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INDEPENDENT REGULATORY
REVIEW COMMISSION

VIA FEDERAL EXPRESS

June 2, 2010

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17120

Re: Universal Service and Energy Conservation Reporting Requirements and Customer Assistance Programs Docket No. L-00070186

Dear Ms. Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric") are an original and fifteen (15) copies of the PPL Electric's comments in the above-captioned proceeding. Pursuant to the Commission's request, PPL Electric has forwarded copies of these comments by electronic mail to Stephanie Wimer and Grace McGovern.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on June 2, 2010, which is the date it was deposited with an overnight express delivery service as shown on the delivery receipt attached to the mailing envelope.

In addition, please date and time-stamp the enclosed extra copy of this letter and return it to me in the envelope provided.

If you have any questions, please call me at (610) 774-4254 or Timothy R. Dahl, PPL Electric Utilities' Manager-Regulatory Programs & Business Services, at (484) 634-3297.

Very truly yours,

Paul E. Russell

Enclosures

cc: Ms. Stephanie Wimer, Esquire
Ms. Grace McGovern
IRRC

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Re: Universal Service and Energy Conservation Reporting Requirements and Customer Assistance Programs	: : :	Docket No. L-00070186

PROPOSED RULEMAKING

Comments of
PPL Electric Utilities Corporation

I. Introduction

The Pennsylvania Public Utility Commission ("PUC" or the "Commission") proposes to amend Chapters 54, 62 and 76 (relating to electricity generation customer choice; natural gas supply customer choice; and customer assistance programs). This notice, published in *Pennsylvania Bulletin* on April 3, 2010, continues a proposed rulemaking that appeared in the *Pennsylvania Bulletin* (38 Pa.B. 776) on February 9, 2008.

The Commission has reopened the comment period to obtain additional public comments and suggestions on the following six topics:

1) Use of LIHEAP[1] funds for Customer Assistance Programs ("CAP");
2) Factors affecting CAP costs and affordability of bills;
3) Savings associated with cost recovery mechanisms;
4) Review process for universal service and energy conservation plans;

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[1]LIHEAP (Low-Income Home Energy Assistance Program) is a federally-funded energy assistance program for low-income customers.

5) PUC reporting requirements regarding costs of universal service programs ("USPs"); and
6) Commission approval of utilities' three-year universal service and energy conservation plans.

Interested parties have until June 2, 2010 to provide written comments to the Commission regarding the six topics listed above as well as other pertinent issues. PPL Electric Utilities Corporation ("PPL Electric" or the "Company") appreciates the opportunity to provide additional comments for this proposed rulemaking. The Company has been an active participant in all of the Commission's deliberations and meetings associated with USPs. Given the significant growth in enrollment and costs of utilities' USPs over the past five years, especially CAP, the Commission's request for additional comments is both timely and appropriate. PPL Electric's comments and suggestions appear below.

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.**

Response:

PPL Electric is one of four utilities that currently complies with the Pennsylvania Department of Public Welfare's ("DPW") new policy of applying LIHEAP cash grants to the accounts of CAP participants. As a result, the Company does not anticipate making significant changes to the design elements or implementation steps of its CAP (known as "OnTrack"). However, PPL Electric will have to revise its three-year universal service and energy conservation plan to reflect the change in how the Company applies LIHEAP cash grants to OnTrack accounts. PPL Electric will file its next three-year plan on June 1, 2010 for Commission review and approval. When approved by the Commission, the plan will cover 2011 through 2013.

There were several impacts for PPL Electric in complying with DPW's new requirement: 1) computer programming and testing, 2) training and communications for internal and external audiences and 3) increased costs for residential customers. The Company needed approximately 700 to 800 hours of computer programming time to comply with DPW's policy change. The Company spent considerable time testing and revising the programming to ensure that everything worked properly. PPL Electric also had to change its billing format to show OnTrack participants their remaining LIHEAP credits.

