

**PUBLIC SERVICE COMMISSION
OF MARYLAND**

UTILITY SERVICE PROTECTION PROGRAM

ANNUAL REPORT

WINTER 2014-2015

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Annapolis, Maryland

In compliance with § 7-307 of
The Public Utilities Article,
Annotated Code of Maryland

William Donald Schaefer Tower
6 Saint Paul Street
Baltimore, Maryland 21202
www.psc.state.md.us

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EXECUTIVE SUMMARY

During the 2014-2015 winter heating season, 55,075 customers participated in the Utility Service Protection Program (“USPP” or “Program”). These participants represented 1.7 percent of total residential customers in the State. Just over 3 percent (1,721) of these USPP participants were terminated while on USPP. Table E1 summarizes the number of USPP participants and the terminations for the three most recent winter seasons. The USPP participation rate and the number of terminations during the most recent winter heating season were the lowest since the 2012-2013 heating season. The number of USPP participants decreased from 63,389 in the 2012-2013 winter season to 55,075 in the 2014-2015 heating season, a decrease of approximately 13 percent. The number of USPP participants as a percentage of total residential customers also decreased slightly from 1.92 percent in the 2012-2013 heating season to 1.7 percent in the 2014-2015 heating season. The primary purpose of the USPP is to minimize service terminations during the winter. As shown in Table E1, the number of terminations was 1,721 in the 2014-2015 season, lower than the 1,788 participants in the previous season and the lowest since the 2012-2013 heating season. The service termination rate for the USPP participants indicates that there is a slightly decreasing trend in the termination rate since the 2012-2013 heating season.

Table E1 USPP Participation and Service Termination

Reporting Season	USPP Participants	Percentage of USPP to Total Residential Customers	Service Termination	Percentage of Termination
2014-2015	55,075	1.7%	1,721	3.1%
2013-2014	59,982	1.8%	1,788	3.0%
2012-2013	63,389	1.9%	2,208	3.5%

Table E2 presents the USPP participants’ average monthly actual usage and average monthly payment obligation from the reporting utilities. During the 2014-2015 heating season, the average monthly actual usage and average monthly payment obligation were \$183.72 and \$106.5, respectively, both of which were lower than the

previous heating season. The size of the average monthly obligation is dependent upon the average monthly actual usage. The lower average monthly actual usage can result in a lower average monthly payment obligation; and therefore it may have contributed to the lower termination rate.

**Table E2 Average Monthly Actual Usage and
Obligation Payment**

Program Year	Average Monthly Actual Usage	Average Monthly Obligation
2014-2015	\$183.72	\$106.50
2013-2014	\$199.99	\$112.50
2012-2013	\$188.00	\$113.15

BACKGROUND

On March 1, 1988, the Public Service Commission of Maryland (“Commission”) issued Order No. 67999 in Case No. 8091,¹ which established the Utility Service Protection Program, as required by Article 78 §54K, which has since been recodified as Section 7-307 of the Public Utilities Article (“PUA”), *Annotated Code of Maryland*. PUA §7-307 directed the Commission to promulgate regulations relating to when, and under what conditions, there should be a prohibition against or a limitation upon the authority of a public service company to terminate, for nonpayment, gas or electric service to low-income residential customers during the heating season. Regulations governing the USPP are contained in Section 20.31.05 of the Code of Maryland Regulations (“COMAR”).

The USPP is available to utility customers who are eligible and have applied for a grant from the Maryland Energy Assistance Program (“MEAP”), which is administered by the Office of Home Energy Programs (“OHEP”). The USPP is designed to protect eligible low-income residential customers from utility service termination during the

¹ *In the Matter of Regulations Governing Terminations of Gas or Electric Service to Low Income Residential Customers during the Heating Season.*

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winter heating season, which extends from November 1 to March 31. The USPP helps low-income customers avoid the accumulation of arrearages, which could lead to service terminations, by requiring timely equal monthly utility payments for participants, based on the estimated cost of annual service to the household. The USPP allows customers in arrears to restore service by accepting the USPP equal payment plan, and by lowering any outstanding arrearages to no more than \$400. The Program encourages the utility to establish a supplemental monthly payment plan for customers with outstanding balances to reduce those arrearages. Maryland's gas and electric utilities are required to publicize and offer the USPP prior to November of each year. *See* COMAR 20.31.05.03C.

PUA §7-307 requires the Commission to submit an annual report to the General Assembly addressing terminations of service during the previous heating season. To facilitate the compilation of this report, the Commission directs all gas and electric utilities to collect specific data under COMAR 20.31.05.09. Through a data request issued by Commission Staff, the utilities are asked to report the following: (1) the number of USPP participants, USPP eligible non-participants among MEAP certified customers, total utility customers, and current participants who also participated in the previous year; (2) the number of customers for whom the utility's service is the primary heating source; (3) the number of customers making supplemental payments, average supplemental payment amounts, and the amount of arrearage leading to those payments; (4) the number of USPP participating and eligible non-participating customers in arrears, the amount of the arrearage, and the amount of the average monthly payment obligations; (5) the average MEAP grant amount; (6) the number of customers dropped from the USPP for non-payment of bills; (7) the number of service terminations for USPP participants; (8) the number of USPP customers consuming more than 135 percent of the system average

for the heating season; and (9) the average cost of actual usage for the heating season.² Utilities serving residential customers in Maryland submitted data for this report.³ The Commission's April 2015 data request contained the same questions as those in the USPP Data Request issued for the 2013-2014 heating season and was similar to previous USPP data requests.⁴ This report provides an analysis and summary of that information.

DATA COLLECTION AND ANALYSIS

There are eighteen companies that submitted their 2014-2015 heating season USPP reports to the Commission. Among these companies, four companies did not participate in the USPP: Hagerstown does not participate in the USPP program but implements a Commission approved alternate program;⁵ three other small municipal companies (Thurmont, Williamsport, and UGI) reported that they did not participate in the USPP. Chesapeake Utilities Corporation - Sandpiper Energy reported to the

² The data request was issued to A&N Electric Cooperative ("A&N"), BGE, Chesapeake Utilities Corporation-Cambridge Gas Division ("CUC-Cambridge"), Chesapeake Utilities Corporation-Citizens Gas Division ("CUC-Citizens"), Choptank Electric Cooperative, Inc. ("Choptank"), Columbia Gas of Maryland, Inc. ("Columbia" or "CMD"), Delmarva Power & Light Company ("Delmarva" or "DPL"), The Easton Utilities Commission ("EUC" or "Easton Utilities"), Pivotal Utility Holdings, Inc. d/b/a Elkton Gas ("Elkton" or "Elkton Gas"), Washington Gas Light Company ("Washington Gas" or "WGL"), Hagerstown Municipal Electric Light Plant ("Hagerstown"), Mayor and Council of Berlin ("Berlin"), The Potomac Edison Company ("Potomac Edison" or "PE"), Potomac Electric Power Company ("Pepco"), Somerset Rural Electric Cooperative ("Somerset"), Southern Maryland Electric Cooperative ("SMECO"), Thurmont Municipal Light Company ("Thurmont"), UGI Central Penn Gas, Inc. f/k/a PPL Gas Utilities Corporation ("UGI"), and Williamsport Municipal Light Plant ("Williamsport").

³ Neither A&N nor Somerset responded to Staff's Data Request, and no data were available from these companies for this report.

⁴ The USPP Data Request was expanded in 2007.

⁵ Pursuant to COMAR 20.31.05.01C, Hagerstown operates an approved alternative program that allows MEAP-eligible customers to receive USPP-type assistance as needed during the heating season. As such, Hagerstown does not distinguish between USPP participants and all MEAP-eligible customers and does not maintain records indicating the number of individual customers who received assistance beyond that provided under MEAP.

