

**PUBLIC SERVICE COMMISSION
OF MARYLAND**

**ELECTRIC UNIVERSAL SERVICE REPORT
2013 ANNUAL REPORT**

Pursuant to
§ 7-512.1(c) of the Public Utilities Article
Annotated Code of Maryland

Prepared for the General Assembly of Maryland

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ELECTRIC UNIVERSAL SERVICE PROGRAM 2013 ANNUAL REPORT

I. OVERVIEW

The Electric Universal Service Program (“EUSP”), enacted as part of the Electric Customer Choice Act of 1999 (“the Act”), was designed by the Maryland General Assembly to assist low-income electric customers with the retirement of utility bill arrearages, bill payments, and home weatherization following the restructuring of Maryland’s electric utilities and electricity supply market. The Act, codified as Section 7-512.1 of the Public Utilities Article, *Annotated Code of Maryland* (“PUA § 7-512.1” or “EUSP Legislation”) required the Public Service Commission (“Commission”) to establish the program, make it available to low-income electric customers Statewide, and provide oversight to the Office of Home Energy Programs (“OHEP”), the arm of the Department of Human Resources (“DHR”) responsible for administering the EUSP.

II. LEGISLATIVE REQUIREMENTS

Under the Act, the Commission is required to oversee the EUSP as it is administered by DHR, through OHEP. PUA § 7-512.1(c)(1) requires the Commission to report annually to the General Assembly regarding the following:

- (i) A recommendation on the total amount of funds for the program for the following fiscal year, subject to the amounts that are to be collected under PUA § 7-512.1(e) and based on:
 - 1. the level of participation in and the amounts expended on bill assistance and arrearage retirement during the preceding fiscal year;
 - 2. how bill assistance and arrearage retirement payments were calculated during the preceding fiscal year;
 - 3. the projected needs for the bill assistance and the arrearage retirement components for the next fiscal year; and
 - 4. the amount of any bill assistance or arrearage retirement surplus carried over in the electric universal service program fund under PUA § 7-512.1(f)(6)(i).
- (ii) For bill assistance, the total amount of need, as determined by the Commission, for electric customers with annual incomes at or below 175% of the federal poverty level and the basis for this determination;

- (iii) The amount of funds needed, as determined by the Commission, to retire arrearages for electric customers who have not received assistance in retiring arrearages under the electric universal service program within the preceding seven fiscal years, and the basis for this determination;
- (iv) The amount of funds needed, as determined by the Commission, for bill assistance and arrearage retirement, respectively, for customers for whom income limitations may be waived under § 7-512.1(a)(7) of the PUA, and the basis for each determination;
- (v) The impact on customers' rates, including the allocation among customer classes, from collecting the total amount recommended by the Commission under item (i) of this paragraph; and
- (vi) The impact of using other federal poverty level benchmarks on costs and the effectiveness of the electric universal service program.

To assist the Commission in preparing its recommendations, OHEP is required under PUA § 7-512.1(c)(2) to report to the Commission each year on the following:

- (1) The number of customers and the amount of distributions made to fuel customers under the Maryland Energy Assistance Program ("MEAP") identified by funding source and fuel source;
- (2) The cost of outreach and educational materials provided by OHEP for the EUSP; and
- (3) The amount of money that DHR receives, and is expected to receive for low-income energy assistance from the Maryland Strategic Energy Investment Fund, the MEAP (for electric customers only), and any other federal, State, local, or private source.

III. BASES FOR FINDINGS AND RECOMMENDATIONS

The Commission's consideration and review of EUSP operational plans and proposals, workgroup reports, program reports, and filings is conducted principally in Case No. 8903, *In the Matter of the Electric Universal Service Program*. On June 17, 2013, OHEP filed its EUSP Proposed Operations Plan for Fiscal Year ("FY") 2014. Following receipt of comments from interested parties and a hearing to consider the Proposed Operations Plan, the Commission authorized the allocations for FY 2014 proposed by OHEP for ratepayer funding, as provided under PUA § 7-512.1(e).

Table 1
FY 2014 Allocations Approved by Order No. 85727, Issued July 16, 2013

Allocation	Amount
Arrearage Retirement Assistance	\$0
Bill Payment Assistance	\$34,615,529
Administration	\$4,733,936
Outreach	\$100,000
Total	\$39,449,465

In Order No. 85727, the Commission noted that OHEP anticipates total funding for the EUSP in FY 2014 to be \$57,124,465 after inclusion of \$17,675,000 from the Maryland Strategic Energy Investment Fund/Regional Greenhouse Gas Initiative (“SEIF/RGGI”). The Commission expressly recognized that its statutory authority extended only to the approval of the proposed allocation of the EUSP Ratepayer Fund, which had over-collected in the previous year, resulting in the allocation from the General Assembly of \$39,449,465 (shown above) as opposed to \$37,000,000.¹

On November 14, 2013, OHEP filed its *FY 2013 Electric Universal Service Program Annual Report to the Maryland Public Service Commission* (“Annual Report”) in compliance with PUA § 7-512.1(c)(2). The Commission accepted the Annual Report by Letter Order, dated December 23, 2013.

A. OHEP FY 2013 ANNUAL REPORT

In its Annual Report, OHEP provided highlights pertaining to the operation of the EUSP for the July 1, 2012 - June 30, 2013 program year, noting that the average bill assistance benefit awarded per household was \$325² and the average arrearage retirement benefit awarded per household was \$969.³ OHEP provided bill assistance to 111,288 households, 16,423 of which received money for arrearage retirement.⁴ The total amount expended for EUSP benefits during the program year was \$52.0 million.⁵

During FY 2013, OHEP provided bill assistance to 7.8 percent fewer households than the previous fiscal year.⁶ FY 2013 was the second, consecutive fiscal year in the

¹ By Order No. 85727, the Commission directed Staff to file a proposal with the Commission for approval that would adjust the current ratepayer surcharges to align the annual EUSP collection with the \$37 million statutorily-authorized level. By Letter Order, dated December 4, 2013, the Commission approved Staff’s recommended reduction in the EUSP surcharge to residential customers from \$0.37 to \$0.36 and 14 percent for non-residential customers.

² *FY 2013 Electric Universal Service Program Annual Report to the Maryland Public Service Commission* at p. 3.

³ *Id.*

⁴ *Id.* at p. 5.

⁵ *Id.* at p. 5 [\$36.1 million + \$15.9 million]. This amount does not include any MEAP benefit provided to EUSP participants.

⁶ $(120,739 - 111,288)/120,739 = 7.83\%$.

EUSP's operation in which EUSP participation decreased.⁷ Even with this decrease in participation, OHEP offered a lower average bill assistance benefit of \$325 in FY 2013 as compared with an average bill assistance benefit of \$334 in the preceding fiscal year.⁸ The FY 2013 benefit represented a decrease of over 2.7 percent from the benefit offered the previous fiscal year⁹ and was less than one half the benefit offered in 2009.¹⁰ In both 2013 and 2012, all ratepayer funds went to fund the bill payment assistance grant with some assistance from MEAP. More households were granted arrearage assistance in FY 2013 as compared with the previous year, and OHEP's average arrearage retirement assistance grant increased from \$929 for FY 2012 to \$969 for FY 2013.¹¹ Despite this increase, OHEP notes in its report that it was unable to serve a significant number of households due to extremely high arrearages that exceeded OHEP's ability to provide assistance.¹² Arrearage retirement was funded by SEIF/RGGI monies.

In FY 2013, approximately 79,790 households with electric heating received assistance through the MEAP; the average grant was approximately \$317.¹³ MEAP is federally funded through the Low-Income Home Energy Assistance Program ("LIHEAP") Block Grant. Total FY 2013 MEAP expenditures were \$58.2 million as compared with \$57.6 million in FY 2012.¹⁴ Because MEAP pays for heating assistance, its grants are not limited to public service companies providing electricity and gas heating service, but also go to vendors of non-regulated fuels such as oil and propane. For customers who heat with electricity, EUSP and MEAP work in tandem, resulting in increased EUSP benefits for electric heating customers because MEAP funds are used to cover heating costs. OHEP anticipates that approximately \$70 million will be appropriated to Maryland for the MEAP for FY 2014.¹⁵

During FY 2013 OHEP spent \$30,608 on outreach activities conducted by its state offices and local administering agencies ("LAA's"). OHEP's outreach is often done in partnership with utilities and other organizations, especially those performing low-income energy-related work.¹⁶

OHEP's Annual Report is attached as Appendix A.

⁷ FY 2013 Annual Report, *op. cit.* at p. 5.

⁸ *Id.*

⁹ $(\$334 - \$325) / \$334 = 2.69\%$.

¹⁰ FY 2013 Annual Report, *op. cit.* at p. 5; $\$325 / \$668 = 48.65\%$.

¹¹ *Id.*

¹² *Id.* at p. 4.

¹³ *Id.* at Attachment E.

¹⁴ *Id.* at p. 6.

¹⁵ *Id.* at p. 19.

¹⁶ OHEP outreach activities and customer services are described on pages 10-12 of its Annual Report.

B. How Benefits Were Calculated for FY 2013 and Will Be Calculated for FY 2014

For bill assistance under the EUSP, OHEP uses a formula (“Bill Matrix”) to customize the benefit amount to be paid to each participant. The following factors contribute to the size of a participant’s EUSP benefit: (1) gross household income; (2) household size; (3) electricity usage; and (4) price of electricity for a given customer. In administering the EUSP, OHEP divides participants into groups based on gross household income using the federal poverty levels (“FPL”), as suggested at PUA § 7-512.1(a)(1). The EUSP groups are as follows: (1) Poverty Level 1, 0 to 75 percent FPL; (2) Poverty Level 2, 75 percent to 110 percent FPL; (3) Poverty Level 3, 110 percent to 150 percent FPL; (4) Poverty Level 4, 150 percent to 175 percent FPL; and (5) Poverty Level 5, subsidized housing, where incomes may vary and the rental subsidy includes some utility service subsidy as well. The lower an EUSP participant’s poverty level, the higher is the benefit received by that participant. The FPL income limit varies with household size. OHEP awards Poverty Level 5 a relatively small benefit in recognition of the fact that these participants already receive some energy assistance through their housing subsidy.

The electricity usage of each EUSP participant as certified by the participant’s electric company is taken into account up to a set limit, with additional bill assistance provided from MEAP to participants who heat with electricity. A final adjustment is made for the relative cost of electricity for each EUSP participant such that EUSP participants served by an electric company with rates either higher or lower than the average receive a slightly higher or lower benefit. The result of OHEP’s use of this bill matrix is that EUSP participants with the lowest incomes and the highest energy usage receive the greatest benefit. For FY 2013, OHEP provided estimated, aggregated benefits as follows:

Table 2¹⁷
EUSP Benefit Matrix
Percentage of Estimated Electric Bill Paid

Poverty Level	Income Level	% of Electric Cost	Total with MEAP
1	0-75%	35%	50%
2	75%-110%	30%	44%
3	110%-150%	25%	38%
4	150%-175%	17%	27%
5	Subsidized Housing	14%	24%

Since May 7, 2009, the EUSP has not been required to meet 50 percent of existing need as a matter of statute. In addition, customers who received assistance through the MEAP for electric heat would have received an additional benefit of 10 to 15 percent of the estimated annual bill.

¹⁷ *Electric Universal Service Program Proposed Operations Plan for FY 2014* (“FY 2014 Plan”) at p. 19.