PPL Electric had to inform caseworkers from its 10 OnTrack administering agencies about the new process of applying LIHEAP cash grants to OnTrack accounts. Similarly, the Company met with supervisors from its Customer Contact Center ("CCC") to discuss the new procedure and prepared communications to inform its Customer Services Representatives as well. A final communications step was to inform affected OnTrack participants about the change, which resulted in some initial confusion on their part and prompted additional telephone calls to the CCC.

Based on results from the 2008-2009 LIHEAP program year, PPL Electric's OnTrack customers received approximately $500,000 in LIHEAP cash grants. Since the Company cannot use these funds to offset CAP expenses, PPL Electric will rely on its Commission-approved Universal Service Rider ("USR")[2] to collect these additional expenses. Programs funded through the USR (i.e., OnTrack and the Winter Relief Assistance Program or "WRAP")[3] are paid by residential customers only. With approximately 1.2 million residential customers, they will pay on average an additional $.03 monthly through the USR to make up for the $500,000 in LIHEAP cash grants. The calculation is as follows: $500,000/1,221,405 customers/12 months).[4] This amount could change if, in future years, more OnTrack customers receive LIHEAP cash grants.

PPL Electric will continue to comply with DPW's new policy change because it is critical for the Company to maintain its status as a LIHEAP vendor. Tens of thousands of PPL Electric's low-income customers benefit annually from participating in LIHEAP.[5] However, one of the Company's concerns about this new policy change is the potential effect on customers' bill-payment habits. A key objective of CAP is to encourage regular payments by providing customers with affordable payment plans. The experience of Pennsylvania's regulated utilities shows that CAPs have been successful in encouraging customers to pay regularly. PPL Electric's experience shows that approximately 80 percent of participants pay their OnTrack bills. For other non-OnTrack residential customers on payment agreements, about 25 percent typically fulfill their payment requirements.

For customers with very low household incomes, OnTrack payment agreements, based on the Commission's CAP Policy Statement, can range from $12 to $18 for non-heating accounts to $30 to $40 dollars for heating accounts. If a customer

[2] The Commission approved the USR during PPL Electric's last distribution rate case (Docket No. R-00072155).
[3] WRAP is PPL Electric's Low-Income Usage Reduction Program ("LIURP").
[4] This figure represents the number of PPL Electric residential customers as of December 31, 2009.
[5] As of April 22, 2010, nearly 68,000 customers have received LIHEAP grants.

with a $15 OnTrack payment amount were to receive a $400 LIHEAP cash grant, he or she would not have to make any payments for two years. From PPL Electric's perspective, this is an inappropriate public policy objective because CAP participants already have a significantly reduced electric bill based on their ability to pay. Encouraging monthly payments by CAP participants is still an important objective.

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.**

Response:

Over the past five years, PPL Electric has seen a significant increase in OnTrack enrollments and costs. From 2005 through 2009, the number of OnTrack accounts has risen from 14,033 to 29,313 – an increase of 109 percent.[6] Similarly, for the same period, OnTrack annual expenditures have gone from approximately $16.2 million to $28.9 million – an increase of 78 percent. PPL Electric recovers these costs from residential customers through its USR. The following table shows year-end number of active accounts and annual expenditures for the Company's OnTrack program from 2005 through 2009.

Year	Active Accounts	Annual Expenditures
2009	29,313	$28,902,658
2008	23,305	24,149,702
2007	21,820	20,919,308
2006	20,721	15,590,500
2005	14,033	16,223,414

[6] The totals represent the number of active OnTrack accounts as of December 31.