Commission for the first time but did not have any participants enrolled in the Program. Therefore, these five companies were not included in the analyses contained in this report. The report includes thirteen companies with USPP data provided.⁶ Companies that serve less than 5,000 customers are not required to provide all data requested through Staff's data request. These companies are Chesapeake Utilities Corporation - Cambridge Gas, Easton Utilities, and Berlin.⁷ The remaining ten companies are required to provide all data requested. However, the data reported have variations. Some utilities indicated that the data were not available by poverty level or were unavailable for various other reasons. The data analyses in this report include 13 companies that participated in the USPP in the 2014-2015 heating season. The basic information for reporting utilities included in this report analysis is summarized in Appendix Table A1.

The data in this report provides information on Poverty Levels 1, 2, 3, 4, and 5 grouped by household incomes measured against the federal poverty level ("FPL") as follows:

Poverty Level	Household Income
Poverty Level 1	0%-75% of the FPL
Poverty Level 2	>75%-110% of the FPL
Poverty Level 3	>110%-150% of the FPL
Poverty Level 4	>150%-175% of the FPL

The Poverty Level 5 data, reported only by Baltimore and Gas Electric Company, is comprised of participants that receive subsidized housing allowances. Because residents of subsidized housing receive an allowance to defray the cost of utilities, these participants receive a separate and lower benefit than other USPP participants.⁸ In

⁶ Chesapeake Utilities Corporation reported data separately for two divisions and these two divisions were treated as two companies.

⁷ Easton Utilities serves more than 5,000 customers, but reported limited data as required for a small company and was treated accordingly in this annual report.

⁸ Energy assistance is available to residents of subsidized housing who are directly responsible for paying their own heating costs and who meet all other eligibility criteria for the MEAP. Since these applicants receive some federal assistance in the form of heating subsidies, (Level 5) by fuel type is provided to residents of public or subsidized housing.

addition, the BGE data are also unique among the reporting utilities in that it includes gas and electric customers and combines the data for these two groups of customers. In the report, tables include BGE Poverty Level 5 data, but the analysis in this report focuses on Poverty Levels 1 through 4 since Poverty Level 5 is reported only by BGE and the grant size is significantly smaller than grants to other EUSP participants in the same poverty level.⁹

PROGRAM PARTICIPATION

Table 1 presents the USPP participants, the total customers, and the percentage of USPP participants to the total utility customers. During the 2014-2015 heating season, the utilities reported a total of 55,075 USPP participants during the 2014-2015 heating season, which represents 1.7 percent of total utility customers and is slightly lower than 1.8 percent reported for the previous heating season and also lower than 1.9 percent for the 2012-2013 heating season. The table also provides detailed information for each company. Among major utilities, Choptank has a USPP participation rate of 5.54 percent of total residential customers (the highest); followed by DPL, CGM, and SMECO of 4.06, 3.94, and 2.19 percent, respectively. Washington Gas has the lowest USPP participation rate at 0.46 percent. Among utilities with fewer than 5,000 customers, Berlin reported a 9 percent USPP participation rate; CUC-Cambridge had 1.43 percent and Easton 0.34 percent USPP participation rate.

⁹ During the 2014-2015 heating season, Level 5 EUSP participants received a grant of \$96 regardless of actual Federal Poverty level.

**TABLE 1 USPP PARTICIPANTS, PERCENTAGE OF USPP
 PARTICIPANTS TO UTILITY CUSTOMERS**

UTILITY	USPP	Total Customer	USPP to Total Customer
Baltimore Gas & Electric	32,862	1,142,589	2.88%
Chesapeake Utilities - Cambridge Division	36	2,509	1.43%
Chesapeake Utilities - Citizens Division	8	8,905	0.09%
Choptank Electric Cooperative	2,679	48,375	5.54%
Columbia Gas of Maryland	1,163	29,482	3.94%
Delmarva Power & Light	7,120	175,225	4.06%
Easton Utilities	28	8,154	0.34%
Elkton Gas	105	6,035	1.74%
Mayor & Council of Berlin	180	2,001	9.00%
Potomac Electric Power Company	3,332	498,231	0.67%
Southern Maryland Electric Power Co.	3,137	143,242	2.19%
The Potomac Edison Company	2,452	214,974	1.14%
Washington Gas Light Company	1,973	432,448	0.46%
TOTAL	55,075	3,241,601	1.7%

Table 2 shows the number of USPP participants and USPP eligible non-participants for each utility by poverty level.¹⁰ The number of 2014-2015 USPP participants was the lowest since the heating season of 2012-2013. The 2014-2015 participation decreased by 8.2 percent from the 2013-2014 heating season and represented a 13 percent decrease from 2012-2013 heating season.

The decreases were observed at all poverty levels except Poverty Level 5 and ranged from a 5 percent decrease at Poverty Level 4; to 8 percent at Poverty Level 3; 9 percent at Poverty Level 2; and to 10 percent decrease at Poverty Level 1. During the 2014-2015 heating season, BGE reported 32,862 USPP participants, accounting for 60 percent of total USPP participants; Delmarva reported 7,120, or 13 percent of total USPP

¹⁰ Terms of USPP eligible non-Participant, MEAP eligible non-Participant, or MEAP certified non-USPP participants are exchangeable in this report. They represent the customers who are certified eligible to receive MEAP grant but they do not participate in USPP program.

participants; Pepco and SMECO reported 3,332 and 3,137 participants, accounting for 6 and 5.7 percent of total USPP participants, respectively. The eight major utilities (BGE, Delmarva, Pepco, SMECO, Choptank, PE, Washington Gas, and Columbia Gas) accounted for 99.35 percent of total USPP participants. Among the thirteen companies, nine reported a decrease in USPP participants for the 2014-2015 winter season as compared with the previous season while four companies reported an increase in USPP participants. Pepco and Washington Gas reported the largest decreases in USPP participants, which were 3,256 and 1,777, respectively. On the other hand, BGE reported the largest increase which was 888 participants up from the 2013-2014 heating season.

The number of USPP-eligible non-participants in MEAP was 13,622 during the 2014-2015 heating season, a decrease of approximately 17 percent as compared with the 2013-2014 heating season. This represented a 1.4 percent increase from the 13,381 reported in the 2012-2013 heating season, and a 14 percent decrease from the 15,845 MEAP-eligible non-USPP participants reported for the 2011-2012 heating season.

**TABLE 2 NUMBER OF USPP CUSTOMERS AND ELIGIBLE NON-PARTICIPATING CUSTOMERS
 BY POVERTY LEVEL**

UTILITY	USPP Participants						USPP Eligible Non-Participants						Grand Total
	Poverty Level 1	Poverty Level 2	Poverty Level 3	Poverty Level 4	Poverty Level 5	Overall	Poverty Level 1	Poverty Level 2	Poverty Level 3	Poverty Level 4	Poverty Level 5	Overall	
Baltimore Gas & Electric	9,073	5,837	6,101	2,808	9,043	32,862	394	191	159	66	156	966	33,828
Chesapeake Utilities - Cambridge Gas Division	17	9	10	0	*	36	265	219	189	61	*	337	373
Chesapeake Utilities - Citizens Gas Division	5	1	0	2	*	8	25	30	29	9	*	734	742
Choptank Electric Cooperative	837	803	756	283	*	2,679	3	2	1	0	*	6	2,685
Columbia Gas of Maryland, Inc.	348	329	356	130	*	1,163	270	268	270	110	*	918	2,081
Delmarva Power & Light	2,708	2,093	1,718	601	*	7,120	468	178	343	131	*	1,120	8,240
Easton Utilities	8	11	7	2	*	28	126	172	180	44	*	571	599
Elkton Gas	39	24	26	16	*	105	74	56	53	17	*	200	305
Mayor & Council of Berlin	40	61	65	14	*	180	4	6	2	2	*	14	194
Potomac Electric Power Company	1,305	938	772	317	*	3,332	441	364	287	149	*	1,241	4,573
Southern Maryland Electric Cooperative	1,334	799	709	295	*	3,137	1,406	918	816	308	*	3,448	6,585
The Potomac Edison Company	805	744	656	247	*	2,452	723	648	577	190	*	2,138	4,590
Washington Gas Light Company	820	484	458	211	*	1,973	754	500	469	206	*	1,929	3,902
TOTALS	17,339	12,133	11,634	4,926	9,043	55,075	5,101	3,645	3,445	1,319	156	13,622	68,697

* Data not applicable since only BGE provided Poverty Level 5 data.