The poverty levels shown in the EUSP Benefit Matrix Table are also used to assess a household's eligibility for arrearage assistance. For FY 2013, OHEP set a minimum arrearage amount of \$300 for a household to qualify for arrearage assistance and paid a maximum arrearage benefit of \$2,000.¹⁸

C. OHEP Projections for Funds to Be Expended in FY 2014

OHEP indicated that it believes the decrease in both applicants and participants in the EUSP in FY 2013 was due to the mild winter in 2012-2013. Based on FY 2014 experience and application activity to date, OHEP projects a 9.5 percent increase in applications in FY 2014. Under its assumptions, OHEP would need approximately \$43.4 million to provide an average bill assistance benefit of \$359 to 120,808 participating households. OHEP expects to spend \$16 million on arrearage retirement, providing an average arrearage benefit of \$942 to 16,985 households. EUSP Administration is budgeted to remain constant at 12 percent of total ratepayer funding. Based on these forecasts, OHEP projects total expenditures in FY 2014 of approximately \$64.1 million. OHEP's projection includes \$37.0 million in ratepayer funding, SEIF/RGGI funds of \$22.4 million, and \$4.7 million to cover Administration.¹⁹

No EUSP funds collected under PUA § 7-512.1(e) were carried over from FY 2013 to FY 2014 under PUA § 7-512.1(f)(6)(i).²⁰ Similarly, OHEP does not expect any of the \$39.4 million appropriated from ratepayer funds will be carried over from FY 2014. However, OHEP recommends that it retain the option to use EUSP funds beyond the fiscal year in which they were collected.²¹ Regarding SEIF/RGGI funds, \$17,545,073 of the \$28,555,316 allocation was expended during FY 2013,²² creating a carryover of approximately \$11 million for FY 2014.²³

IV. FINDINGS AND RECOMMENDATIONS

A. Total Amount of Funding Recommended for FY 2014

Under the current funding structures and eligibility criteria, the Commission recommends the FY 2014 EUSP funding levels outlined in Table 3, based on the projected participation levels discussed in Section III. A. above and experienced by OHEP at the beginning of FY 2014. In FY 2013, OHEP served 111,288 total EUSP

¹⁸ FY 2013 Annual Report, *op. cit.* at p. 10.

¹⁹ *Id.* at p. 13.

²⁰ *Id.* at p. 16.

²¹ *Id.*

²² E-mail from Greg Sileo, Director of OHEP, dated January 17, 2014.

²³ OHEP has not spent RGGI carryover funds in case there is a reduction in the percentage of proceeds for Energy Assistance from RGGI from 50 percent to 17 percent. According to OHEP, carryover funds will allow them to continue to operate the arrearage assistance program at current levels until those funds are depleted.

participants, of whom 16,423 also received arrearage retirement assistance. OHEP projects an enrollment of 120,808 in FY 2014.²⁴ Methods for calculating bill payment assistance and awarding arrearage retirement assistance are discussed in Section III B above and will remain unchanged at this time.

The Commission supports OHEP's proposal to allocate \$16 million of SEIF/RGGI funds to arrearage retirement. This is essentially the same amount allocated to arrearages last year and does not entail using ratepayer funding. OHEP projects between \$22.4 million and \$34 million²⁵ from RGGI auctions; this would allow an additional \$6.4 million to be allocated to bill payment assistance for a total of \$43.4 million for bill payment assistance including an allowance of \$200,000 from ratepayer funding for outreach. The Commission recommends that 12 percent of ratepayer money be set aside for Administration and supports the restoration of outreach to its traditional level of \$200,000. To further support the success of the EUSP, the Commission recommends that, to the extent sufficient funds become available, bill payment assistance should be raised to an average grant of \$500. It has long been the Commission's position that assistance in paying utility bills represents the heart of the EUSP.

The Commission's funding recommendations, which assume a bill assistance benefit of approximately \$360, roughly match OHEP's proposed budget and are represented in Table 3.

Table 3
Recommended FY 2014 EUSP Expenditures from All Funding Sources

Allocation	Amount
Arrearage Retirement Assistance	\$16,000,000
Bill Payment Assistance	\$43,200,000
Administration	\$4,700,000
Outreach	\$200,000
Total	\$64,100,000

OHEP projects that these recommendations can be met with existing funding. Given the carryover of RGGI/SEIF funds from FY 2013, even if using the lower range of SEIF/RGGI funding projections for FY 2014, it appears that OHEP will have sufficient funding.²⁶

²⁴ *Id.* at Attachment L.

²⁵ FY 2013 Annual Report, *op. cit.* at p.19.

²⁶ We note that the proceeds from RGGI already in FY 2014 are \$25,000,000.

Table 4
Projected Funds Available for FY 2014 from All Sources

Source	Amount
Ratepayer Statutory Collection	\$37,000,000
Allocation from RGGI Auctions	\$22,400,000 – 34,000,000
Carryover of funds from FY 2013	\$11,000,000
MEAP funding for EUSP Participants	Unspecified
Total	\$70,400,000 – 82,000,000

The Commission recommends that EUSP participants who heat with electricity be given the equivalent of a full MEAP grant. Although OHEP projects that no ratepayer funds will remain at the end of FY 2014, and no ratepayer funds were carried over from FY 2012 to 2013, OHEP projects that proceeds from RGGI auctions will provide \$22.4 - \$34.0 million. If the actual funds available through SEIF/RGGI or other sources exceed \$64.1 million, the Commission recommends that this excess amount be allocated to bill payment assistance.²⁷

B. Total Amount of Need for Bill Assistance (Electric Customers with Annual Incomes at or below 175% of the Federal Poverty Level and the Basis for this Determination)

Under PUA § 7-512.1(a)(1), EUSP eligibility extends to 175 percent of the FPL. OHEP notes that the LIHEAP Home Energy Notebook projects that as many as 335,000 families in Maryland may be eligible to participate in the EUSP;²⁸ this represents approximately 25,000 fewer eligible families than were projected for Maryland last year. In FY 2013, only one-third of eligible households applied for bill payment assistance through the EUSP. As discussed earlier in this report, this represented a decrease in applicants and resulted in a decrease in participants as well when compared with previous years. OHEP projects that it will have approximately 121,000 participants during FY 2014.

The EUSP statutory mandate is to assist qualifying electric customers through bill assistance, arrearage retirement, and weatherization. OHEP's Report, as illustrated in Table 5, indicates the following distribution of benefits by FPL.

²⁷ As discussed above, OHEP does retain some SEIF/RGGI monies but does not intend to spend the RGGI funds in FY 2014. OHEP intends to use these funds if its share of SEIF/RGGI monies is reduced from 50 percent to 17 percent. See TR at pp. 11-12 (Case No. 8903, July 16, 2013, Re OHEP'S PROPOSED OPERATION PLAN FOR FISCAL 2014).

²⁸ FY 2013 Annual Report, *op. cit.*, at pp. 16 and 13.

Table 5
FY 2013 EUSP Bill Assistance Recipients by Federal Poverty Level²⁹

Recipients	1	2	3	4			Total
FY13	42,664	30,688	27,237	10,6997			111,288
% of Distribution							
FY13	38.4%	27.5%	24.4%	9.7%			100.0%

In light of the EUSP’s statutory mandate, its budgetary constraints, and OHEP’s projected participation levels, the Commission recommends a minimum EUSP budget of \$64.1 million. This would yield an average bill assistance benefit of \$360 after allowing 12 percent for Administration. We note that this average benefit is weighted to FPL 1 and 2, where it is most needed. Under OHEP’s Benefit Matrix, these participants receive a larger benefit than the average participant.

The Commission has expressed concern regarding OHEP’s need for increased EUSP funding. On January 11, 2012, the Commission docketed PC27, *In the Matter of Low-Income Energy-Related Arrearages and Bill Assistance Needs*, for the purpose of examining existing energy assistance programs and their design and funding. At the Commission’s direction, Staff and OPC filed a Joint Proposal entitled the *Affordable Energy Plan* (“AEP”). The AEP consists of five components to be made available to both gas and electric customers: (1) bill payment assistance based on a percentage of income for customers with gross household income at or below 175 percent FPL; (2) pre-program arrearage assistance based on the same income guidelines; (3) low income weatherization; (4) energy counseling to a small number of customers targeted due to high usage; and (5) crisis assistance for participants whose circumstances change during the program year. Rather than a *fixed benefit* as now, participants would receive a *fixed bill* for current service based on a percentage of income of 3 percent – 6 percent with the difference being made up by AEP funds. The customer would be expected to pay this amount monthly. The customer’s current arrears, if any, would be spread over a period of two to four years and paid at the rate of an additional 1 percent per year on a monthly basis. Customers would be able to participate in the AEP each year with the utility payment due from them based on the same criteria of need. The Commission received comments from interested persons on the AEP, and the matter is currently before the Commission for decision.

On December 18, 2013, the Commission submitted a separate report to the General Assembly regarding the current status of PC27 and action regarding revised ratepayer collections, *Status Report Regarding Evaluation of Low-Income Assistance*

²⁹ See FY 2013 Annual Report, *op. cit.* at p. 9 for comparisons. The effect of MEAP funds is excluded from Table 5.

Programs and Ratepayer Funding of the Electric Universal Service Program, in response to the Joint Chairmen’s Report—Operating Budget, April 2013.

C. Arrearage Retirement Assistance Funding

The EUSP Legislation limits arrearage retirement assistance to EUSP participants to once every seven years. OHEP proposes to budget \$16 million of non-ratepayer funds for EUSP arrearage retirement. It is the Commission’s long-standing position that the EUSP should fund current bills over past arrearages. However, because this is approximately the same amount of arrearage retirement assistance expended during FY 2013, and OHEP proposes to expend only non-ratepayer funds for this purpose, the Commission supports this expenditure.

D. Income Limitations Waivers

According to OHEP, it has not offered waivers to any EUSP participant with income above 175 percent FPL since the income eligibility level was raised from 150 percent FPL in 2007. Under PUA § 7-512.1 (a)(7), these waivers are available to customers who could qualify for a similar waiver under MEAP. In light of the funding available to OHEP and the use of consistent income limitation structures for both the EUSP and the MEAP, the Commission supports OHEP’s ongoing practice of offering no waivers.

E. Impact on Customers’ Rates Including the Allocation among Customer Classes

Currently, residential customers pay \$0.37 per month to fund the EUSP. Non-residential customers, from small commercial to large industrial (“C&I”) classes, are allocated charges based on annual utility billings according to a 24-Tier Matrix. During the first quarter of each year, the electric companies are required to review the revenue received during the previous year and to reallocate EUSP charges to non-residential customers as necessary. Growth in the number of residential customers and changes in the amount of revenues from non-residential customers cause fluctuation in the amounts collected. By Letter Order, dated December 4, 2013, the Commission lowered the residential rate to \$0.36 and also reduced C&I rates for all tiers in order to more closely align EUSP collections with the statutorily allowed amounts to be collected. All electric utilities were directed to file tariffs in compliance with the Letter Order to be effective February 1, 2014.

F. The Impact of Using Other Federal Poverty Program Benchmarks

OHEP uses the federal poverty level to determine eligibility for EUSP assistance. Under the EUSP Legislation, eligibility is capped at 175 percent FPL. The FPLs are based on gross household income and family size and are updated periodically based on various cost of living indices. The FPLs are publically available and widely used. OHEP uses a consistent eligibility system for the federally-funded MEAP. This similarity facilitates administration of the two programs and, by creating certain synergies, enables OHEP to make more efficient use of its combined federal, State, and ratepayer funding.