For 2010, PPL Electric projects that the year-end number of active OnTrack accounts will be approximately 33,000 and annual expenditures will be about $40 million. The key drivers behind the increase are: 1) expiration of PPL Electric's generation rate cap and 2) an increase in OnTrack enrollments. The more important factor is the expiration of the generation rate cap, which increased the average residential electric bill by 30 percent in 2010 and, for OnTrack accounts, will increase the amount of revenue shortfall collected through the USR.[7]

Another issue has been the growth in the number of poverty level families (i.e., at or below 150 percent of the federal poverty level) in PPL Electric's service area. Based on the 2000 U. S. Census, approximately 18 percent of households in the Company's service area were at or below 150 percent of poverty. Revised data from 2008 indicates that the percentage of households in poverty has risen to nearly 24 percent. In other words, the estimated number of low-income families has gone up from about 200,000 in 2000 to 288,000 in 2008 – an increase of 44 percent.

With the expiration of the generation rate cap, the average residential bill for PPL Electric will rise from approximately $106 to $138. The average OnTrack bill in 2009 was $75. If the average OnTrack bill remains at $75 in 2010, the amount of revenue shortfall would increase from $31 ($106 - $75) to $63 ($138 - $75). As a result, the net average revenue shortfall amount would rise by an additional $32 ($63 - $31). If PPL Electric were to average 30,000 customers monthly in OnTrack in 2010, the following calculation shows the estimated increase in additional revenue shortfall for the

[7] Revenue shortfall, also known as CAP credits, is the difference between customers' actual bills and their reduced OnTrack bills.

program: 30,000 x $32 x 12 months = $11.5 million. This projected amount could increase if enrollments in OnTrack exceed the Company's projection.

The above $11.5 million calculation lacks exact precision and certainty; however, it is a forecast based on reasonable assumptions and previous experience. PPL Electric does have specific results to compare regarding revenue shortfall expenditures for the first quarter of 2009 with the first quarter of 2010. The amount of revenue shortfall expenditures for OnTrack year-to-date through April increased from $7.9 million in 2009 to $15.4 million in 2010 – a rise of 95 percent. The impact is more significant during the first quarter for two reasons: 1) the average 30 percent increase due to the expiration of the generation rate cap, and 2) electricity usage is greatest during the winter for OnTrack customers. PPL Electric has the highest saturation of electric heat (31 percent) among of electric distribution companies in Pennsylvania. The overall impact on revenue shortfall will lessen as the year progresses. Nevertheless, PPL Electric's forecast of an additional $11.5 million in revenue shortfall expenditures in 2010 appears to be a reasonable estimate.

One method to lessen the financial impact on other residential customers would be to increase the payment amounts for OnTrack customers. Higher payment amounts would reduce the amount of revenue shortfall collected through the USR. However, providing customers with affordable monthly payments is one of the critical elements that have made CAPs successful in Pennsylvania. PPL Electric would be concerned about simply raising payment amounts without consideration of customers' ability to pay. Unaffordable CAP payment agreements simply set up customers for failure, including termination of service.

Over the years, PPL Electric has worked closely with the OnTrack CBOs to ensure that they are establishing appropriate payment agreements levels for customers. At the time of annual re-certification, the CBOs evaluate OnTrack participants' financial circumstances to determine if they should have higher monthly payment amounts. For PPL Electric's customers, the average OnTrack monthly bill has gone from $48 in 2001 to $75 in 2009 – an increase of 56 percent. The Company's objective is to keep OnTrack bills affordable, yet based on customers' ability to pay.

The Commission has approved 14 separate residential sector programs for PPL Electric's Act 129 Energy Efficiency and Conservation Plan ("EE&C"). The EE&C Plan includes two programs for households at or below 150 percent of the federal poverty level: 1) Low-Income WRAP and 2) E-Power Wise. Under Low-Income WRAP, the Company will use its existing Low-Income Usage Reduction Program ("LIURP") weatherization contractors to conduct energy audits and install weatherization measures in the homes of qualified low-income customers. The four-year budget for this program is approximately $29 million; PPL Electric has earmarked $8.6 million in expenditures for 2010. For the E-Power Wise Program, the Company will work with a Conservation Service Provider[8] and local CBOs to conduct energy education workshops for low-income households and provide participants with free energy-efficiency kits. The four-year budget for this program is approximately $542,000; the 2010 budget is just over $93,000.