Table 3 presents USPP participation as a percentage of the total number of MEAP-certified customers for the 2014-2015 and 2013-2014 heating seasons by company and by poverty level. The statewide USPP participation rate in MEAP-certified customers for the 2014-2015 winter heating season is 80 percent, one percentage point higher than in 2013-2014. The comparison between the two heating seasons shows participation rates varied among the utilities. The majority of the companies show the change between 1 to 8 percentage points. However, Choptank remains unchanged with almost 100 percent of USPP enrollment for two consecutive heating seasons. Pepco reported a 73 percent USPP participation rate in its MEAP-certified customers for the 2014-2015 heating season, a 24 percentage point decrease from 97 percent in 2013-2014. The comparison at each poverty level indicates that increases between two consecutive winter seasons ranged from 2 percentage points at Poverty Level 3 to 5 percentage points at Poverty Level 2; and a 3 percentage point increase at Poverty Levels 1 and 4.

The companies implemented automatic and non-automatic enrollment policies for enrollment of MEAP customers into USPP program. A company that has an automatic enrollment policy will enroll a MEAP customer into USPP without customer application; whereas those companies with a non-automatic enrollment policy require MEAP customers to apply for USPP. For example, Choptank automatically factored the MEAP customer with an outstanding balance into the USPP program. Choptank had 100 percent of MEAP customers enrolled into the USPP program. Most utilities require MEAP customers to apply for the USPP. BGE had a 97 percent USPP enrollment rate for its MEAP customers. The CUC-Citizen had the lowest rate, with 1 percent of MEAP customers enrolled in USPP.

TABLE 3 USPP PARTICIPATION AS A PERCENT OF TOTAL ELIGIBLE FOR EACH POVERTY LEVEL FOR EACH OF THE LAST TWO HEATING SEASONS

UTILITY	2014-2015 Participation						2013-2014 Participation					
	Poverty Level 1	Poverty Level 2	Poverty Level 3	Poverty Level 4	Poverty Level 5	Overall	Poverty Level 1	Poverty Level 2	Poverty Level 3	Poverty Level 4	Poverty Level 5	Overall
Baltimore Gas & Electric	96%	97%	97%	98%	98%	97%	95%	96%	97%	97%	98%	96%
Chesapeake Utilities - Cambridge Gas Division	10%	9%	13%	0%	*	10%	13%	10%	17%	14%	*	13%
Chesapeake Utilities - Citizens Gas Division	2%	0%	0%	3%	*	1%	1%	1%	2%	2%	*	2%
Choptank Electric Cooperative	100%	100%	100%	100%	*	100%	100%	100%	100%	100%	*	100%
Columbia Gas of Maryland, Inc.	56%	55%	57%	54%	*	56%	59%	55%	51%	57%	*	55%
Delmarva Power & Light	85%	92%	83%	82%	*	86%	84%	82%	80%	82%	*	82%
Easton Utilities	6%	6%	4%	4%	*	5%	*	*	*	*	*	72%
Elkton Gas	35%	30%	33%	48%	*	34%	39%	29%	39%	42%	*	36%
Mayor & Council of Berlin	91%	91%	97%	88%	*	93%	96%	98%	94%	100%	*	96%
Potomac Electric Power Company	75%	72%	73%	68%	*	73%	98%	97%	97%	93%	*	97%
Southern Maryland Electric Cooperative	49%	47%	46%	49%	*	48%	40%	40%	40%	39%	*	40%
The Potomac Edison Company	53%	53%	53%	57%	*	53%	52%	49%	51%	57%	*	52%
Washington Gas Light Company	52%	49%	49%	51%	*	51%	57%	56%	56%	53%	*	56%
TOTALS	79%	79%	79%	81%	98%	80%	76%	75%	77%	78%	98%	79%

* Data not applicable since only BGE provided Poverty Level 5 data; Easton did not provide data for the 2013-2014 season.

Table 4 shows the percentage of customers that were USPP participants in the 2013-2014 heating season and also participants in the 2014-2015 heating season. Overall, 43 percent of the USPP customers who participated in the 2013-2014 heating season also enrolled in the USPP during the 2014-2015 heating season. This represents a 3 percentage point decrease from the 46 percent repeat enrollment rate in the previous heating season and an 8 percentage point decrease from the 51 percent rate of 2012-2013. Based on data availability for the two reported heating seasons, there were three utilities (CUC-Citizens, Pepco, and SMECO) reporting repeat enrollment increases; and five utilities (BGE, Choptank, Delmarva, PE, and Washington Gas) reporting a decrease in repeat enrollment. The utilities with the highest repeat enrollment rate were Choptank at 70 percent, PE at 46 percent, BGE at 45 percent, and Delmarva at 43 percent.

TABLE 4 PERCENTAGE OF 2014-2015 USPP PARTICIPANTS WHO ALSO PARTICIPATED IN THE PROGRAM DURING THE PRIOR HEATING SEASON

UTILITY	Poverty Level 1	Poverty Level 2	Poverty Level 3	Poverty Level 4	Poverty Level 5	Overall
Baltimore Gas & Electric	38%	44%	40%	33%	59%	45%
Chesapeake Utilities - Cambridge Gas Division	*	*	*	*	*	*
Chesapeake Utilities - Citizens Gas Division	0%	0%	0%	50%	*	13%
Choptank Electric Cooperative	66%	72%	74%	69%	*	70%
Columbia Gas of Maryland	*	*	*	*	*	*
Delmarva Power & Light	42%	45%	44%	39%	*	43%
Easton Utilities	*	*	*	*	*	*
Elkton Gas	21%	25%	27%	6%	*	21%
Mayor & Council of Berlin	*	*	*	*	*	*
Potomac Electric Power Company	33%	39%	32%	20%	*	33%
Southern Maryland Electric Power Cooperative	37%	45%	41%	25%	*	39%
The Potomac Edison Company	41%	49%	49%	46%	*	46%
Washington Gas Light Company	25%	24%	23%	19%	*	24%
TOTAL	38%	44%	41%	34%	59%	43%

* Data not applicable since only BGE provided Poverty Level 5 data; CGM indicated data not available; Small utilities, CUC-Cambridge, Easton, and Berlin are not required to provide data.

EQUAL MONTHLY PAYMENTS AND ACTUAL HEATING SEASON USAGE

Table 5 compares the average equal monthly billings to actual energy usage measured in dollars for USPP participants. The average monthly billings represent customers' payment obligations and are based on the average usage during the five billing months of the prior heating season. The differences between the average monthly actual usage and the average monthly payment obligations represent the fact that the USPP attempts to keep heating bills affordable during the heating season. Unpaid utility bill balances that accrue during the heating season must be paid during the non-heating season to keep arrearage levels from increasing. The 2014-2015 heating season reported an average monthly payment obligation of \$106.50 overall and \$183.72 for average actual monthly usage.¹¹ Both are lower than the previous heating season.

By poverty level, except Poverty Level 4, the reduction of monthly payment obligations ranged from 2 percent at Poverty Level 1, 9 percent for Poverty Level 2, and 18 percent at Poverty Level 3.¹² However, Poverty Level 4 increased by 7 percent. Among utilities, the statistics are mixed. Five utilities (CUC- Citizen, CGM, Delmarva, Elkton, and SMECO) reported reductions in the current heating season; and five utilities (BGE, Choptank, Pepco, PE, and Washington Gas) reported increases from the previous heating season. Overall, the statewide monthly obligation decreased in the 2014-2015 heating season as compared to the previous heating season.