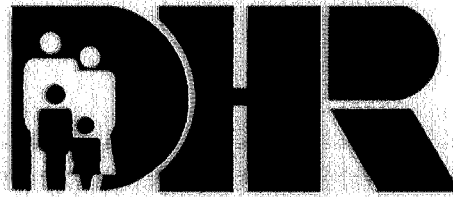
The benchmark for determining eligibility for participation in the EUSP is crucial to determining the aggregate funding needed by the EUSP. To the extent that aggregate funding interacts with benefit size, these benchmarks and the manner in which they are applied greatly affect the success and effectiveness of the EUSP. The Commission does not recommend changing the existing OHEP benchmarks.

V. CONCLUSION

Based on the OHEP FY 2013 Annual Report and information provided during the hearing held on July 16, 2013, the Commission recommends that the total amount of funds for the EUSP for FY 2014 be at least \$64.1 million and be increased if additional funding becomes available.³⁰ For the reasons stated herein, the Commission believes that this amount of funding is necessary to protect low-income electric customers in Maryland.

³⁰ This recommendation is exclusive of any MEAP funds.

APPENDIX A



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**PUBLIC SERVICE COMM
OF MARYLAND**

**FY 2013 ELECTRIC UNIVERSAL SERVICE PROGRAM
ANNUAL REPORT
TO THE
MARYLAND PUBLIC SERVICE COMMISSION**

**MARYLAND DEPARTMENT OF HUMAN RESOURCES
FAMILY INVESTMENT ADMINISTRATION
OFFICE OF HOME ENERGY PROGRAMS**



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Introduction

The Deregulation Act of 1999 and codified in Md. Code Ann., Public Utilities §7-512.1 established the Electric Universal Service Program (EUSP) for the purpose of assisting electric customers with annual incomes at or below 175% of the federal poverty level. The Department of Human Resources (DHR) Family Investment Administration (FIA) Office of Home Energy Programs (OHEP) administers the EUSP. The State administrative office of OHEP is located at 311 West Saratoga Street, Baltimore Maryland 21201. Applications for assistance are accepted and processed at local administering agencies (LAAs) in each jurisdiction in Maryland.

EUSP, along with the federal Low Income Home Energy Assistance Program (LIHEAP) which is operated as the Maryland Energy Assistance Program (MEAP), provide benefits to low-income Marylanders for the purpose of helping to make electricity and heating more affordable. The EUSP and MEAP programs are integrated to best serve Maryland families efficiently.

Md. Code Ann., Public Utilities § 7-512.1(c) requires that OHEP file an Annual Report with the Public Service Commission. This report provides a summary of the 2013 program year and responds to legislatively mandated questions outlined in the above statute. Additionally, this report estimates future trends and offers recommendations for planning the next program year.

Program Highlights

- In FY 2013 OHEP received a total of 148,651 applications from customers seeking heating and electric assistance from OHEP administered programs. The applications were submitted in-person, by mail or online. This figure represents a 6.2% decrease or 9,883 families less than FY 2012. This decrease is likely due to the unseasonably warm winter that occurred during this program year.
- In FY 2013 the number of EUSP bill payment applications received decreased by 6.9%. This represents the second decline in applications since the start of EUSP.
- In FY 2013 the average bill assistance benefit was \$325. In FY 2012 the average bill assistance benefit was \$334.
- In FY 2013 \$36.1 million was issued in benefits under Bill Payment Assistance to 111,288 households. The EUSP program was funded by both electric ratepayer funds, and the Maryland Strategic Energy Investment Program.
- In FY2013 \$15.9 million was expended for Arrearage Retirement Assistance benefits for 16,423 households from the Regional Greenhouse Gas Initiative (RGGI) Fund. The average arrearage benefit was \$969.

Challenges and Issues

- In FY 2013 OHEP faced the same fundamental challenge that it has faced in the past - a high number of individuals and families sought help with their home energy costs in an economy that has not yet returned to its pre-recession level.
- Variable funding sources - including revenue from the MSEIF (RGGI) auctions and federal LIHEAP dollars - made it difficult to project benefit levels at the beginning of the program year.
- There were a small, but still significant number of households in the past year with extremely high past due bills that required resources beyond what OHEP could provide.

Program Data

Table 1 summarizes household data for those receiving EUSP Bill Payment Assistance and Arrearage Retirement Assistance benefits. See **Attachment A** for county level details. While the number of households that received benefits declined for bill assistance in 2013, likely due to the warmer winter, the data trends still reflect a strong demand for energy assistance. The range of arrearage benefits distributed was between \$300 and \$2000, with the average amount at \$969. **Attachment B** shows the distribution of arrearage benefits by benefits levels for the last three program years. **Attachment F** shows the geographic distribution of arrearage benefits. The largest expenditures went to residents of Baltimore City, Baltimore County and Prince George's County. **Table 1** displays data since FY 2001 identifying the trends in applications and participants. **Table 2** displays summary data of the MEAP program which is federally funded by LIHEAP funds.

Table 1. EUSP Summary Data FY 2001-2013

Program and Year	Applicants Served	Average Grant	Ratepayer Funds (millions)	Other Funds (millions)	Total Benefit Expenditures (millions)
<i>Arrearage</i>					
2013	16,423	\$969	-	\$15.9	\$15.9
2012	14,011	\$929	-	\$13.0	\$13.0
2011	19,243	\$931	-	\$17.9	\$17.9
2010	30,078	\$1,025	-	\$30.8	\$30.8
2009	22,295	\$936	\$1.5	\$19.4	\$20.9
2008	7,957	\$801	\$1.5	\$4.9	\$6.4
2007	10,486	\$486	\$1.5	\$3.6	\$5.1
2006	3,937	\$435	\$1.7	\$2	\$1.9
2005	3,894	\$390	\$1.5	-	\$1.5
2004	4,888	\$307	\$1.5	-	\$1.5
2003	3,551	\$432	\$1.5	-	\$1.5
2002	5,148	\$415	\$2.0	-	\$2.0
2001	26,211	\$270	\$7.7	-	\$7.7
<i>Bill Assistance</i>					
2013	111,288	\$325	\$34.5	\$1.6	\$36.1
2012	120,739	\$334	\$38.8	\$5.5	\$44.3
2011	132,504	\$446	\$38.5	\$20.7	\$59.2
2010	129,670	\$612	\$37.0	\$42.5	\$79.5
2009	116,136	\$688	\$30.8	\$49.3	\$80.1
2008	100,670	\$601	\$30.8	\$27.8	\$58.6
2007	93,323	\$510	\$30.5	\$16.1	\$46.6
2006	83,853	\$410	\$34.3		\$34.3
2005	78,668	\$362	\$28.6		\$28.6
2004	72,390	\$396	\$28.7		\$28.7
2003	69,781	\$419	\$29.2		\$29.2
2002	57,585	\$287	\$16.7		\$16.7
2001	56,245	\$270	\$17.6		\$17.6

Source: Maryland Department of Human Resources, Family Investment Administration, Office of Home Energy Programs

Note 1: FY 2005 represents the second year of a \$1.5 million statutory limit on arrearage payments. Benefits were also limited to first time arrearage applicants. During FY 2001-2003 the statute provided for the Commission to allocate arrearage funds for those applicants with an arrearage prior to July 1, 2000.

Note 2: Benefit expenditures include supplemental benefit payments. Average benefit calculation does not include the supplemental amount. The EUSP supplemental benefits were \$73 paid in FY 2002 and \$170 paid in FY 2003

Note 3: OHEP utilized a FY 2006 deficiency appropriation to pay for costs exceeding available ratepayer funds.

Note 4: SB1 made available corporate tax funds that OHEP used for the payment of arrearages beyond the \$1.5 million limit on ratepayer funds. A FY 2007 supplemental appropriation was available to pay for costs incurred beyond the available ratepayer funds.

Table 2. MEAP Summary Data FY 2003-2013

Program and Year	Applicants Served	Average Grant	Benefit Expenditures
2013	113,787	\$512	\$58.2 million
2012	123,868	\$474	\$57.6 million
2011	132,789	\$451	\$60.3 million
2010	134,691	\$309	\$44.6 million
2009	122,254	\$553	\$67.2 million
2008	93,147	\$450	\$41.9 million
2007	99,982	\$422	\$42.1 million
2006	89,108	\$366	\$32.6 million
2005	82,688	\$329	\$27.2 million
2004	80,509	\$269	\$21.6 million
2003	77,828	\$406	\$31.6 million

Source: Maryland Department of Human Resources, Family Investment Administration, Office of Home Energy Programs

Note: MEAP average grant and benefit expenditures for FY2012 and FY2013 does not include the supplemental benefit paid.

Administrative Operations

Local OHEP Office Operations

In FY 2013 OHEP kept administrative expenditures to no more than 12% of the appropriated ratepayer funds. Administrative costs are shared by EUSP and MEAP, with EUSP funds covering 40% of the administrative costs and MEAP covering 60%.

EUSP applications are received and processed throughout Maryland by 20 local administering agencies (LAAs). Applications are received by mail, through in-person face-to-face interviews and online through the Service Access and Information Link (SAIL) website. Individuals may use SAIL directly, or through a number of "community-based partners" which are a group of agencies whom have received special training in the use of SAIL. These agencies offer computer access and assistance to the customer in completing the SAIL application.

In addition to accepting applications, LAAs perform all the necessary functions in providing EUSP benefits. These functions include:

- Outreach to the target population to increase awareness of the availability of assistance
- Application intake process including the following steps:
 - Conducting in-person interviews
 - Responding to crisis situations (termination notice or off-service) by initiating contact with a utility company to prevent or restore terminated service
 - Facilitating requests for additional assistance, if needed by providing information, making contacts with or referrals to other agencies
 - Verification of application documentation

- In the certification process, review for accuracy and designate the amount of benefits for each application
- Generate the required Energy Delivery Statement for payment and in the case of MEAP benefits issuing payments to fuel suppliers

State OHEP performs the following functions:

- Program planning and budgeting
- Policy and procedure development
- Outreach support
- Training
- Procurement
- Monitoring and quality control
- Utility payments
- Technology systems development and implementation

The State OHEP office processes payments for applications approved by local offices by generating payment transmittal documents that serve as requests for payment. The payment transmittals are sent to the DHR Fiscal Office (Accounts Payable) which then enters the requests into the State's Financial Management Information System (FMIS). From that point, the Office of the Comptroller processes the requests for the issuance of payments, either by check or electronic transfer of funds.

The State OHEP office processes payment requests for each utility on a weekly basis beginning in August. For the major utilities, benefit data is transferred electronically through the use of a File Transfer Protocol (FTP). This method is implemented through DHR and its contractor as a secure method for transferring confidential data. Each utility is provided with a username and password to log in on a weekly basis to retrieve their data.

Outreach remained a significant focus of OHEP and the LAAs. A wide range of activities took place during the year designed to raise public awareness of energy programs and to encourage applying. Additional information specific to outreach activities is presented in the Outreach section of this report.

There is frequent communication between OHEP, LAAs, utilities, and stakeholders to resolve any policy or operational issue or release of information. This communication is done via:

- Regular contacts by phone, e-mail, or system screen messages
- A monthly LAA conference call for the purpose of keeping LAA's informed of new developments as well as identifying policy and operational concerns
- Annual conference held in May attended by LAA's and some utilities
- OHEP Advisory Board meetings
- Attendance at BGE quarterly partnership meetings with OHEP, LAA's, fuel funds, and other stakeholders
- Attendance by OHEP and/or LAA's at annual meetings with Delmarva Power, Allegheny Power, and Southern Maryland Electric

Table 3 displays the history of administrative expenditures funded through EUSP. OHEP Administrative expenses are funded through both EUSP ratepayer funds and LIHEAP funds. Certain restrictions apply to both sources. LIHEAP funds restrict administrative expenditures to a maximum of 10 percent of the final LIHEAP allocation. EUSP ratepayer funds were limited to 12 percent of the allocation by Commission Order. One of the challenges faced is maximizing the efficiency of the administrative funds as the number and complexity of applications increases.