PPL Electric recovers the above expenses by customer class through a Commission-approved Act 129 Compliance Rider. In other words, the Company

[8] A Conservation Service Provider or "CSP" is an entity or organization that has a contract with PPL Electric to help implement the programs in the EC&C Plan.

charges its Act 129 residential programs only to the residential class. With an estimated budget of $29.5 million over four years, an average residential customer will pay about an additional 50 cents monthly to fund the Low-Income WRAP and E-Power Wise programs. The total four-year EE&C budget for the various residential programs is approximately $114.6 million, including Low-Income WRAP and E-Power Wise. If PPL Electric expends this full amount over the next four years, the average residential customer will pay approximately an additional $2 monthly to fund these 14 Act 129 residential programs.

It is appropriate for the Commission to address the issue of smart meter technology because there have been significant concerns in California regarding the costs associated with installing so-called "smart" meters. PPL Electric recommends that the Commission move cautiously in this area because smart meter technology is changing and identifying the best entry point for utilities is critical. Cutting-edge technology this year could become obsolete by next year. In 2004, PPL Electric completed the installation of its Automated Metering Infrastructure ("AMI") for nearly 1.4 million customers. AMI allows the Company to read its meters automatically and to provide customers with useful and timely information to help them better manage their energy usage. At this time, PPL Electric does not envision any significant cost increases associated with its AMI system. However, costs could increase if state law or Commission regulation requires PPL Electric to implement significant changes to its AMI system.

<u>Topic #3</u>:

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.

Response:

As part of PPL Electric's 2007 rate case settlement, at Docket No. R-20072155, the Commission approved a reconcilable Universal Service Rider under which the Company recovers its costs for OnTrack and WRAP. For those employees who support the implementation of these programs, PPL Electric further agreed to recover their wages and benefits through base rates rather than the USR. The Commission has approved similar riders to permit other electric and gas utilities to recover their CAP and LIURP costs from customers.

From PPL Electric's experience, there does not appear to be a direct link or benefit between the USR recovery mechanism and the improved timeliness of collection activities. These activities are separate and distinct functions. The USR simply allows the Company to recover its costs, subject to Commission approval, for implementing OnTrack and WRAP. The USR is important because it provides a timely recovery of costs that may have increased due to program expansion. As noted above, enrollment in OnTrack has increased by 109 percent over the past five years. The USR also allows PPL Electric to recover cost increases for weatherization materials and services associated with the implementation of WRAP.

Collection activities involve a variety of actions, ranging from bill messages to reminder calls to written collection notices to negotiating payment agreements to terminating and restoring service. PPL Electric is continually looking for ways to improve its collection effectiveness, including strengthening customer communications, refining internal processes, adopting new technology and improving training. The Company does not see a direct relationship between USR cost recovery and savings from improved timeliness of collection activities for residential customers. It would be difficult to accurately demonstrate how cost recovery riders for the USPs have produced collection savings for utilities.

For the above reasons, PPL Electric recommends that the Commission not consider collection savings associated with cost recovery riders in evaluating costs claimed for rate recovery.

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.

Response:

In its *Final Investigatory Order*, at Docket No. M-00051923, the Commission recommended amending its regulations so that 1) a utility's CAP rules are placed in its tariff, 2) the triennial update filing take the form of a tariff filing and 3) adjustments to the CAP surcharge be addressed in the same tariff filing. As part of PPL Electric's 2007 distribution rate case settlement, the Company placed its three-year universal service and energy conservation plan into its tariff. However, PPL Electric recommends that the Commission should not require utilities to place CAP rules in their tariffs for two reasons.

First, utilities' three-year universal service and energy conservation plans, which include their CAP rules, are already public documents and appear on the Commission's Web site. Interested parties have immediate access to utilities' CAP rules and guidelines. These approved plans also reflect any Commission decisions regarding CAP design or changes to other universal service programs (i.e., LIURP). Second, including CAP rules in the tariff makes it more cumbersome to modify any CAP design elements. The Commission has existing and effective procedures that allow utilities to submit a petition to change or waive design elements in their three-year plans. Any proposed changes to a CAP design element would likely require a parallel filing to modify the tariff. PPL Electric believes there is minimal value in the duplicative filings with the Commission.

