562	25.42%
Somerset	31,193	7,645	24.51%	Somerset	30,504	9,623	31.55%
Sullivan	2,667	667	25.01%	*Sullivan*	*2,667*	*667*	*25.01%*
Susquehanna	16,543	3,886	23.49%	Susquehanna	17,167	4,703	27.40%
Tioga	15,942	3,981	24.97%	Tioga	16,629	5,380	32.35%
Union	13,191	2,284	17.31%	Union	13,801	4,364	31.62%
Venango	22,788	5,600	24.57%	Venango	22,382	6,872	30.70%
Warren	17,700	3,314	18.72%	*Warren*	*17,677*	*5,068*	*28.67%*
Washington	81,129	15,860	19.55%	Washington	82,702	17,684	21.38%
Wayne	18,300	4,121	22.52%	Wayne	20,541	5,746	27.98%
Westmoreland	149,870	27,704	18.49%	Westmoreland	151,287	33,520	22.16%
Wyoming	10,822	2,301	21.26%	Wyoming	11,066	2,693	24.34%
York	148,288	19,906	13.42%	York	164,587	31,342	19.04%
Total/Avg.	**4,779,186**	**924,047**	**19.33%**	**Total/Avg.**	**4,877,365**	**1,224,389**	**25.10%**

Energy Association of Pennsylvania
800 North Third Street, Suite 301 • Harrisburg, Pennsylvania 17102
Telephone (717) 901-0600 • Fax (717) 901-0611 • www.energypa.org

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June 2, 2010

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VIA HAND-DELIVERY

Rosemary Chiavetta, Esq.
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, Pennsylvania 17120

RE: PROPOSED RULEMAKING RELATING to UNIVERSAL SERVICE and ENERGY CONSERVATION REPORTIMG: REQUIREMENTS and CUSTOMER ASSISTANCE PROGRAMS DOCKET NO. L-00070186

Dear Secretary Chiavetta:

Enclosed for filing, please find an original and 15 copies of the Energy Association of Pennsylvania's Comments in the above-referenced docket number.

Sincerely,

Donna M. J. Clark

Donna M. J. Clark
Vice President & General Counsel

DMJC
CC: James H. Cawley, Chairman (via hand-delivery)
Tyrone J. Christy, Vice Chairman (via hand-delivery)
Robert F. Powelson, Commissioner (via hand-delivery)
Wayne E. Gardner, Commissioner (via hand-delivery)
Stephanie Wimer, Law Bureau (stwimer@state.pa.us))
Grace McGovern, Bureau of Consumer Services (gmcgovern@state.pa.us)
Terrance J. Fitzpatrick, President & CEO