The statewide average monthly usage decreased by \$16.27, an 8 percent decrease from the 2013-2014 heating season. Actual usage across all poverty levels except for Poverty Level 4 decreased by 18, 3, and 21 percent for Poverty Levels 1, 2, and 3, respectively. Poverty Level 4 increased by 4 percent. Among the utilities, BGE reported

¹¹ The average monthly payment obligation and average monthly actual usage in dollar amounts were weighted calculation using USPP participant as weight.

¹² As noted previously, inclusion of Poverty Level 5 would require the analysis of disparate grants.

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a 49 percent decrease; SMECO and Washington Gas reported 28 and 13 percent decreases, respectively. There were seven companies reporting an increase: Pepco reported the highest actual usage at \$344, an increase of approximately 59 percent as compared with the 2013-2014 heating season; Elkton, Delmarva, PE, Columbia, Choptank, and CUC-Citizen increased 45, 43, 36, 16, 15, and 4 percent, respectively. However, the highest actual monthly usage (Pepco: \$344) in 2014-2015 was much lower than the highest (SMECO: \$476) in 2013-2014. This may partially explain why the overall actual monthly usage decreased.

The following table summarizes five program years for both monthly obligation payment and monthly actual usage. The average monthly payment obligation has continued to decrease since the 2010-2011 heating season. Among five program years, the 2014-2015 winter season presents the lowest monthly obligation payment, which presented a 5 percent decrease over the 2013-2014 winter season and a 17 percent decrease from the 2010-2011 heating season. The average monthly actual usage in dollar amounts in the 2014-2015 heating season also shows a downward trend to \$183.72 from \$214.71 in the 2010-2011 season. The observation may suggest that the lower monthly actual usage can reduce the average monthly obligation. The lower monthly payment obligation may allow the USPP participants to reduce the risk for default and thus avoid termination.

Program Year	Average Monthly Obligation		Average Monthly Actual Usage	
	Payment Obligation (\$)	% Change of Current Year to Prior Year	Actual Usage (\$)	% Change of Current Year to Prior Year
2014-2015	\$106.50	-	\$183.72	-
2013-2014	\$112.50	-5%	\$199.99	-8%
2012-2013	\$113.15	-6%	\$188.00	-2%
2011-2012	\$122.67	-13%	\$180.55	2%
2010-2011	\$128.96	-17%	\$214.71	-14%

¹ The percentage change of current year to prior year is calculated between the 2014-2015 number and the number of each of the previous years.

TABLE 5 AVERAGE EQUAL MONTHLY PAYMENT OBLIGATIONS AND AVERAGE ACTUAL MONTHLY HEATING SEASON USAGE FOR USPP PARTICIPANTS BY POVERTY LEVEL

UTILITY	Average Monthly Payment Obligation (\$)						Average Actual Monthly Usage (\$)					
	Poverty Level 1	Poverty Level 2	Poverty Level 3	Poverty Level 4	Poverty Level 5	Overall	Poverty Level 1	Poverty Level 2	Poverty Level 3	Poverty Level 4	Poverty Level 5	Overall
Baltimore Gas & Electric	147	143	143	144	118	139	142	140	140	143.5	121.5	137.4
Chesapeake Utilities - Cambridge Gas Division	*	*	*	*	*	*	*	*	*	*	*	*
Chesapeake Utilities - Citizens Gas Division	102	216	0	121	*	109.75	119	306.25	0	347.25	*	193.13
Choptank Electric Cooperative	181	139	147	248	*	178.75	0	205.79	205.79	205.79	*	205.79
Columbia Gas of Maryland	38.47	34.75	38.43	37.89	*	37.39	192.93	179.77	184.55	188.49	*	186.43
Delmarva Power & Light	148	126	133	164	*	142.75	268	251	262	289	*	267.5
Easton Utilities	*	*	*	*	*	*	*	*	*	*	*	*
Elkton Gas	46	40	38	48	*	43	105	98	110	109	*	105.5
Mayor & Council of Berlin	*	*	*	*	*	*	*	*	*	*	*	*
Potomac Electric Power Company	124	108	115	132	*	119.75	222	213	223	233	*	222.75
Southern Maryland Electric Power Cooperative	189.56	175.72	182.52	174.21	*	180.5	346.68	334.65	347.33	345.4	*	343.52
The Potomac Edison Company	136	115	113	130	*	123.5	226.75	229.5	192	276.5	*	231.19
Washington Gas Light Company	85.77	89.17	80.54	100.48	*	88.99	135.97	137.52	135.5	148.32	*	139.33
TOTAL	108.89	107.88	90.04	118.14	118.00	106.50	175.83	190.50	163.65	207.84	121.5	183.72

* Data not applicable since only BGE provided Poverty Level 5 data; and small utilities, CUC-Cambridge, Easton, and Berlin are not required to provide data.

SUPPLEMENTAL PAYMENTS AND SUPPLEMENTAL ARREARAGES

Table 6 shows the percentage of USPP participants making supplemental payments (also known as alternate payments), the average monthly amount of those payments, and the average “supplemental arrearage” that led to those payments. The USPP encourages utilities to offer customers with outstanding arrearages the opportunity to place all or part of those arrearages in a special agreement sometimes referred to as an alternate payment plan, to be paid off over an extended period of time. Although the deferred payment arrangements vary, all utilities provide for enrollment in supplemental payment plans. Placing outstanding arrearages in special agreements allows customers to enroll in USPP and to be considered current in their utility payments as long as they continue to make their USPP equal monthly payments and their supplemental payments in a timely fashion.

The number of customers who were participants in USPP and also made supplemental payments in the 2014-2015 heating season is 7,176, representing a decrease of approximately 38 percent from the 2013-2014 heating season (11,625). However, the percentage of USPP participants making supplemental payments remained the same, about 3 percent, as during the last heating season since the number of USPP participants decreased in the current reporting season as compared with the last heating season at the same approximate rate. The amount of the average monthly supplemental payment balances during the 2014-2015 heating season was \$62, an increase of 29 percent from the 2013-2014 heating season (\$48).¹³ The average monthly supplemental payment increased across all the poverty levels. The average monthly supplemental payments increased for Poverty Levels 1, 2, 3, and 4 by \$12, \$14, \$16, and \$13, respectively. These amounts represent poverty level increases of 25 percent, 31 percent, 34 percent, and 25 percent, respectively, as compared with the last reporting season.

¹³ This is a weighted average calculation for all poverty levels across all utilities weighted by USPP participants.

At the end of the 2014-2015 heating season, the supplemental arrearages statewide increased by approximately 17 percent, from \$1,014 in 2013-2014 to \$1,189 in 2014-2015.¹⁴ The weighted average of supplemental arrearages increased across all poverty levels ranging from 11 percent to 19 percent as follows: \$111 or 11 percent for Poverty Level 4; \$164 or 17 percent for Poverty Level 3; \$185 or 18 percent for Poverty Level 2, and \$197 or 19 percent for Poverty Level 1. Six utilities (CUC-Citizens, CGM, DPL, Pepco, SMECO and Washington Gas) reported supplemental arrearage increases and two companies (BGE and PE) reported reduced supplemental arrearages. Washington Gas reported the largest increase, which was 69 percent increasing from \$345 in 2013-2014 to \$556 in the 2014-2015 winter heating season, followed by Pepco with a 46 percent increase from \$885 in the 2013-2014 to \$1,292 in the 2014-2015 heating season. Washington Gas, Pepco, and DPL also reported an increase in supplemental arrearages for all poverty levels as compared with the previous winter. BGE and PE were the only two companies that reported supplemental arrearage decreases. PE reported a 33 percent decrease, which was the result of a decrease for all four poverty levels. BGE reported a 1 percent net decrease based on a decrease at three poverty levels but an increase at two poverty levels.