The Commission has recognized the importance and value of timely cost recovery for universal service programs. In its *Final Investigatory Order*, at Docket No. M-00051923, the Commission indicated that the Electricity Competition Act states explicitly that utilities have the right to fully recover their costs incurred in providing universal service programs. In the same order the Commission went on to state the following:

> "Allowing recovery through a surcharge rather than a base rate will establish a charge which tracks the actual amount of money spent and allows customer rates to be adjusted on a regular basis to recover actual costs. Accordingly, the Commission must allow recovery through a surcharge that is either reconciled or adjusted frequently to track changes in the level of CAP costs consistent with the direction in the Competition Acts." PPL Electric supports the Commission's position of allowing utilities to recover appropriate universal service costs through a reconciled surcharge. The Company currently files quarterly USR reports with the Commission and conducts an annual reconciliation in December of each year. This process is simple, straightforward and allows PPL Electric to recover its actual costs associated with OnTrack and WRAP.

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.

Response:

Electric and gas distribution 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. PPL Electric could certainly provide the proposed breakdown of this cost data for each of its programs but sees limited value in doing so through its three-year plan. The data in the three-year plan would be projections and would 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. The ability to accurately forecast the annual costs of universal service programs over a three-year period would be challenging.

In the alternative, PPL Electric recommends that utilities provide this data to the Commission as part of their 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 terms of the monthly cost per residential customers for the universal service programs, the Company recommends that utilities report only on programs funded through base rates or riders. For example, PPL Electric's hardship fund, Operation HELP, receives all of its funding through donations. It would be inappropriate to include hardship funding in the calculation of cost per residential customer.

The table below, which includes data from PPL Electric's 2009 USRR report, is an example of how utilities could report their annual costs.

Program[9]	Annual Cost	Monthly Cost Per Customer
CAP (OnTrack)	$28,875,342	$1.97
LIURP (WRAP)	8,930,029	.61
Total	$37,805,371	$2.58

The Commission has begun to express some concerns about the costs of the universal service programs and their impact on the residential customers who fund them through base rates or riders. These annual costs have increased significantly over the past five years. For electric and gas utilities in Pennsylvania, their combined expenditures for CAP and LIURP have risen from approximately $270 million in 2005 to nearly $437 million in 2009 – an increase of 62 percent. PPL Electric is supportive of CAP and LIURP and has worked diligently over the years not only to improve the effectiveness of the programs but to increase customer participation as well. As indicated above, from 2005 through 2009, OnTrack expenditures and customers participation levels have increased by 78 percent and 109 percent, respectively. However, PPL Electric shares the Commission's concern about increasing costs and the need to balance serving those low-income customers who need assistance against the cost impact on other residential customers.

On page 5 of its *Final Investigatory Order*, at Docket No. M-00051923, the Commission recognized the importance of balancing these interests. The Commission

[9] PPL Electric did not include CARES because the annual cost is negligible ($0.002 per month per customer).

stated its intent to revise the CAP policy statement to: 1) consider the interest of all customers, including those not enrolled in CAP programs; and 2) consider its previous decisions regarding CAP funding levels of other utilities to the extent those utilities are similar in terms of size, demographics, etc.

PPL Electric recommends that it might be appropriate for the Commission to re-examine key policies affecting the implementation and funding associated with CAPs. For example, on pages 6 and 7 of its *Final Investigatory Order*, the Commission agreed to eliminate enrollment ceilings to ensure that CAPs are available to customers under the Competition Acts. Over time, this policy may be unsustainable in terms of costs borne by other residential customers. When the Electric Competition Act went into effect in 1998, PPL Electric expended approximately $2.2 million annually for OnTrack; by 2009, annual expenditures for the program had increased thirteen-fold to nearly $29 million. In 2010, the expenditure level will reach $40 million. If PPL Electric has the obligation to serve every low-income customer who is eligible and applies for OnTrack, the Company will find it difficult to hold down costs. PPL Electric believes that the issue of unlimited enrollment in CAP deserves further review and consideration.