Table 3. EUSP Administrative Expenditures FY 2006-2013

Fiscal Year	Total Administrative Expenditures	Percent Allowed of Ratepayer Appropriation
2013	\$3,990,577	12.0%
2012	\$4,769,195	12.0%
2011	\$4,625,792	12.0%
2010	\$4,423,559	12.0%
2009	\$3,606,818	10.0%
2008	\$3,355,617	10.0%
2007	\$3,282,598	10.0%
2006	\$3,235,309	10.0%

Source: Maryland Department of Human Resources, Family Investment Administration, Office of Home Energy Programs

OHEP Data System

All OHEP applications are processed through the centralized OHEP Data System. The Data System is a statewide database and incorporates all the functions necessary for the processing of applications for payment. The Department of Human Resources maintains a contract for application hosting in order to assure continuous access and processing. A software maintenance and enhancement contract ensures that the application software is updated and enhanced according to policy requirements or user needs. The OHEP Data System, along with most other DHR systems, is hosted on servers located in Dallas, Texas. Constant monitoring and maintenance of the system ensures system availability around the clock.

Access to the OHEP Data System is secure through either the DHR network, or through DHR's Virtual Private Network (VPN). The VPN system allows applications intake to be done at off-site locations.

Service Access Information Link (SAIL)

The Service Access Information Link (SAIL) is DHR's on-line application system allowing the public to apply for the following programs:

- Food Supplement Program (FSP, formerly known as Food Stamps)
- Energy Assistance
- Temporary Cash Assistance (TCA)
- Temporary Disability Assistance Program (TDAP)
- Medical Assistance (Medicaid)

- Maryland Children's Health Program (MCHP)
- Medical Assistance Long Term Care (LTC)
- Child Care Subsidy Program (CCSP)

Applications received through SAIL by OHEP are imported directly into the OHEP Data System by staff on a daily basis. During FY 2013, 18,205 applications were received through the SAIL website and imported into the OHEP Data System.

Program Summary

Bill Payment Assistance

During FY 2013 EUSP bill assistance received 138,411 applications, which was a decrease of 10,255 applications from the previous year. **Table 4** shows the distribution by poverty level for program participants. It demonstrates that the largest percentages of households served are in the two lowest income categories.

Table 4. Distribution of EUSP Recipients by Poverty Level

% of Federal Poverty Level Recipients	Poverty Level				Total
	0-75%	Over 75%- 110%	Over 110%- 150%	Over 150%- 175%	
	1	2	3	4	
FY 2013	42,664	30,688	27,237	10,699	111,288
FY 2012	46,102	32,888	29,586	12,163	120,739
FY 2011	50,751	34,667	32,514	14,105	132,037
FY 2010	48,242	34,091	32,678	14,480	129,671
FY 2009	42,328	31,898	28,878	13,038	116,142
FY 2008	37,709	27,765	24,746	10,222	100,442
% of Distribution					
FY 2013	38.4%	27.5%	24.4%	9.7%	100.0%
FY 2012	38.2%	27.2%	24.5%	10.1%	100.0%
FY 2011	38.4%	26.3%	24.6%	10.7%	100.0%
FY 2010	37.3%	26.3%	25.2%	11.2%	100.0%
FY 2009	36.4%	27.5%	24.9%	10.2%	100.0%
FY 2008	37.5%	27.6%	24.6%	11.2%	100.0%

Source: Maryland Department of Human Resources, Family Investment Administration, Office of Home Energy Programs
Note: Attachment A displays historical application data and recipient data for each jurisdiction.

Arrearages

Attachment B shows the distribution of the levels of arrearage benefits. Expenditures for arrearage retirement totaled \$15.9 million during FY 2013 with benefits issued on behalf of 16,423 customers. In FY 2013 eligibility for an arrearage benefit was a minimum past due amount of \$300. Customers were referred to other agencies such as Department of Social Services Emergency Services or the Fuel Fund for assistance for past due amounts under \$300. In FY 2009 OHEP implemented an arrearage waiver policy that allowed those households that previously received an arrearage benefit of less than \$300 to receive an additional benefit. The maximum benefit still was capped at \$2,000. Other community-based programs also assisted with past due amounts above \$2,000.

OHEP allocated its EUSP Arrearage funds to LAA's based on a combination of the prior year percentage distribution of Bill Payment approved applications, and the prior year distribution of households receiving arrearage benefits. Additional arrearage funds were reserved and allocated on an "as needed" basis to each local agency. **Attachment F** displays the recipients and amounts certified by each local agency. For example, Baltimore City (22.7%), Baltimore County (14.8%) and Prince George's County (15.1%) distribute the largest amount of dollars for Arrearage Retirement.

Historically, arrearage benefits were only allowed once in a lifetime. This restriction was modified beginning in FY 2010 and now the program allows for additional benefits after a period of seven years since receiving Arrearage assistance pursuant to Md. Code Ann., Public Utilities § 7-512.1(a)(2).

Application Waivers

Waivers to the income eligibility guidelines are permitted as specified in Md. Code Ann., §7-512.1(a)(7). This section states, "In a specific case, the electric universal service program may waive the income eligibility limitation under paragraph (1) of this subsection in order to provide assistance to an electric customer who would qualify for a similar waiver under the Maryland Energy Assistance Program established under Title 5, Subtitle 5A of the Human Services Article." OHEP has not invoked the waiver provision since 2007 when the income guidelines were permanently increased to 175% of the federal poverty level and resulted in a greater number of eligible customers.

Outreach, Education and Customer Service

In FY 2013 outreach activities conducted by the local administering agencies reached a total of 219,773 contacts using a variety of methods which included: mass mailing of applications and brochures to customers who applied the previous year, presentation of the program at various events and organizations, table display of program information at fairs, community events, businesses, schools, faith-based organizations, disabilities agencies, Senior Centers / Housing and visits to homebound disabled seniors. This total number of contacts was a slight decrease from the FY 2012 program year. Additionally, there was a minor decrease in the number of materials printed (i.e., posters, applications, fliers, and brochures). Despite the decrease, OHEP works to ensure that the programs have sufficient marketing tools (i.e., brochures and applications) for the program year and often have a reserve stock if needed.

In addition to the direct contacts, OHEP approved a total of \$30,608 in fees for a variety of outreach activities such as booth rental fees, promotional items, and media advertisements, representing a .26% reduction in expenses compared to FY 2012. These costs do not include staff and overtime hours for extended outreach events. Those costs are charged to the administrative budget.

Partnerships

In FY 2013 OHEP continued collaboration with utilities companies. OHEP attended Delmarva Energy Summit and BGE Partnership meetings, where information about funding and customer participation issues was shared among the partners, including the Fuel Fund of Central Maryland staff. OHEP continued its partnership with the Maryland Public Service Commission (PSC), Office of External Relations with resolving customer situations, particularly those customers whose service were off or about to be for lack of payment, in terms of payment negotiation, restoration, and rules violations. In addition, OHEP partnered with Office of People's Council, Catholic Charities, The Fuel Fund of Central Maryland, Maryland Department of Housing and Community Development Weatherization Program and Maryland Department of Aging in resolving applicant situations.

Major Public Events

In FY 2013 OHEP celebrated its annual Energy Assistance Week along with the National Energy Month. Some of the local administrating agencies hosted different activities that week to mark the occasion. Extended office hours and activities on energy conversation were among the list of events.

The total number of local administrating agencies direct outreach contacts varies from one jurisdiction to another. The following counties reported the highest number of contacts: Allegany (57,705), Prince George's (26,067), and Washington County (22,428). Dorchester County (502), Baltimore City (689), and Baltimore County (1,690) reported the lowest number of direct contacts in FY 2013.

The State OHEP office had a table display of program information at various statewide events such as: the Community Block Party, Total Health Fair, Maryland State Fairs, African-American cultural festivals, Hispanic/Latino fest, Casa de Maryland Services Fair, Ethnic Affairs Committee, Meals on Wheels of Central Maryland, Orientation, For and About, Refugees with Disabilities, 20th Annual Health Fairs, Food Pantry, MCASA 7th Annual Statewide Prevention Conference, Respite Awareness Conference, Caribbean Carnival Festival, Maryland Hunger Solutions, Maryland Association of Counties (MACO), Goodwill Thanksgiving Day Dinner, Welfare Advocate Conference and the Maryland Association for Families and Youth. See **Attachment K** for the number of direct outreach contacts by county.

Customer Service

In FY 2013 the DHR Call Center received a slightly lower number of calls about energy assistance, resulting in a .25% decrease (5,387) compared to FY 2012 (which was also less than FY 2011). For the past two years there has been a steady decline in amount of calls received. Energy assistance calls vary in subject matter ranging from applicant status calls to requesting information about the program. The following counties received the highest number of calls: Baltimore County (8,867), Baltimore City (2,854) and Prince George's (1,509). The following counties received the lowest number of calls: Kent (17), Queen Anne's (19) and Talbot (27) represented the lowest.

OHEP continued to work to improve customer experience by requesting that the DHR Office of Constituent Services mail application package directly to callers upon request to help minimize the time that a customer waits to receive an application.

In FY 2013 447 applications were mailed directly to customers statewide. The call center IVRs (Interactive Voice Response System) was made available 24-7 with updated information and local contacts as needed to make applying for energy assistance accessible. The DHR website was updated with new information about the changes in income guidelines and downloadable application and brochures to enable users apply for energy assistance without contacting the local office.

Table 5. Outreach Data FY 2009-2013

	<i>DHR EA Phone Call</i>	<i>OHEP Printed Materials</i>	<i>OHEP Application Intake</i>
FY 2013	16,125	703,180	148,651
FY 2012	21,512	753,180	157,473
FY 2011	31,028	703,100	169,501
FY 2010	26,098	710,600	162,692
FY 2009	29,419	750,100	146,805

Source: OHEP printing request, Outreach Logs & DHR Spherix Reports

Education

In FY 2013 OHEP continued to encourage customers to conserve energy to help reduce their monthly cost. Garrett County conducted their annual energy conservation education activities with local public schools in the county. OHEP obtained energy saving pamphlets from the US Department of Energy (US DOE) and those were distributed to selected customers to encourage conservation. The federal government continues to reduce the total number of energy conversation pamphlets it provides to State Energy Assistance Programs for free.

Projections for FY 2014

Attachment L summarizes actual EUSP expenditure levels, number of households served, and average benefit levels for FY 2010 through FY 2013, and projections for FY 2014.

Applications and Enrollment. Application activity into the first part of FY 2014 shows a slight increase numbers of EUSP Bill Assistance applications from previous year. OHEP projects that the number of applications in FY2014 will increase by 9.5% from previous year. At this rate, the number of applications will be approximately 148,526 for EUSP with 120,808 ultimately qualifying for benefits.

Bill Assistance. DHR/OHEP projects that a total of \$43.3 million would be required to meet the requests for Bill Assistance for 120,808 household receiving an average benefit of \$359 per household.

Arrearages. DHR/OHEP expects to spend \$16 million on arrearage benefits for 16,985 household receiving an average benefit of \$942.

Administration. Projections for FY 2014 assume that expenditures for administration costs will remain at \$4.7 million.

Total Expenditures. Based on these application and expenditure trends, a total of \$64.1 million would be required in FY 2014.