¹⁴ *Id.*

TABLE 6 PERCENTAGE OF USPP CUSTOMERS MAKING SUPPLEMENTAL PAYMENTS, THE AVERAGE DOLLAR AMOUNT OF THOSE PAYMENTS, AND THE AVERAGE ARREARAGE REQUIRING PAYMENTS BY POVERTY LEVEL

UTILITY	Percentage of USPP Customers Making Supplemental Payments					Average Monthly Amount of Supplemental Payments (\$)					Average Supplemental Arrearage (\$)				
	Poverty level 1	Poverty level 2	Poverty level 3	Poverty level 4	Poverty level 5	Poverty level 1	Poverty level 2	Poverty level 3	Poverty level 4	Poverty level 5	Poverty level 1	Poverty level 2	Poverty level 3	Poverty level 4	Poverty level 5
Baltimore Gas & Electric	2%	2%	2%	4%	2%	109	111	104	104	110	1,109	1,098	948	1,002	1,078
Chesapeake Utilities - Cambridge Gas Division	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Chesapeake Utilities - Citizens Gas Division	0%	100%	0%	0%	*	0	59	0	0	*	0	350	0	0	*
Choptank Electric Cooperative	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Columbia Gas of Maryland, Inc.	59%	47%	46%	42%	*	16	15	23	16	*	258	200	201	129	*
Delmarva Power & Light	64%	48%	48%	59%	*	54	57	57	61	*	1,673	1,615	1,602	1,718	*
Easton Utilities	88%	55%	57%	100%	*	*	*	*	*	*	*	*	*	*	*
Elkton Gas	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Mayor & Council of Berlin	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Potomac Electric Power Company	11%	10%	12%	16%	*	80	91	74	77	*	1,409	1,311	1,256	990	*
Southern Maryland Electric Cooperative	43%	35%	38%	39%	*	60	58	62	52	*	509	507	538	461	*
The Potomac Edison Company	15%	11%	9%	15%	*	105	85	92	85	*	334	197	225	225	*
Washington Gas	2%	1%	3%	2%	*	165	179	138	144	*	590	435	552	603	*
TOTALS	17%	14%	13%	15%	2%	59	60	61	65	110.00	1240	1187	1129	1156	1078

* Data not applicable since only BGE provided Poverty Level 5 data; and small utilities, CUC-Cambridge, Easton, and Berlin are not required to provide data; Choptank and Elkton Gas didn't provide data.

PARTICIPANT ARREARAGES AND PROGRAM COMPLIANCE

Table 7 presents the percentage of USPP participants, MEAP-certified non-USPP participants, and all other residential customers who were in arrears on their utility bills as of March 31, 2015.

As was the pattern experienced over the previous four heating seasons, USPP participants were more likely to be in arrears than either MEAP-certified non-USPP participants or non-MEAP customers of the utility. Non-MEAP eligible customers exhibited the lowest percentage of customers in arrears during the 2013-2014 heating season. For all reporting utilities, the percentages of customers in arrears were 48 percent for USPP participants, 38 percent for MEAP-certified non-USPP participants, and 19 percent of non-MEAP-eligible customers as of March 31, 2015. The proportion of USPP participants that were in arrears decreased 6 percentage points from last year's 54 percent. Based on the reporting data, two major utilities are almost solely responsible for this decrease. Delmarva reported 2,197 customers fewer USPP customers in arrears and Pepco reported 3,379 fewer USPP customers in arrears, altogether accounting for approximately 90 percent of the total reduction in arrearages in the 2014-2015 as compared with the previous heating season.

Among the utilities in 2014-2015, nine utilities reported an average arrearage amount that was reduced as compared with the previous heating season, and three utilities reported higher levels of average arrearages from the 2013-2014 heating season. Delmarva reported a 30 percentage point decrease in its USPP participant arrearage rate from 62 percent in 2013-2014 to 32 percent in 2014-2015. This was the largest decrease among the reporting utilities. Pepco and SMECO followed with a decrease of 27 and 10 percentage points, respectively. On the other hand, Columbia, Easton, Elkton, and PE reported an increase of the USPP participants in arrears in the 2014-2015 heating season as compared with the previous heating season of approximately 1 percentage, 4 percentage, 9 percentage, and 4.5 percentage points higher than the last heating season.

TABLE 7 PERCENTAGE OF USPP PARTICIPANTS, MEAP ELIGIBLE CUSTOMERS, AND NON-MEAP CUSTOMERS IN ARREARS BY POVERTY LEVEL¹

UTILITY	USPP Participants						MEAP Eligible Non-Participants						Non-MEAP Customers
	Poverty Level 1	Poverty Level 2	Poverty Level 3	Poverty Level 4	Poverty Level 5	Overall	Poverty Level 1	Poverty Level 2	Poverty Level 3	Poverty Level 4	Poverty Level 5	Overall	
Baltimore Gas & Electric	69%	60%	60%	64%	57%	62%	65%	61%	53%	55%	58%	60%	19%
Chesapeake Utilities - Cambridge Gas Division	0%	0%	0%	0%	*	0%	54%	37%	30%	62%	*	45%	36%
Chesapeake Utilities - Citizens Gas Division	0%	0%	0%	0%	*	0%	48%	41%	38%	34%	*	42%	11%
Choptank Electric Cooperative	11%	5%	5%	6%	*	7%	33%	0%	0%	0%	*	17%	11%
Columbia Gas of Maryland	43%	23%	23%	18%	*	29%	13%	9%	7%	0%	*	9%	15%
Delmarva Power & Light	35%	29%	29%	35%	*	32%	52%	102%	40%	42%	*	55%	24%
Easton Utilities	13%	0%	0%	0%	*	4%	49%	40%	37%	41%	*	41%	29%
Elkton Gas	51%	50%	50%	31%	*	48%	55%	41%	43%	65%	*	49%	26%
Mayor & Council of Berlin	0%	0%	0%	0%	*	0%	25%	50%	0%	50%	*	36%	20%
Potomac Electric Power Company	54%	40%	48%	51%	*	48%	52%	36%	43%	45%	*	44%	26%
Southern Maryland Electric Power Cooperative	6%	48%	52%	47%	*	31%	57%	48%	50%	48%	*	52%	28%
The Potomac Edison Company	44%	15%	13%	17%	*	24%	37%	25%	19%	25%	*	27%	15%
Washington Gas Light Company	1%	1%	1%	2%	*	1%	22%	14%	17%	25%	*	19%	9%
TOTAL	49%	42%	44%	49%	57%	48%	44%	36%	33%	35%	58%	38%	19%

¹ Customer is in arrears if some monthly billing is past due on March 31, 2015.

* Data not applicable since only BGE provided Poverty Level 5 data; and small utilities, CUC-Cambridge, Easton, and Berlin are not required to provide data.

Table 8 presents the average dollar amount of arrearages for USPP participants, MEAP-certified non-USPP participants, and non-MEAP customers. Compared to the 2013-2014 data, average arrearage balances for both USPP customers and MEAP-certified non-USPP participants decreased. For the 2014-2015 heating season, the overall average arrearage for USPP participants was \$615.90, decreasing \$97 or 14 percent from the 2013-2014 heating season; \$81 or 12 percent from the 2012-2013 winter season. In 2014-2015, the average arrearage balance for MEAP eligible non-USPP participants was approximately \$465, decreasing \$21 or by 4 percent from the 2013-2014 heating season and \$19 or by 3 percent from 2011-2012; however, it increased \$69 or 17.4 percent from the 2012-2013 heating season.