The Company also has concerns about automatically enrolling customers in OnTrack who received benefits from other assistance programs (e.g., LIHEAP). Automating enrollments may help to streamline processes but could also increase cost unnecessarily. Just because customers receive LIHEAP grants, it does not follow that they need to participate in OnTrack. A number of customers who receive LIHEAP cash grants end up with a credit balance on their accounts. Although customers who receive LIHEAP crisis grants are certainly good leads for participation in low-income programs, PPL Electric would prefer to base OnTrack participation on customers' actual circumstances and needs (e.g., household income, payment history, overdue balance and defaulted payment agreements).

Streamlining procedures and using technology to automate processes can help to reduce implementation costs. However, from PPL Electric's perspective, there is limited potential in this area because over the years the Company has done much to revise and automate processes. In addition, for PPL Electric, administrative costs for CAP are less than 10 percent. Other ways to manage costs include raising payment amounts for OnTrack participants or reducing program benefits. Neither of these approaches is appealing to the Company because both may eventually lead to defaulting customers from CAP. When that happens, PPL Electric would be simply shifting the collection burden from OnTrack to normal collections. Years of experience shows that OnTrack customers have a better payment history than residential customers on traditional payment agreements.

Appropriate time limits for program participation and stay-out provisions could help utilities to better manage their CAP costs. For example, a utility could establish a maximum participation time limit of no more than three consecutive years for customers in CAP. Providing customers with a limit of three years in CAP would give them time to eliminate their pre-program arrearages and to receive LIURP measures and services. In addition, a utility could implement a stay-out provision requiring customers to wait a certain period (e.g., one year) before they could reapply to CAP. PPL Electric already uses a type of stay-out provision for LIURP. Customers living in the same dwelling must wait seven years to reapply for WRAP measures. Utilities could have the discretion to waive the participation and stay-out provisions depending upon customers' circumstances and needs.

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.**

Response:

PPL Electric has concerns about the Commission's current process of reviewing and approving utilities' three-year universal service and energy conservation plans. The Commission's recent practice has been to assign the plan to an Administrative Law Judge ("ALJ") for a formal hearing. In some instances, these proceedings have taken over two years to complete. Before the Commission has finally approved the plan, the utility has already begun preparing its next three-year plan. Clearly, there is room to improve the timeliness of this process.

PPL Electric supports the Commission's proposal to issue tentative orders to provide an opportunity for comments and reply comments from interested parties. The Company believes that this approach strikes a balance between reviewing and approving plans in a timely fashion and ensuring appropriate due process for all parties. Depending on the circumstances and issues, the Commission would still retain the option of assigning a plan to an ALJ for a hearing. From the Company's perspective, a formal proceeding in front of an ALJ should be the exception rather than the rule.

The Company also has no objection to providing its proposed universal service and energy conservation plan to the statutory advocates. PPL Electric routinely provides those parties with copies of its various filings.

III. Conclusion

PPL Electric commends the Commission for reopening the comment period regarding universal service and energy conservation reporting requirements and CAPs. The six topics identified by the Commission are appropriate and comments from interested parties should result in additional insight and understanding. The Company believes that it is challenging to balance the objectives of serving low-income customers who need assistance; providing adequate funding to address the need; and being sensitive to the cost impact on other residential customers.

PPL Electric is committed to implementing quality universal service and energy conservation programs. Given the significant growth in enrollments and costs for utilities' low-income programs, it is appropriate for the Commission to continue its efforts to identify concerns and opportunities surrounding the implementation of these programs. PPL Electric will continue to work collaboratively with the Commission and others to address the needs of low-income households through the Company's universal service programs.