	FY 2014 Projected (in millions)	FY 2013 Actual (in millions)
Ratepayers	\$37.0	\$36.1
RGGI/MSEIF	\$22.4	\$15.9
Administration	\$ 4.7	\$ 3.9
Total	\$64.1	\$55.9

Responses to Statutory Questions

Md. Code Ann., Public Utilities § 7-512.1(c)(1) requires that the Commission shall report to the General Assembly on the electric universal service program. Below are the statutory requests (*in bold italics*) and OHEP's responses and recommendations.

(i) subject to subsection (d) of this section, a recommendation on the total amount of funds for the program for the following fiscal year based on:

1. the level of participation in and the amounts expended from the universal service program during the preceding fiscal year;

RESPONSE:

We received 6.9% fewer EUSP bill payment applications in FY 2013. This represents the second decline in applications from the previous program year since the inception of EUSP. While the number of households assisted declined in 2013, likely due to the warmer winter, the data trends still reflect significant demand for assistance. During FY 2013 138,411 households applied for EUSP Bill Assistance. We issued Bill Assistance benefits to 111,288 applicant families. Early indications for FY 2014 show a slightly upward trend.

EUSP benefit expenditures totaled \$52.0 million for the 2013 fiscal year from the following sources:

- \$34.5 million from electric ratepayer funds
- \$17.5 million from RGGI/MSEIF funds
- \$52.0 million Total from all sources

Since FY 2009 available funding increased with the addition of transfers from the Maryland Strategic Energy Investment Fund (MSEIF), which flows from the Regional Greenhouse Gas Initiative (RGGI). The statute allocating the distribution of MSEIF funds designates 17% to go towards OHEP for electric assistance. The General Assembly enacted a temporary revision that allows up to 50% to be allocated to electric assistance through 2014.

OHEP RECOMMENDATION:

The number of households that can be served in FY2014 will depend on total resources available from electric ratepayer, RGGI/MSEIF and federal LIHEAP funds. Based on current projections, it is likely that there will be sufficient funds to serve all households without an increase in contributions from the residential ratepayers. OHEP continues to monitor the funding outlook and is preparing alternatives to serve as many households as possible with an impactful benefit.

2. How bill assistance and arrearage retirement payment to customers were calculated during the preceding fiscal year;

RESPONSE:

Individual benefits to customers are calculated through a benefit formula developed by OHEP, which attempts to make the most efficient use of EUSP funds yet provide a benefit that helps make electric bills affordable for a

12 month period. Benefits are based on a customer's income and electric usage with those households with the lowest income and highest usage receiving the greatest benefit. Income guidelines for EUSP currently used are 175 percent of the federal poverty level. Benefits levels vary according to the percentage of poverty of the recipient at the 0-75 percent, 76-110 percent 111-150 percent and 151-175 percent levels. A fifth benefit level was established for those households living in subsidized housing. A minimum benefit is designated for those receiving housing subsidies in recognition that the subsidy provides some degree of help with energy costs.

The other factor used to calculate Electric Bill Payment Assistance benefits is the annual kilowatt-hour (kWh) usage. This usage data is collected from the respective utility for each customer upon application and is used to customize the benefit specifically for that customer. Using this information and the cost of electricity on a per kilowatt-hour basis, OHEP, through its computer system, calculates an estimated annual cost of electricity for the applicant. Taking into consideration the income level and whether or not the applicant lives in subsidized housing a percentage of the estimated annual bill is calculated to be the benefit. OHEP views this methodology of calculating benefit amounts as a way to make benefits individualized to the customer and their usage of electricity. Recognizing that there are cost variations for electricity among utilities, the benefit calculation considers this by adjusting the benefit based on the customer's utility.

OHEP RECOMMENDATION:

OHEP recommends that we maintain the current methodology for calculating benefits as it represents a customization to the needs of the individual recipient and allows for the integration of a MEAP benefit without duplication. The percentages used in the calculation move up or down each year demonstrating that the methodology has the flexibility to adjust benefits annually according to stay within appropriated funding.

3. The projected needs for the bill assistance and the arrearage retirement components of the universal service program for the next fiscal year; and

RESPONSE:

OHEP will closely monitor the following factors that could trigger the need to examine EUSP funding levels include:

- Enrollment trends;
- Income eligibility guidelines;
- An increasing number of families experiencing poverty;
- Market-based electric rates that are trending upward for the near term;
- Higher demand for electricity resulting from an increasing number of products that require electricity;
- Potential higher demand based on the possibility of a colder than normal winter;
- Capacity of administrative units to handle the flow of growing numbers of applications;
- Fluctuating fuel costs; and
- Economic factors such as the loss of employment and reduction in income.

OHEP RECOMMENDATION:

We project that a minimum of \$59.3 million for bill assistance and arrearage benefit assistance is required to meet the EUSP need for FY 2014. Based on current projections, it is likely that OHEP will maintain the current

service level to serve all households at the previous year's benefits levels. OHEP continues to monitor the funding outlook and is preparing alternatives to serve as many households as possible with an impactful benefit.

4. The amount of any bill assistance or arrearage retirement surplus carried over in the electric universal service program fund under subsection (f) (6) (i) of this section;

RESPONSE:

No EUSP ratepayer funds were retained from FY 2013 into FY 2014. The continuing and increasing need for assistance assures the complete expenditure of all ratepayer funds. Full expenditure of all ratepayer funds is expected for the foreseeable future. We expect few, if any funds will be carried over at the current appropriation level of \$39.4 million in ratepayer funds.

OHEP RECOMMENDATION:

Maintain in the statute the option to retain and use EUSP funds as currently allowed.

(ii) for bill assistance, the total amount of need, as determined by the Commission, for electric customers with annual incomes at or below 175% of the federal poverty level and the basis for this determination;

RESPONSE:

The U.S. Department of Health and Human Services' Home Energy Notebook is the source for estimates on the target population.

OHEP RECOMMENDATION:

For planning purposes, the target population at 175% of the federal poverty level is approximately 335,439 households.

(iii) the amount of funds needed, as determined by the Commission, to retire arrearages for electric customers who have not received assistance in retiring arrearages under the electric universal service program within the preceding 7 fiscal years and the basis for this determination;

RESPONSE:

Demand for Arrearage Retirement Assistance continues to reflect a significant need for assistance with past due bills. That need continues with the modest pace of the economic recovery and the demonstrated struggles many families have in meeting their financial obligations. Public Service Commission reports reveal significant levels of past due bills seen by the electric companies.

OHEP RECOMMENDATION

The recommendation is that a minimum of \$16 million of MSEIF (RGGI) Fund is made available to retire arrearages.

(iv) the amount of funds needed, as determined by the commission, for bill assistance and arrearage retirement, respectively, for customers for whom income limitations may be waived under subsection (a) (7) of this section, and the basis for each determination;

RESPONSE

Waivers are subject to specific guidelines developed by the Office of Home Energy Programs and apply to determinations made for the Maryland Energy Assistance Program with the continuation of income guidelines at the 175% level.

OHEP RECOMMENDATION:

Maintain the current policy. No funds are required for this specific purpose.

(v) the impact on customers' rates, including the allocation among customer classes, from collecting the total amount recommended by the Commission under item (i) of this paragraph;

RESPONSE:

The ratepayer funds collected for EUSP are sufficient to cover nearly the entire EUSP annual budget. The surcharge has remained constant over time, which has minimized the impact on ratepayers.

OHEP RECOMMENDATION:

OHEP continues to monitor the funding outlook and is preparing alternatives to serve as many households as possible with an impactful benefit.

(vi) the impact of using other federal poverty level benchmarks on costs and the effectiveness of the electric universal service program.

RESPONSE:

The Low-Income Home Energy Assistance Program (LIHEAP) Block Grant legislation allows states to use for income eligibility a maximum of 150% of poverty or 60% of median income, whichever is higher. The minimum eligibility standard is 110% of poverty. With any increase in the funding and/or income eligibility guidelines for MEAP there is a corresponding impact on EUSP as the application is a combined application and benefits integrated with one another. EUSP ratepayer and MSEIF funding alone were sufficient to address the number of families seeking assistance, particularly arrearage assistance, at several points during the 2009 through 2013 program years.

OHEP RECOMMENDATION:

We do not recommend an increase in the income eligibility criteria at this time.

Md. Code Ann., Public Utilities § 7-512.1(c)(2) requires that the Office of Home Energy Program shall annually report to the Commission the following information.

1. the number of customers and the amount of distributions made to fuel customers under the Maryland Energy Assistance Program established under Title 5, Subtitle 5A of the Human Services Article, identified by funding source and fuel source;

RESPONSE:

The source of MEAP funding is the federal Low-Income Home Energy Assistance Program Block Grant (LIHEAP). The number of customers that received assistance through MEAP was 113,787. By fuel type, the recipient breakdown shows the following distribution:

- Electricity – 43%
- Natural Gas – 40%
- Oil – 10%
- Propane – 4%
- Kerosene – 2%
- Wood – 0.9%
- Coal – 0.1%

FY 2013 benefit expenditures for MEAP totaled \$58.2 million plus a supplemental electric and gas benefit of \$13.8 million.

OHEP RECOMMENDATION:

None required.

2. the cost of outreach and education materials provided by the Office of Home Energy Programs for the electric universal service program;

RESPONSE:

OHEP through its local agencies, State Office and in partnership with other organizations, conducts a wide range of outreach activities as identified in *Attachment K*. During FY 2013, special outreach projects costs totaled \$30,608. Additional outreach costs were absorbed within administrative expenditures.

OHEP RECOMMENDATION:

Outreach efforts should be maintained with the goal of making all potential eligible families aware of the availability of assistance.

3. the amount of money that the Department of Human Resources receives, and is projected to receive, for low-income energy assistance from:

- A. the Maryland Strategic Energy Investment Fund under §9-20B-05 of the State Government Article;**
- B. with respect to electric customers only, the Maryland Energy Assistance Program; and**
- C. any other federal, state, local or private source.**

RESPONSE:

For FY 2014 OHEP is expecting to receive the following amounts of funding:

- Maryland Strategic Energy Investment Fund – Funds were appropriated at \$17.6 million for FY 2014. However, OHEP projects the actual proceeds to be in the range of \$30 million to \$34 million. This projection is based on the most recent RGGI auction results which have generated more dollars than anticipated (In FY 2013, the appropriation was \$19.9 million; however, the amount realized was \$28.5 million).
- Low Income Home Energy Program/Maryland Energy Assistance Program – As in past years, congress has funded LIHEAP through a Continuing Resolution. For FY 2014, the expected LIHEAP allocation to Maryland is approximately \$70 million.
- Other Federal, State, Local or Private Source – There are no other sources of funds expected at this time.

(ii) The Office of Home Energy Programs may satisfy the reporting requirement of subparagraph (i)1 of this paragraph by providing the commission with a copy of material that contains the required information and that the Office of Home Energy Programs submits to a unit of the federal government.

RESPONSE:

Attachment I is the most recent report OHEP submitted to the federal government. Please note that the households included in the counts under LIHEAP have also received LIHEAP benefits under EUSP.

Policy Recommendations

55-Day Agreement

OHEP recommends a re-evaluation of the 55-Day Agreement to understand the impact on customers and to develop and update modifications for certain elements. This agreement was negotiated with utilities and provides local administering agencies a window of time to address the past due bills of OHEP applicants. The Agreement has been an excellent resource in preventing unnecessary service terminations. OHEP continues to recommend the establishment of a work group to update the provisions of the 55-day agreement. Specifically, the following elements should be addressed:

- Review of when the extension period starts and ends, including the length
- Improving the administrative efficiency by utilizing technology such as on-line access to requesting the 55-day extension
- How the 55-day extension is being implemented by individual utilities.
- The capacity of OHEP to process applications within the 55-day window.