Across all poverty levels, the average arrearage balances decreased by 15 percent, 13 percent, 10 percent, and 12 percent for Poverty Levels 1, 2, 3, and 4, respectively, from that reported for the previous heating season. Among the utilities, the average arrearage also decreased from \$1,383 (Delmarva), the highest in the previous season to \$687 (PE), the highest in the 2014-2015 winter heating season. Delmarva, BGE, and Washington Gas reported that the average arrearage balance for USPP participants decreased, whereas Choptank, Elkton, CGM, and SMECO reported an arrearage increase in 2014-2015 as compared with the 2013-2014 heating season. Among the utilities reporting decreases, Delmarva reported \$429 for its average arrearage balance for the 2014-2015 heating season, a \$953 decrease or a 69 percent decrease from the 2013-2014 winter season, accounting for the largest dollar amount and percentage decrease among all reporting utilities. DPL was followed by BGE, Washington Gas, and PE, reporting 17, 13, and 3 percent decreases, respectively, from the previous season. Among the utilities reporting increases, Choptank reported \$328 or a 94 percent increase from the last reporting season. Elkton, Columbia Gas, and SMECO reported 31, 10, and 6 percent increases, respectively.

Table 9 presents the percentage of USPP participants who complied with the payment provisions of the program for the 2014-2015 heating season and compares those to the previous season's results. According to the USPP provisions, a customer can be

removed from the program and a customer's service may be terminated if the amount due on two consecutive monthly bills is not paid. As in previous years, BGE and Columbia Gas reported that, as a matter of company policy, neither removed customers from the program if the customer did not comply with the USPP payment rules during the 2014-2015 heating season. Because these companies do not enforce this provision of the program, they do not track the percentage of customers who complied with the program rules. Also, for that reason, the statewide compliance percentage of approximately 96 percent shown on Table 9 overstates the proportion of customers that comply with the USPP payment provisions. When compared with the previous heating seasons, the statewide compliance rate increased by 1 percentage point from 95 percent in 2013-2014. This resulted in compliance rates across all poverty levels that were identical at 95 percent in 2014-2015.¹⁵ While Poverty Levels 2 and 3 remained at the same compliance rate, 95 percent, as in 2013-2014, Poverty Levels 1 and 4 increased 1 percentage point from the 2013-2014 heating season. Among the data reported by major utilities, Pepco reported a 100 percent compliance rate and was followed by SMECO and Elkton with a compliance rate of 98 and 96 percent, respectively.

¹⁵ The percentage numbers are rounded up to the nearest integer.

TABLE 8 ARREARAGE FOR USPP PARTICIPANTS, MEAP CERTIFIED NON-USPP PARTICIPANTS, AND NON-MEAP CUSTOMERS IN ARREARS BY POVERTY LEVEL¹

UTILITY	USPP Participants (\$)						MEAP Certified Non-USPP Participants (\$)						Non-MEAP Customers
	Poverty Level 1	Poverty Level 2	Poverty Level 3	Poverty Level 4	Poverty Level 5	Overall	Poverty Level 1	Poverty Level 2	Poverty Level 3	Poverty Level 4	Poverty Level 5	Overall	
Baltimore Gas & Electric	700	659	635	640	597	649.75	865	835	714	812	695	807.61	373
Chesapeake Utilities - Cambridge Gas Division	*	*	*	*	*	0	*	*	*	*	*	*	*
Chesapeake Utilities - Citizens Gas Division	0	0	0	0	*	0.00	201	194	183	201	*	194.81	412
Choptank Electric Cooperative	564.68	821.41	692.68	945.68	*	676.48	27.81	0	0	0	*	27.81	156.9
Columbia Gas of Maryland	121.12	137.66	192.09	152.13	*	144.73	317.82	240.11	397.42	322.94	*	316.05	196.96
Delmarva Power & Light	441	411	447	391	*	429.65	1050	1000	926	864	*	991.21	516
Easton Utilities	*	*	*	*	*	0	0	0	0	0	*	0.00	*
Elkton Gas	144	87	91	74	*	109.54	132	106	103	60	*	111.01	183
Mayor & Council of Berlin	*	*	*	*	*	0.00	0	0	0	0	*	0.00	*
Potomac Electric Power Company	706	659	647	767	*	687.53	1154	822	839	506	*	926.37	405
Southern Maryland Electric Power Cooperative	653.6	608.11	616.28	604.94	*	614.38	307.23	298.47	312.23	303.61	*	305.91	267.44
The Potomac Edison Company	340	172	156	166	*	270.22	315	246	228	294	*	277.97	231
Washington Gas Light Company	122.21	65.73	73.05	101.81	*	97.97	283.16	228.26	265.76	193.72	*	256.39	201.71
TOTALS	642.79	606.90	599.46	611.64	597	615.90	503.12	445.52	426.58	390.06	695.00	465.54	290.00

¹Customer is in arrears if some monthly billing is part due on March 31, 2014.

* Data not applicable since only BGE provided Poverty Level 5 data; and small utilities, CUC-Cambridge, Easton, and Berlin are not required to provide data.

TABLE 9 PERCENTAGE OF USPP PARTICIPANTS WHO COMPLIED WITH PROGRAM PAYMENT PROVISIONS BY POVERTY LEVEL DURING THE LAST TWO HEATING SEASONS

UTILITY	Compliance 2014-2015						Compliance 2013-2014					
	Poverty Level 1	Poverty Level 2	Poverty Level 3	Poverty Level 4	Poverty Level 5	Overall	Poverty Level 1	Poverty Level 2	Poverty Level 3	Poverty Level 4	Poverty Level 5	Overall
Baltimore Gas & Electric¹	*	*	*	*	*	*	*	*	*	*	*	*
Chesapeake Utilities - Cambridge Gas Division	41%	67%	90%	100%	*	61%	65%	92%	79%	67%	*	76%
Chesapeake Utilities - Citizens Gas Division	20%	100%	100%	0%		25%	*	*	*	*	*	*
Choptank Electric Cooperative	81%	91%	91%	90%	*	88%	83%	90%	92%	91%	*	89%
Columbia Gas of Maryland¹	*	*	*	*	*	*	*	*	*	*	*	*
Delmarva Power & Light	89%	92%	92%	89%	*	91%	73%	80%	77%	73%	*	76%
Easton Utilities	63%	100%	86%	50%	*	82%	*	*	*	*	*	*
Elkton Gas	92%	100%	96%	100%	*	96%	100%	100%	94%	92%	*	98%
Mayor & Council of Berlin	100%	100%	100%	100%	*	100%	*	*	*	*	*	*
Potomac Electric Power Company	100%	100%	100%	100%	*	100%	98%	98%	97%	*	*	98%
Southern Maryland Electric Power Cooperative	97%	99%	98%	98%	*	98%	99%	99%	99%	*	*	99%
The Potomac Edison Company	90%	78%	81%	74%	*	82%	97%	84%	81%	79%	*	87%
Washington Gas Light Company	64%	62%	62%	67%	*	63%	90%	91%	90%	89%	*	90%
TOTALS	95%	95%	95%	95%	*	95%	94%	95%	95%	94%	*	95%

¹ BGE, Columbia Gas of Maryland do not remove customers from USPP for failure to pay the amount due on two consecutive monthly bills.

* Data not applicable since only BGE provided Poverty Level 5 data, or not available by company.

HEATING SEASON TERMINATIONS

Table 10 presents the number of USPP participants, MEAP-certified non-USPP participants, and non-MEAP customers whose services were terminated during the heating season. The primary purpose of the USPP is to minimize service terminations during each heating season. The data indicate that the USPP program was successful in mitigating utility service terminations in the 2014-2015 winter heating season.

Of the 55,075 USPP participants, Maryland's utilities collectively terminated 1,721 USPP participants continuing the same trend – 67 less than the 2013-2014's 1,788 termination. However, the termination rate of USPP participants went up slightly to 3.1 percent from 3 percent in the 2013-2014 heating season. Winter termination policies vary among utilities. Columbia and Washington Gas each implemented a no-termination policy during the winter season. Berlin, CUC-Cambridge, CUC-Citizens, Elkton, Easton, and SMECO did not report any termination during the 2014-2015 heating season. Five utilities reported USPP terminations. BGE reported 1,618 terminations, a slight increase from the previous heating season (1,568), but lower than its 2012-2013 heating season (1,927). The other four utilities (Choptank, DPL, Pepco, and PE) together reported 103 terminations. BGE's USPP termination rate was approximately 5 percent of its USPP participants, higher than the State termination rate of 3.1 percent.