Utility Service Protection Plan (USPP)

OHEP recommends that EUSP should become an option for determining eligibility for USPP. For example, the option to use Bill Payment Assistance for past due bills when the customer is not eligible for arrearage or when the Bill Payment Assistance benefit is adequate to address the past due amount instead of using the Arrearage benefit would be beneficial. USPP regulations should be revised to include EUSP Bill Assistance benefits along with MEAP benefits. The benefit should be applied in the same manner as MEAP is to USPP: The benefit brings the bill down to at least \$400 and the remainder of the past due amount is added in to the budget billing calculation. OHEP continues to recommend that the Commission institute proceedings to update the regulations for the Utility Service Protection Plan (USPP) including provisions for incorporating EUSP into the USPP guidelines.

Budget Billing

OHEP recommends a re-evaluation of the budget billing requirement of the EUSP bill payment program to better understand the impact on customers and determine whether the program is accomplishing the desired result. OHEP has received feedback from its local administering agencies and stakeholders that customers are experiencing negative impacts relating to budget billing. One reoccurring concern is that the customers are participating in budget billing and seeing their monthly bills increase significantly, which is making it less affordable. To address this and other issues, OHEP proposes that a work group is convened to discuss how to best address these concerns moving forward.

DEPARTMENT OF HUMAN RESOURCES
FAMILY INVESTMENT ADMINISTRATION
OFFICE OF ENERGY PROGRAMS

PROGRAM INTAKE
FY 2002 - FY 2013

COUNTY	TOTAL INTAKE (EUSP + MEAP)												# Change from FY 2012 to FY 2013	% from FY 2012 to FY 2013	# Change from FY 2002 to FY 2013	% from FY 2002 to FY 2013
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013				
Allegany	4,151	4,389	4,753	4,533	4,880	5,180	5,188	5,544	5,675	5,734	5,529	5,293	-236	-4.5%	1,142	27.5%
Anne Arundel	2,410	2,768	3,003	3,024	3,328	4,305	5,838	6,662	8,338	9,291	8,990	8,294	-696	-8.4%	5,884	244.1%
Baltimore City	21,978	24,190	25,731	27,923	32,512	29,516	35,256	39,235	40,856	41,627	38,643	36,709	-1,934	-5.3%	14,731	67.0%
Baltimore County	9,163	11,130	11,523	11,838	13,676	14,448	16,389	18,333	20,183	21,749	20,689	18,199	-2,490	-13.7%	9,036	98.6%
Calvert	795	866	829	851	842	882	1,104	1,946	1,654	1,506	1,411	1,406	-5	-0.4%	611	76.9%
Caroline	1,434	1,660	1,716	1,750	1,840	1,948	2,095	2,351	2,433	2,495	2,314	2,065	-249	-12.1%	631	44.0%
Carroll	1,987	2,074	2,210	2,171	2,392	2,653	3,211	3,686	4,027	3,968	3,774	3,493	-281	-8.0%	1,506	75.8%
Cecil Co.	2,144	2,670	2,717	2,735	3,094	3,383	3,713	4,192	4,685	4,676	4,287	3,871	-416	-10.7%	1,727	80.6%
Charles	1,425	1,805	1,769	1,905	1,900	1,865	2,099	2,278	2,810	2,752	2,873	2,802	-71	-2.5%	1,377	96.6%
Dorchester	1,980	2,217	2,366	2,316	2,411	2,687	2,886	3,123	3,285	3,233	2,896	2,836	-60	-2.1%	856	43.2%
Fredrick	2,421	2,880	2,955	2,923	2,961	3,221	3,729	4,323	5,168	5,057	4,972	4,504	-468	-10.4%	2,083	86.0%
Garrett	2,121	2,254	2,435	2,410	2,581	2,906	2,937	3,138	3,239	3,088	2,904	2,670	-234	-8.8%	549	25.9%
Harford	3,760	4,656	4,266	3,657	4,020	4,547	4,866	5,672	6,622	6,880	6,654	6,120	-534	-8.7%	2,360	62.8%
Howard	1,304	1,763	1,897	1,791	2,238	2,288	2,542	3,404	4,103	4,735	4,364	4,145	-219	-5.3%	2,841	217.9%
Kent	959	1,031	1,015	932	1,012	1,108	1,142	1,248	1,299	1,339	1,307	1,184	-123	-10.4%	225	23.5%
Montgomery	3,552	4,452	5,107	5,930	6,546	7,828	9,043	10,435	12,315	12,356	11,692	10,962	-730	-6.7%	7,410	208.6%
Prince George's	5,547	7,104	6,883	7,557	7,834	9,394	11,216	13,676	16,302	18,034	15,561	14,766	-795	-5.4%	9,219	166.2%
Queen Anne's	767	838	834	811	828	939	1,055	1,269	1,463	1,537	1,512	1,416	-96	-6.8%	649	84.6%
St. Mary's	1,557	1,782	1,722	1,785	1,694	1,572	1,912	2,025	2,510	2,535	2,593	2,618	25	1.0%	1,061	68.1%
Somerset	994	1,215	1,204	1,301	1,355	1,462	1,559	2,205	1,777	1,953	1,847	1,772	-75	-4.2%	778	78.3%
Talbot	821	1,053	1,064	1,042	1,181	1,122	1,227	1,520	1,650	1,710	1,582	1,490	-92	-6.2%	669	81.5%
Washington	2,682	3,076	3,329	3,066	2,896	3,438	3,404	3,907	4,001	4,311	3,762	3,726	-36	-1.0%	1,044	38.9%
Wicomico	2,309	2,901	2,914	2,956	3,366	3,891	4,007	4,611	5,807	6,380	6,151	6,048	-103	-1.7%	3,739	161.9%
Worcester	1,115	1,290	1,377	1,492	1,582	1,702	1,750	2,022	2,489	2,555	2,227	2,262	35	1.5%	1,147	102.9%
TOTAL	77,376	90,064	93,619	96,689	106,969	112,285	128,168	146,805	162,691	169,501	158,534	148,651	-9,883	-6.6%	71,275	92.1%
Increase/Decrease		12,688	3,555	3,070	10,280	5,316	15,883	18,637	15,886	6,810	-10,967	-9,883				
Annual Percent Change		16.4%	3.9%	3.3%	10.6%	5.0%	14.1%	14.5%	10.8%	4.2%	-6.5%	-6.2%				

DEPARTMENT OF HUMAN RESOURCES
FAMILY INVESTMENT ADMINISTRATION
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DISTRIBUTION OF ARREARAGE BENEFITS
BY BENEFIT RANGE

Benefit Range	% Distribution							Change		
	FY13	FY 12	FY 11	FY 10	FY 09	FY 08	FY 07	FY 12-FY 13	FY 11-FY 12	FY 10-FY 11
<100	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
100-199	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	19.6%	0.0%	0.0%	0.0%
200-299	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	19.2%	0.0%	0.0%	0.0%
300-399	9.7%	12.1%	12.2%	10.1%	11.7%	16.2%	15.5%	-2.4%	-0.1%	-2.1%
400-499	10.5%	13.2%	12.2%	10.0%	11.7%	15.6%	12.2%	-2.7%	1.0%	-2.2%
500-599	10.5%	10.9%	11.0%	9.2%	10.7%	12.2%	8.7%	-0.4%	-0.1%	-1.8%
600-699	9.3%	9.2%	9.3%	8.3%	9.4%	10.7%	6.1%	0.1%	-0.2%	-1.0%
700-799	8.3%	7.6%	7.9%	7.3%	8.1%	8.3%	4.2%	0.7%	-0.4%	-0.6%
800-899	6.8%	6.1%	6.5%	6.7%	7.1%	6.7%	3.1%	0.7%	-0.5%	0.1%
900-999	6.1%	5.2%	5.7%	5.6%	5.5%	5.2%	2.3%	0.9%	-0.6%	-0.1%
1000-1099	5.5%	4.9%	4.7%	5.2%	5.2%	4.1%	1.9%	0.6%	0.2%	0.5%
1100-1199	4.5%	3.9%	3.9%	4.4%	4.2%	3.7%	1.3%	0.6%	0.0%	0.5%
1200-1299	3.9%	3.4%	3.5%	3.9%	3.5%	3.0%	1.1%	0.5%	0.0%	0.4%
1300-1399	3.4%	2.7%	2.8%	3.4%	3.0%	2.4%	0.9%	0.7%	-0.1%	0.6%
1400-1499	2.8%	2.3%	2.3%	2.8%	2.5%	1.9%	0.6%	0.5%	0.0%	0.5%
1500-1599	2.1%	2.2%	2.0%	2.4%	2.2%	1.5%	0.4%	-0.1%	0.2%	0.4%
1600-1699	2.0%	1.7%	1.7%	2.2%	1.8%	1.3%	0.4%	0.3%	0.0%	0.5%
1700-1799	1.9%	1.6%	1.6%	1.9%	1.6%	1.0%	0.3%	0.3%	0.0%	0.3%
1800-1899	1.6%	1.2%	1.4%	1.6%	1.5%	0.8%	0.3%	0.4%	-0.3%	0.2%
1900-1999	1.3%	1.3%	1.2%	1.5%	1.2%	0.7%	0.3%	0.0%	0.1%	0.4%
2000	9.8%	10.5%	9.8%	13.4%	9.1%	4.8%	1.7%	-0.7%	0.7%	3.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%			

Monthly Payment by kWh usage 0 - 40,000 and more in 2013

Program: BILL PAYMENT
 County: ALL
 Vendor: ALL
 Year: 2013

KWh Range	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8	Level 9	Total
Empty	0	0	0	1	3	0	0	0	0	4
0	1	0	0	0	0	0	0	0	0	1
1-1000	120	95	58	19	115	1	0	0	0	408
1001-2000	364	273	214	76	515	4	0	0	0	1,446
2001-3000	673	607	534	175	1,197	6	0	0	0	3,192
3001-4000	1,046	940	936	346	1,969	18	0	0	0	5,255
4001-5000	1,397	1,305	1,244	463	2,309	30	0	0	0	6,748
5001-6000	1,665	1,408	1,552	585	2,467	30	0	0	0	7,707
6001-7000	1,794	1,537	1,590	582	2,430	49	0	0	0	7,982
7001-8000	1,892	1,429	1,588	623	2,275	35	0	0	0	7,842
8001-9000	1,762	1,391	1,522	627	1,861	30	0	0	0	7,193
9001-10000	1,841	1,418	1,345	613	1,697	36	0	0	0	6,950
10001-11000	1,704	1,332	1,408	562	1,448	14	0	0	0	6,468
11001-12000	1,603	1,249	1,234	532	1,232	17	0	0	0	5,867
12001-13000	1,502	1,150	1,144	499	1,143	12	0	0	0	5,450
13001-14000	1,488	1,055	1,089	482	978	12	0	0	0	5,104
14001-15000	1,321	959	1,011	451	789	1	0	0	0	4,532
15001-16000	1,139	872	856	410	727	5	0	0	0	4,009
16001-17000	1,064	842	775	341	596	6	0	0	0	3,624
17001-18000	951	642	694	310	522	0	0	0	0	3,119
18001-19000	870	597	613	268	433	2	0	0	0	2,783
19001-20000	753	523	530	240	352	0	0	0	0	2,398
20001-21000	642	459	444	226	336	0	0	0	0	2,107
21001-22000	539	385	351	182	268	0	0	0	0	1,725
22001-23000	471	343	353	151	238	1	0	0	0	1,557
23001-24000	388	284	283	124	171	3	0	0	0	1,253
24001-25000	344	241	249	99	146	1	0	0	0	1,080
25001-26000	326	195	190	93	127	0	0	0	0	931
26001-27000	243	159	163	76	113	1	0	0	0	755
27001-28000	218	147	144	61	89	0	0	0	0	659
28001-29000	177	103	119	49	65	0	0	0	0	513
29001-30000	149	92	99	45	52	0	0	0	0	437
30001-31000	100	72	88	37	51	0	0	0	0	348
31001-32000	83	73	76	42	37	0	0	0	0	311
32001-33000	78	43	54	24	26	0	0	0	0	225
33001-34000	71	36	49	23	25	0	0	0	0	204
34001-35000	46	36	26	17	21	0	0	0	0	146
35001-36000	53	29	37	15	17	0	0	0	0	151
36001-37000	33	19	19	19	19	0	0	0	0	109
37001-38000	25	26	16	7	10	0	0	0	0	84
38001-39000	27	17	17	4	14	0	0	0	0	79
39001-40000	24	17	11	9	3	0	0	0	0	64
>40001	155	96	106	59	52	0	0	0	0	468
Total :	29,142	22,496	22,831	9,567	26,938	314	0	0	0	111,288

**MARYLAND DEPARTMENT OF HUMAN RESOURCES
FAMILY INVESTMENT ADMINISTRATION
OFFICE OF HOME ENERGY PROGRAMS**

FY 2013 MONTHLY INCOME ELIGIBILITY TABLE

POVERTY LEVEL	PERSONS IN HOUSEHOLD								For Additional Person Add
	1	2	3	4	5	6	7	8	
I 0% up to 75%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$698.12	\$945.62	\$1,193.12	\$1,440.62	\$1,688.12	\$1,935.62	\$2,183.12	\$2,430.62	\$247.50
II >75% up to 110%	\$698.13	\$945.63	\$1,193.13	\$1,440.63	\$1,688.13	\$1,935.63	\$2,183.13	\$2,430.63	\$247.51
	\$1,023.91	\$1,386.91	\$1,749.91	\$2,112.91	\$2,475.91	\$2,838.91	\$3,201.91	\$3,564.91	\$363.00
III >110% up to 150%	\$1,023.92	\$1,386.92	\$1,749.92	\$2,112.92	\$2,475.92	\$2,838.92	\$3,201.92	\$3,564.92	\$363.01
	\$1,396.24	\$1,891.24	\$2,386.24	\$2,881.24	\$3,376.24	\$3,871.24	\$4,366.24	\$4,861.24	\$495.00
IV >150% up to 175%	\$1,396.25	\$1,891.25	\$2,386.25	\$2,881.25	\$3,376.25	\$3,871.25	\$4,366.25	\$4,861.25	\$495.01
	\$1,628.95	\$2,206.45	\$2,783.95	\$3,361.45	\$3,938.95	\$4,516.45	\$5,093.95	\$5,671.45	\$577.50

OFFICE OF HOME ENERGY PROGRAMS
PAYMENTS BY UTILITY - FY 2013

UTILITY	EUSP Arrearages		EUSP Bill Payment		MEAP Bill Payment	
	Households	EDS'd	Dollars	Households	EDS'd	Dollars
A&N	0		\$ -	20	6	\$ 2,557
BGE	9103		\$ 9,021,861	54649	51482	\$ 17,713,638
Chesapeake Utilities	0		\$ -	-	1302	\$ 319,919
Choptank	197		\$ 122,285	2999	1342	\$ 427,222
Hagerstown	157		\$ 107,565	1240	606	\$ 97,126
Columbia Gas	0		\$ -	-	2517	\$ 1,361,093
Delmarva Power	2025		\$ 2,235,362	16554	10237	\$ 2,648,587
Easton	82		\$ 68,640	857	747	\$ 176,758
Elkton Gas	0		\$ -	0	480	\$ 111,340
Potomac Edison/First Energy	1156		\$ 839,608	12548	5569	\$ 1,184,556
PEPCO (Potomac Electric)	2629		\$ 2,679,850	14560	5996	\$ 1,826,958
SMECO	1136		\$ 828,408	6111	3885	\$ 1,227,387
Somerset Rural Electric	4		\$ 3,274	103	10	\$ 3,045
Thurmont	15		\$ 10,687	1300	94	\$ 17,732
Town of Berlin Electric	15		\$ 14,696	266	187	\$ 48,274
City of Williamsport Electric	4		\$ 5,231	81	49	\$ 7,808
Washington Gas-D.C.	0		\$ -	0	8307	\$ 3,571,022
TOTAL=	16,423		\$ 15,937,468	111,288	92,816	\$ 30,745,022

Note: MEAP only includes Electric and Gas payment.

MARYLAND DEPARTMENT OF HUMAN RESOURCES
FAMILY INVESTMENT ADMINISTRATION
OFFICE OF HOME ENERGY PROGRAMS

ATTACHMENT F

EUSP Arrearage Assistance By Local Agency

Fiscal Year : 2013

Agency	Benefit Expenditures	Applications Certified	Percent	Average
ALLEGANY CO HRDC	\$276,855	415	2.5%	\$667
ANNE ARUNDEL EOC	\$1,099,300	1,142	7.0%	\$963
BALTIMORE CITY DHCD	\$3,453,096	3,721	22.7%	\$928
BALTIMORE CO DEPT OF SOCIAL SERVICES	\$2,398,965	2,430	14.8%	\$987
CAROLINE COUNTY DEPT OF SOCIAL SERVICES	\$157,226	214	1.3%	\$735
CARROLL COUNTY HUMAN SERVICE PROGRAMS	\$347,513	373	2.3%	\$932
CECIL CO DEPT OF SOCIAL SERVICES	\$567,003	474	2.9%	\$1,196
DORCHESTER CO DEPT OF SOCIAL SERVICES	\$303,762	328	2.0%	\$926
FREDERICK CO DEPT OF SOCIAL SERVICES	\$279,301	400	2.4%	\$698
GARRETT CO CAC	\$67,875	102	0.6%	\$665
HARFORD CO CAC	\$580,540	513	3.1%	\$1,132
HOWARD CO CAC	\$408,300	406	2.5%	\$1,006
KENT CO DEPT OF SOCIAL SERVICES	\$50,448	57	0.3%	\$885
MONTGOMERY CO DEPT OF HEALTH AND HUMAN SERVICES	\$937,277	673	4.1%	\$1,393
PRINCE GEORGES CO DEPT OF SOCIAL SERVICES	\$2,522,948	2,482	15.1%	\$1,016
QUEEN ANNES CO DEPT OF SOCIAL SERVICES	\$126,782	149	0.9%	\$851
SHORE UP!	\$1,105,244	918	5.6%	\$1,204
SOUTHERN MD. TRI-COUNTY CAC, INC.	\$898,029	1,171	7.1%	\$767
TALBOT COUNTY - NEIGHBORHOOD SERVICE CENTER	\$112,358	144	0.9%	\$780
WASHINGTON CO CAC	\$244,647	311	1.9%	\$787
State Total	\$15,937,468	16,423	100.0%	\$970

MARYLAND DEPARTMENT OF HUMAN RESOURCES
OFFICE OF HOME ENERGY PROGRAMS

ATTACHMENT G

LIVING ARRANGEMENTS BY POVERTY LEVEL - FY 2013

EUSP Bill Assistance

Living Arrangement	Poverty Level 1	Poverty Level 2	Poverty Level 3	Poverty Level 4	Total	Percent
HOMEOWNER	9,756	9,344	10,725	4,382	34,207	30.7%
PUBLIC / SUBSIDIZED	13,374	8,079	4,294	1,077	26,824	24.1%
RENTER	19,244	13,068	12,062	5,164	49,538	44.5%
SUBMETERED	96	81	94	47	318	0.3%
SUBSIDIZED SUBMETERED	194	116	63	28	401	0.4%
Totals	42,664	30,688	27,238	10,698	111,288	100.0%
Percent	38.3%	27.6%	24.5%	9.6%	100.0%	

EUSP Arrearage

Living Arrangement	Poverty Level 1	Poverty Level 2	Poverty Level 3	Poverty Level 4	Total	Percent
HOMEOWNER	1,481	834	951	539	3,805	23.2%
PUBLIC / SUBSIDIZED	1,751	553	330	89	2,723	16.6%
RENTER	4,207	2,188	2,195	1,185	9,775	59.5%
SUBMETERED	19	21	16	16	72	0.4%
SUBSIDIZED SUBMETERED	29	9	6	4	48	0.3%
Totals	7,487	3,605	3,498	1,833	16,423	100.0%
Percent	45.6%	22.0%	21.3%	11.2%	100.0%	

MEAP

Living Arrangement	Poverty Level 1	Poverty Level 2	Poverty Level 3	Poverty Level 4	Total	Percent
HOMEOWNER	10,153	9,650	11,058	4,529	35,390	31.1%
PUBLIC / SUBSIDIZED	12,747	7,659	4,099	1,047	25,552	22.5%
RENTER	20,200	13,745	12,589	5,326	51,860	45.6%
ROOMER/BOARDER	65	63	22	7	157	0.1%
SUBMETERED	119	99	107	49	374	0.3%
SUBSIDIZED SUBMETERED	220	134	70	30	454	0.4%
Totals	43,504	31,350	27,945	10,988	113,787	100.0%
Percent	38.2%	27.6%	24.6%	9.7%	100.0%	

OHEP Administrative Cost Report - FY 2013
Total Costs as of June 30, 2013

Headquarters Administrative Expenditures	\$	629,934
Local Administrative Agency Expenditures	\$	8,835,140
Computer System Expenditures	\$	511,367
Total OHEP Administrative	\$	9,976,441
EUSP Administrative	40%	\$3,990,577
MEAP Administrative	60%	\$5,985,865

Local Administrative Agency (LAA) Information

LAA	Allocation	Intake	% of State
Allegany	\$424,727	5,293	3.6%
Anne Arundel	\$451,907	8,294	5.6%
Baltimore City	\$1,468,050	36,709	24.7%
Baltimore County	\$754,226	18,199	12.2%
Caroline*	\$232,865	2,065	1.4%
Carroll	\$290,191	3,493	2.3%
Cecil*	\$215,268	3,871	2.6%
Dorchester*	\$261,407	2,836	1.9%
Frederick*	\$261,702	4,504	3.0%
Garrett	\$332,970	2,670	1.8%
Harford	\$387,183	6,120	4.1%
Howard	\$309,921	4,145	2.8%
Kent*	\$164,871	1,184	0.8%
Montgomery*	\$705,834	10,962	7.4%
Prince George's*	\$698,513	14,766	9.9%
Queen Anne's*	\$201,598	1,416	1.0%
<u>Shore Up!</u>			
Somerset	\$132,213	1,772	1.2%
Wicomico	\$291,464	6,048	4.1%
Worcester	\$135,139	2,262	1.5%
<u>So. Md.</u>			
Calvert	\$159,763	1,406	0.9%
Charles	\$173,776	2,802	1.9%
St. Mary's	\$173,776	2,618	1.8%
Talbot	\$152,097	1,490	1.0%
Washington	\$455,678	3,726	2.5%
TOTAL	\$8,835,140	148,651	100.0%

* Denotes Local Department of Social Service offices.

OMB Clearance No.: 0970-0060
Expiration Date: 10/31/2014

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM LIHEAP HOUSEHOLD REPORT-LONG FORM

Grantee Information

Grantee Name: Maryland	FFY2013
Contact Person: Greg Sileo	Phone: 443-326-5845
Email Address: greg.sileo@maryland.gov	

Instructions

The 50 States, District of Columbia, and the Commonwealth of Puerto Rico are required to use the LIHEAP Household Report-Long Form in providing household counts for the designated Federal Fiscal Year. The Report consists of the following six sections that are to include unduplicated household counts for both LIHEAP assisted and LIHEAP applicant households.