TABLE 10 NUMBER OF WINTER HEATING SEASON TERMINATIONS

UTILITY	USPP Participants						MEAP Eligible Non-Participants						Non- MEAP Customers
	Poverty Level 1	Poverty Level 2	Poverty Level 3	Poverty Level 4	Poverty Level 5	Overall	Poverty Level 1	Poverty Level 2	Poverty Level 3	Poverty Level 4	Poverty Level 5	Overall	
Baltimore Gas & Electric	525	244	306	154	389	1,618	35	18	8	1	6	68	6,731
Chesapeake Utilities - Cambridge Gas Division	0	0	0	0	*	0	10	0	2	1	*	13	42
Chesapeake Utilities - Citizens Gas Division	0	0	0	0	*	0	13	7	10	3	*	33	146
Choptank Electric Cooperative	21	11	6	3	*	41	0	0	0	0	*	0	77
Columbia Gas of Maryland	0	0	0	0	*	0	0	0	0	0	*	0	22
Delmarva Power & Light	23	5	10	2	*	40	20	3	2	1	*	26	201
Easton Utilities	0	0	0	0	*	0	0	0	0	0	*		1
Elkton Gas	0	0	0	0	*	0	0	0	0	0	*	0	0
Mayor & Council of Berlin	0	0	0	0	*	0	0	0	0	0	*	0	42
Potomac Electric Power Company	5	2	4	4	*	15	1	0	0	0	*	1	372
Southern Maryland Electric Power Cooperative	0	0	0	0	*	0	0	0	0	0	*	0	1,068
The Potomac Edison Company	2	2	1	2	*	7	2	0	0	1	*	3	97
Washington Gas Light Company	0	0	0	0	*	0	0	0	0	0	*	0	0
TOTALS	576	264	327	165	389	1,721	81	28	22	7	6	144	8,799

* Data not applicable since only BGE provided Poverty Level 5 data; Columbia Gas and Washington Gas each has no-termination policy during heating season.

HIGH ENERGY CONSUMPTION

Table 11 presents the percentage of USPP participants who consumed more than 135 percent of their utility system's respective average usage. Data in this table show the proportions of USPP customers by Poverty Level who consume higher than average levels of energy.¹⁶ Due to this higher consumption, these customers will have higher than average heating bills. These higher bills may tend to generate higher arrearages, thereby creating a higher risk of defaulting on payment plans and a greater risk of termination.

For the 2014-2015 heating season, approximately 38 percent of USPP participants consumed more than 135 percent of their respective utility's system average usage, which was 6 percentage points lower than in the 2013-2014 heating seasons. Even though the percentage decreased from the previous season, USPP participants reporting higher than average system consumption present an upward trend since the 2010-2011 heating season when only 12 percent of USPP participants exceeded average usage by this amount.

Compared to the previous heating season, the reported high usage at all poverty levels except for Poverty Level 3 were lowered by 4, 4, and 18 percentage points for Poverty Levels 1, 2 and 4, respectively. As indicated in Table 11, the proportion of USPP customers reporting more than 135 percent of system average use does not vary much across all poverty levels. Pepco, SMECO, and Potomac Edison reported over 50 percent of USPP customers consumed more than 135 percent of the system average in the 2014-2015 heating season.

¹⁶ The data did not include those customers with high usage who were referred to local weatherization agencies for the Weatherization Assistance Program and also do not include the three small utilities serving less than 5,000 customers since they are not required to report this information.

TABLE 11 PERCENTAGE OF USPP PARTICIPANTS WHO CONSUMED MORE THAN 135% OF SYSTEM AVERAGE ENERGY DURING THE MOST RECENT HEATING SEASON

UTILITY	Poverty Level					Overall
	Poverty Level 1	Poverty Level 2	Poverty Level 3	Poverty Level 4	Poverty Level 5	
Baltimore Gas & Electric	43%	42%	42%	19%	28%	36%
Chesapeake Utilities - Cambridge Gas Division	*	*	*	*	*	*
Chesapeake Utilities - Citizens Gas Division	0%	100%	0%	50%	*	25%
Choptank Electric Cooperative	*	*	*	*	*	*
Columbia Gas of Maryland	*	*	*	*	*	*
Delmarva Power & Light	36%	31%	32%	39%	*	34%
Easton Utilities	*	*	*	*	*	*
Elkton Gas	15%	13%	15%	13%	*	14%
Mayor & Council of Berlin	*	*	*	*	*	*
Potomac Electric Power Company	72%	64%	80%	81%	*	73%
Southern Maryland Electric Power Cooperative	72%	67%	74%	76%	*	72%
The Potomac Edison Company	55%	47%	48%	57%	*	51%
Washington Gas Light Company	32%	36%	37%	37%	*	35%
TOTALS	43%	39%	41%	30%	28%	38%

* Data not applicable since only BGE provided Poverty Level 5 data; small utilities Berlin, CUC-Cambridge, and Easton are not required to report data; and Choptank's data not available.

PRIMARY HEAT SOURCE

Table 12 presents the percentage of USPP participants, MEAP-certified non-USPP participants, and non-MEAP customers whose primary heat source is provided by the indicated utility.

For all utilities in 2014-2015, 73 percent of USPP customers, 61 percent of MEAP-certified non-USPP participants, and 61 percent of non-MEAP customers received their primary heating source from the utility responding to the data request. These figures were almost the same as those recorded during the previous heating season (76 percent for USPP, 58 percent for MEAP-eligible non-participants, and 61 percent for non-MEAP customers). The data for primary heating source vary across utilities. The percentages of USPP customers whose primary heating source was provided by the reporting utilities ranged from 38 percent to 100 percent among utilities. This variation was primarily due to the three types of services the utilities provide: electric only, gas only, and electric and gas. The lowest percentages reported are from the utilities that provide electric service only: Choptank (38 percent) and Delmarva (46 percent). Four gas companies reported that they were the sole heating source for their entire customer base (99 to 100 percent). These gas utilities are CUC-Citizens, CMD, Elkton, and WGL. Among the utilities, Pepco, an electric-only utility reported a 21 percentage point increase from 41 percent in 2013-2014 to 62 percent in the 2014-2015 heating season. DPL also reported a 6 percent increase from the previous heating season.

TABLE 12 PERCENTAGE OF PARTICIPANTS, MEAP CERTIFIED NON-USPP PARTICIPANTS, AND NON-MEAP CUSTOMERS WHOSE PRIMARY HEAT SOURCE IS PROVIDED BY THE UTILITY BY POVERTY LEVEL

UTILITY	USPP Participants						MEAP Certified Non-USPP Participants						Non-MEAP Customers
	Poverty Level 1	Poverty Level 2	Poverty Level 3	Poverty Level 4	Poverty Level 5	Overall	Poverty Level 1	Poverty Level 2	Poverty Level 3	Poverty Level 4	Poverty Level 5	Overall	
Baltimore Gas & Electric	75%	78%	80%	80%	77%	78%	73%	71%	65%	74%	76%	72%	76%
Chesapeake Utilities - Cambridge Gas Division	*	*	*	*	*	*	*	*	*	*	*	*	*
Chesapeake Utilities - Citizens Gas Division	100%	100%	0%	100%	*	100%	100%	100%	100%	100%	*	100%	97%
Choptank Electric Cooperative	41%	36%	37%	30%	*	38%	100%	100%	100%	0%	*	100%	*
Columbia Gas of Maryland	100%	100%	100%	100%	*	100%	99%	99%	99%	100%	*	99%	96%
Delmarva Power & Light	47%	47%	45%	44%	*	46%	63%	167%	68%	59%	*	81%	45%
Easton Utilities	*	*	*	*	*	*	*	*	*	*	*	*	*
Elkton Gas	100%	96%	100%	100%	*	99%	100%	100%	100%	100%	*	100%	100%
Mayor & Council of Berlin	*	*	*	*	*	*	*	*	*	*	*	*	*
Potomac Electric Power Company	61%	65%	59%	62%	*	62%	87%	87%	85%	87%	*	87%	30%
Southern Maryland Electric Power Cooperative	89%	91%	92%	87%	*	90%	*	*	*	*	*	*	*
The Potomac Edison Company	85%	86%	85%	87%	*	86%	80%	82%	81%	83%	*	81%	45%
Washington Gas Light Company	100%	100%	100%	100%	*	100%	100%	100%	100%	100%	*	100%	99%
TOTALS	71%	71%	73%	74%	77%	73%	58%	65%	60%	62%	76%	61%	61%

* Data not applicable since only BGE provided Poverty Level 5 data; or small utilities are not required to report data; Choptank did not provide data for Non-MEAP customers and SMECO did not provide data for non-USPP and Non-MEAP participants.