- I. Number of Assisted Households
- II. Number of Assisted Households by Poverty Interval
- III. Number of Assisted Households by Vulnerable Population
- IV. Number of Applicant Households
- V. Number of Applicant Households by Poverty Interval
- VI. Number of Assisted Households by Young Child Age Category

Except for Section VI, the household counts for LIHEAP assisted and applicant households are required under the LIHEAP statute. Section VI is optional. If LIHEAP funds are used for any other type of service not listed in the sections below, describe the service and the total number of households assisted with that service in the Notes Section.

The required data for LIHEAP assisted households for each State are included in the Department's LIHEAP annual Report to Congress. The required data are also used in measuring LIHEAP targeting performance under the Government Performance and Results Act (GPRA) of 1993, as amended by the GPRA Modernization Act of 2010. As the reported data are aggregated, the information in this report is not considered to be confidential.

Click [HERE](#) to read the expanded Household Report - Long Form Instructions.

Do the data below include estimated figures?
If YES, select the appropriate box in column A of Section I and Section IV for each type of assistance that has at least one estimated data entry.

Select One
No

I. Number of Assisted Households

Number of assisted households		
Type of LIHEAP assistance	A. Select if estimated data	B. Total Number of Households
1. Heating		113,784
2. Cooling		
3. Crisis		
a. Winter/Year Round		3,975
b. Summer		
c. Emergency Furnace Repair & Replacement		
d.		
e.		
4. Weatherization		
5. Any type of LIHEAP assistance		113,784

II. Number of Assisted Households by Poverty Interval

HHS Poverty Guidelines for Calendar Year					
Type of LIHEAP assistance	A. Under 75% poverty	B. 75%-100% poverty	C. 101%-125% poverty	D. 126%-150% poverty	E. Over 150% poverty
1. Heating	43,499	23,357	19,401	16,542	10,985
2. Cooling					
3. Crisis					
a. Winter/Year Round	1,697	727	592	542	417
b. Summer					
c. Emergency Furnace Repair & Replacement					
d.					
e.					
4. Weatherization					

III. Number of Assisted Households by Vulnerable Population

At least one households member who is a member of one the following target groups				
Type of LIHEAP assistance	A. 60 years or older (elderly)	B. Disabled	C. Age 5 years or under (young child)	D. Elderly, disabled, or young child
1. Heating	32,834	33,040	26,305	74,458
2. Cooling				
3. Crisis				
a. Winter/Year Round	622	822	1,213	2,257
b. Summer				
c. Emergency Furnace Repair & Replacement				
d.				
e.				
4. Weatherization				
5. Any type of LIHEAP assistance	32,834	33,040	26,305	74,458

IV. Number of Applicant Households

Number of applicant households		
Type of LIHEAP assistance	A. Select if estimated data	B. Total Number of Households
1. Heating		144,889
2. Cooling		
3. Crisis		
a. Winter/Year Round		4,189
b. Summer		
c. Emergency Furnace Repair & Replacement		
d.		
e.		
4. Weatherization		

V. Number of Applicant Households by Poverty Interval

HHS Poverty Guidelines for Calendar Year						
Type of LIHEAP assistance	A. Under 75% poverty	B. 75%-100% poverty	C. 101%-125% poverty	D. 126%-150% poverty	E. Over 150% poverty	F. Income data unavailable
1. Heating	63,474	24,717	20,631	17,654	18,413	
2. Cooling						
3. Crisis						
a. Winter/Year Round	1,731	733	597	546	582	

b. Summer						
c. Emergency Furnace Repair & Replacement						
d.						
e.						
4. Weatherization						

VI. Number of Assisted Households by Young Child Age Category (Optional)


At least one member who is		
Type of LIHEAP assistance	A. Age 2 years or under	B. Age 3 years through 5 years
1. Heating	13,913	17,493
2. Cooling		
3. Crisis		
a. Winter/Year Round	835	835
b. Summer		
c. Emergency Furnace Repair & Replacement		
d.		
e.		
4. Weatherization		

NOTES

Notes

All crisis applicants in Maryland are first considered 'Heating' applicants and are included in the 'Heating' totals. Maryland did not use LIHEAP funds for furnace repair and replacement or other Weatherization activities in FY2013.

Certification

Certification: By signing this report, I certify that it is true, complete, and accurate to the best of my knowledge. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)	
a. Name of Authorized Official: Greg Sileo	d. Telephone: (443) 328-5845 Ext.
b. Title of Authorized Official: Director Office of Home Energy Program	e. Email address:
c. Signature of Authorized Official: 	f. Date Submitted: 09/05/2013

MARYLAND DEPARTMENT OF HUMAN RESOURCES
FAMILY INVESTMENT ADMINISTRATION
OFFICE OF HOME ENERGY PROGRAMS

ATTACHMENT J

ENERGY BY POVERTY LEVEL

**Maryland Energy Assistance Program
FY 2013**

Type of Heat	Level 1	Level 2	Level 3	Level 4	Total	Expenditures	%
COAL	43	31	38	10	122	\$78,009	0.11%
ELECTRICITY	18,807	13,945	11,709	4,584	49,045	\$12,477,355	43.1%
GAS	19,314	11,940	10,550	4,346	46,150	\$19,422,324	40.6%
KEROSENE	651	784	686	217	2,338	\$2,773,506	2.1%
OIL	3,315	3,355	3,575	1,316	11,561	\$17,727,036	10.2%
PROPANE	1238	1197	1282	477	4,194	\$5,530,781	3.7%
WOOD	135	103	104	35	377	\$234,327	0.3%
Total	43,503	31,355	27,944	10,985	113,787	\$58,243,338	100.0%

Note: Report is from OHEP Database and will defer from actual benefit paid and adjustment made in State Financial (FMIS) system.

FY 2013

LAA Direct Outreach Stats.

OHEP Outreach Stats- FY2013

LAA	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Total
Allegany	1,368	998	2,086	1,001	11,387	860	36,409	968	84	2,477	67	0	57,705
Anne A.	103	124	211	96	0	179	1,823	122	229	0	0	0	2,887
Baltio Cty	0	73	118	90	86	86	46	42	56	92	0	0	689
Baltimore	200	500	500	400	20	0	15	35	0	20	0	0	1,690
Caroline	1,281	1,281	300	425	0	0	0	0	944	0	0	0	4,231
Carroll	660	457	388	487	0	35	73	170	153	231	250	0	2,904
Cecil	2,763	2,000	2,500	70	0	0	0	0	200	0	1,000	0	8,533
Dorchester	69	0	0	0	0	0	0	0	0	150	283	0	502
Frederick	1,884	474	610	552	522	645	432	310	1,045	1,105	0	0	7,579
Garrett	439	2	186	1,208	41	16,720	1	570	3	0	0	0	19,170
Harford	2,002	2,041	2,205	103	29	203	378	522	834	671	146	0	9,134
Howard	125	4,719	375	0	568	37	16	27	23	350	0	0	6,240
Kent	341	600	400	556	131	600	6,000	250	476	0	0	0	9,354
Mont.	389	146	145	0	325	215	8	10,000	0	550	0	0	11,778
Prince G.	237	2,007	3,415	1,100	3,000	3,350	1,235	3,038	5,350	2,250	1,085	0	26,067
Queen A's	548	1,164	243	55	148	96	80	63	152	166	255	0	2,970
Shore UP(Somerset, Worcester, Wicomico)	3,935	1,600	1,540	0	0	0	0	650	285	0	0	0	8,010
Southern Tri (Calvert, Charles, & St.Mary's)	878	7,272	315	302	161	2,181	115	124	96	108	0	0	11,552
Talbot	1,045	125	0	73	5,032	0	0	20	14	1	40	0	6,350
Washington	206	3,120	8,942	1,417	56	45	65	890	5,675	412	1,200	400	22,428
	18,473	28,703	24,479	7,935	21,506	25,252	46,696	17,801	15,619	8,583	4,326	400	219,773

DEPARTMENT OF HUMAN RESOURCES
FAMILY INVESTMENT ADMINISTRATION
OFFICE OF HOME ENERGY PROGRAMS

EUSP Actual Expenditure and Projections

Fiscal Year	Benefit Level	Benefit Dollars	Arrearage	Administration	Total	Bill Assistance Households	% of Households	Average Benefit
Actual								
FY2010	1	\$ 30,912,404				32,296	25%	\$ 957
	2	\$ 18,299,524				25,370	20%	\$ 721
129,671	3	\$ 16,192,787				27,769	21%	\$ 583
	4	\$ 5,939,440				13,158	10%	\$ 451
	5	\$ 7,971,398				31,078	24%	\$ 256
	Total	\$ 79,315,552	\$ 30,832,222	\$ 4,320,000	\$ 114,467,774	129,671	100%	\$ 612
Actual								
FY2011	1	\$ 24,276,357				34,701	26%	\$ 700
	2	\$ 13,222,136				26,005	20%	\$ 508
132,323	3	\$ 10,681,162				27,676	21%	\$ 386
	4	\$ 3,249,216				12,781	10%	\$ 254
	5	\$ 7,575,211				31,160	24%	\$ 243
	Total	\$ 59,004,082	\$ 17,921,581	\$ 4,320,000	\$ 81,245,663	132,323	100%	\$ 446
Actual								
FY2012	1	\$ 15,120,471				31,467	26%	\$ 481
	2	\$ 9,470,601				24,124	20%	\$ 393
120,739	3	\$ 8,260,688				24,995	21%	\$ 330
	4	\$ 2,543,294				10,919	9%	\$ 233
	5	\$ 4,833,883				28,899	24%	\$ 167
	6	\$ 93,660				335	0%	\$ 280
	Total	\$ 40,322,596	\$ 13,017,519	\$ 4,675,543	\$ 58,015,658	120,739	100%	\$ 334
Actual								
FY2013	1	\$ 13,551,270				29,142	26%	\$ 465
	2	\$ 8,651,870				22,496	20%	\$ 385
111,288	3	\$ 7,310,690				22,831	21%	\$ 320
	4	\$ 2,174,280				9,567	9%	\$ 227
	5	\$ 4,347,564				26,938	24%	\$ 161
	6	\$ 88,380				314	0%	\$ 281
	Total	\$ 36,124,054	\$ 15,937,468	\$ 4,682,347	\$ 56,743,869	111,288	100%	\$ 325
Projected								
FY2014	1	\$ 16,261,524				29,597	24%	\$ 549
	2	\$ 10,382,244				24,746	20%	\$ 420
120,808	3	\$ 8,845,935				24,886	21%	\$ 355
	4	\$ 2,630,879				10,524	9%	\$ 250
	5	\$ 5,260,552				30,709	25%	\$ 171
	6	\$ 106,056				347	0%	\$ 306
	Total	\$ 43,381,134	\$ 16,000,000	\$ 4,733,936	\$ 64,115,070	120,808	100%	\$ 359

DEPARTMENT OF HUMAN RESOURCES
FAMILY INVESTMENT ADMINISTRATION
OFFICE OF HOME ENERGY PROGRAMS

Assumptions:

9.5% increase is assumed for FY 2014
Eligible guidelines remain at 175% of poverty.
Electric prices remain stable.
The percent of the annual bill covered by the benefit decreases.
Administrative funds remain constant.

NOTE:

Benefit dollars and administrative dollars separated.

Disclaimer

All numbers and expenditures amount and projection are estimates and subject to revision.