MEAP GRANTS

Table 13 presents the average MEAP grant payable to the utility at the time of the customer's enrollment in the USPP program. OHEP's benefit calculation methodology provides larger MEAP grants at poverty levels reflecting lower incomes. The data indicates that the overall level of average benefit was \$305.39 in 2014-2015, which was decreased from \$339.77 in the 2013-2014, but increased from \$240 in the 2012-2013 and \$288 in 2011-2012 heating season. As seen in the previous years, the size of the MEAP benefit awarded to customers decreased as the poverty level increased. During the 2014-2015 heating season, the pattern is a little different. Customers in Poverty Level 1, at the lowest household income level, still received the highest help, an average MEAP benefit of \$371; however, those in Poverty Levels 2, 3, and 4, reported almost the same size MEAP grant: \$294, \$297, and \$296, respectively. The data show similar patterns in the 2013-2014 reporting season. Gas customers received the largest average MEAP benefit: WGL, CMD, CUC-Citizens were able to provide their customers MEAP grants of \$510, \$507, and \$426, respectively. BGE providing gas and electric service ranked fourth at \$366, and Choptank serving electric customers only received \$333.

**TABLE 13 AVERAGE MARYLAND ENERGY ASSISTANCE PROGRAM GRANT FOR USPP PARTICIPANTS
BY POVERTY LEVEL FOR THE LAST TWO HEATING SEASONS**

UTILITY	Average 2014-2015 Grants (\$)						Average 2013-2014 Grants (\$)					
	Poverty Level 1	Poverty Level 2	Poverty Level 3	Poverty Level 4	Poverty Level 5	Overall	Poverty Level 1	Poverty Level 2	Poverty Level 3	Poverty Level 4	Poverty Level 5	Overall
Baltimore Gas & Electric	459	426	400	371	209	365.87	440.00	407.00	373.00	349.00	201.00	354.00
Chesapeake Utilities - Cambridge Gas Division	*	*	*	*	*	*	*	*	*	*	*	*
Chesapeake Utilities - Citizens Gas Division	316	736	0	544		425.50	577.00	395.00	655.00	216.00	*	460.75
Choptank Electric Cooperative	364	321	315	327	*	333.38	364.00	314.00	315.00	308.00	*	325.25
Columbia Gas of Maryland	533.27	506.06	493.34	477	*	507.06	470.39	510.76	468.26	499.15	*	487.14
Delmarva Power & Light ¹	273	*	*	*	*	103.83	265.00	265.00	265.00	265.00	*	265
Easton Utilities	*	*	*	*	*	*	*	*	*	*	*	*
Elkton Gas	268	213	282	202	*	248.84	257.00	272.00	225.00	324.00	*	269.5
Mayor & Council of Berlin	*	*	*	*	*	*	*	*	*	*	*	*
Potomac Electric Power Company ²	*	*	*	*	*	*	306.00	306.00	306.00	306.00	*	306.00
Southern Maryland Electric Power Cooperative	325.23	299.95	323.35	326.25	*	318.46	304.89	286.25	270.07	262.09	*	280.825
The Potomac Edison Company	239	211	206	217	*	219.46	232.00	206.00	208.00	213.00	*	214.75
Washington Gas Light Company	507.88	517.81	505.05	516.83	*	510.62	416.49	398.32	455.06	468.23	*	434.525
TOTALS	371.92	293.74	297.16	296.29	209.00	305.39	363.28	336.03	354.04	321.05	201.00	339.77

¹ DPL reported a MEAP grant only for Poverty Level 1.

² Pepco indicated the data were not available.

* Data not applicable since only BGE provided Poverty Level 5 data; or small utilities are not required to report data.

CONCLUSION

The data reported to the Commission from the utilities for the 2014-2015 winter heating season show that the Utility Service Protection Program continues to minimize the number of service terminations among eligible consumers. There were 55,075 USPP participants during the 2014-2015 heating season, which represents approximately 1.7 percent of total residential customers served by these reporting utilities, a slight decrease from the 2013-2014's 1.8 percent participation rate. USPP participation decreased 4,907 or 8 percent from that reported during the 2013-2014 level, which were 59,982. Thus, USPP participation was at the lowest level since the 2012-2013 heating season. Of the total USPP participants for the most recent heating season, 3.1 percent, or 1,721 customers, were terminated during the 2014-2015 heating season. This number was 3.7 percent, and 22 percent lower than the USPP termination rate during the 2013-2014 and the 2012-2013 heating seasons, respectively.

The monthly actual usage and monthly average obligation payment were \$183.72 and \$106.50, respectively in the 2014-2015 heating season. Both were decreased from the previous heating season and were the lowest since the 2012-2013 heating season.

In addition to the winter protections offered by the USPP to low-income customers and the financial assistance to low-income customers from the MEAP and Electric Universal Service Program, some utilities providing electric and/or gas service in Maryland operated other specific programs dedicated to assisting low-income customers during the 2014-2015 heating season. These programs vary from utility to utility, but all focus on helping low-income customers with billing and related issues.

APPENDIX A1

**2014-2015 HEATING SEASON REPORTING UTILITIES BASIC
 INFORMATION**

UTILITY	Participated in USPP	Serving Customers	Service Type	Included in Data Analysis
BGE	Yes	≥ 5,000	Gas and Electric	Yes
Chesapeake Utilities - Cambridge Division	Yes	< 5,000	Gas	Yes
Chesapeake Utilities - Citizens Division	Yes	≥ 5,000	Gas	Yes
Chesapeake Utilities - Sandpiper Energy	Yes	≥ 5,000	Gas	No
Choptank Electric Cooperative	Yes	≥ 5,000	Electric	Yes
Columbia Gas of Maryland, Inc.	Yes	≥ 5,000	Gas	Yes
Delmarva Power and Light	Yes	≥ 5,000	Electric	Yes
Easton Utilities	Yes	≥ 5,000	Gas and Electric	Yes
Elkton Gas ¹	Yes	≥ 5,000	Gas	Yes
Hagerstown Light Department	No	≥ 5,000	Electric	No
Mayor & Council of Berlin	Yes	< 5,000	Electric	Yes
Potomac Electric Power Company	Yes	≥ 5,000	Electric	Yes
The Potomac Edison Company	Yes	≥ 5,000	Electric	Yes
Southern Maryland Electric Power Cooperative	Yes	≥ 5,000	Electric	Yes
Thurmont	No	< 5,000	Electric	No
Williamsport Municipal Electric Light Plant	No	< 5,000	Electric	No
UGI Utilities, Inc.	No	< 5,000	Gas	No
Washington Gas Light Company	Yes	≥ 5,000	Gas	Yes

¹ Easton Utilities has provided data as a small company although it has more than 5,000 customers.