

**PUBLIC SERVICE COMMISSION
OF MARYLAND**

UTILITY SERVICE PROTECTION PROGRAM

ANNUAL REPORT

WINTER 2018-2019

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Annapolis, Maryland

in compliance with § 7-307 of
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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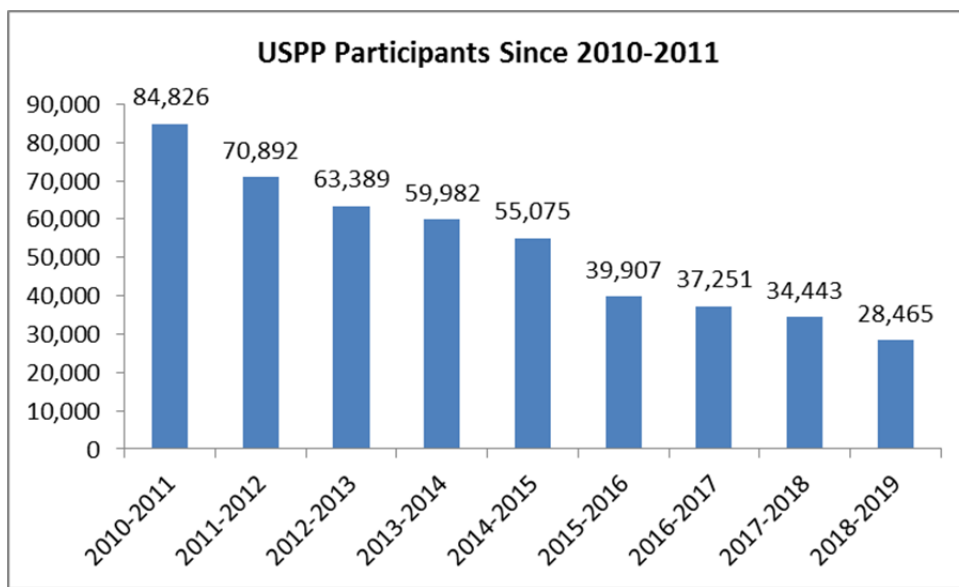
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EXECUTIVE SUMMARY

During the 2018-2019 winter heating season, 28,465 customers participated in the Utility Service Protection Program (“USPP” or “Program”), a customer enrollment decrease of 5,978 or an approximately 17 percent reduction as compared with the 2017-2018 heating season. USPP participation continued to decrease, a trend which has been observed since the 2011-2012 winter season. In the 2018-2019 winter heating season, the USPP participation number decreased by 56,361 participants as compared with the highest enrollment of 84,826 USPP participants in the 2010-2011 winter season. As shown in Figure 1 below, the participants in the 2018-2019 was the lowest since the 2010-2011 winter.

Figure 1 USPP Participants by Heating Season



The USPP enrollment in the latest winter season represented 62.6 percent of the 45,504 customers statewide who are certified to receive benefits from the Maryland Energy Assistance Program (“MEAP”), six percentage points lower than the 69 percent observed during the 2017-2018 winter season. This decreased enrollment rate as a percentage of MEAP certified customers is a result of a decrease in both the number of USPP participants and the number of MEAP-certified residential customers participating in the USPP during the 2018-2019 winter season. Table E1 provides each utility’s USPP participants, MEAP-certified customers, and

USPP enrollment as a percentage of MEAP and total residential customers the utility serves. Of the utilities listed, Baltimore Gas and Electric Company (“BGE”) with approximately 93 percent, had the highest USPP enrollment rate among MEAP customers; followed by Mayor and Council of Berlin (“Berlin”), Choptank Electric Cooperative, Inc. (“Choptank”), Columbia Gas of Maryland, Inc., 53 percent, and Delmarva Power & Light Company (“DPL”) with 65 percent, 56 percent, 53 percent, and 50 percent of USPP enrollment rates among their respective MEAP-certified customers, respectively. Potomac Electric Power Company (“Pepco”) reported a relatively low USPP enrollment rate of 29 percent.

E 1 2018-2019 USPP PARTICIPATION INFORMATION BY UTILITY

UTILITY	USPP	MEAP Customer	USPP Enrollment as % of MEAP	Total Customer	USPP Enrollment as % of Total Customer
Baltimore Gas and Electric Company	17,157	18,423	93.1%	1,796,616	0.95%
Chesapeake Utilities - Cambridge Gas	7	281	2.5%	2,489	0.28%
Chesapeake Utilities - Citizens Gas Division	10	521	1.9%	8,877	0.11%
Chesapeake Utilities - Sandpiper Energy	1	65	1.5%	9,702	0.01%
Choptank Electric Cooperative, Inc.	288	514	56.0%	47,184	0.61%
Columbia Gas of Maryland, Inc.	1,126	2,112	53.3%	29,892	3.77%
Delmarva Power & Light Company	2,926	5,830	50.2%	178,064	1.64%
Easton Utilities Commission	136	582	23.4%	8,366	1.63%
Elkton Gas	54	259	20.8%	6,462	0.84%
Mayor and Council of Berlin	199	306	65.0%	2,411	8.25%
Potomac Electric Power Company	1,185	4,120	28.8%	529,210	0.22%
Southern Maryland Electric Cooperative, Inc.	2,270	4,974	45.6%	146,231	1.55%
The Potomac Edison Company	889	2,130	41.7%	224,240	0.40%
Washington Gas Light Company	2,217	5,387	41.2%	472,802	0.47%
STATEWIDE	28,465	45,504	62.6%	3,462,546	0.82%

As seen in the last column of Table E1, the USPP participants accounted for approximately 0.82 % of the total customers that the USPP participating utilities serve, slightly lower than the 1.01% observed in the last USPP report. The USPP enrollment rate for each

utility ranged from less than one percent to 8.25 percent of the utility's respective total residential customers in the State.

The primary purpose of the USPP is to minimize service terminations of low income customers during the heating season. Table E2 provides the termination number and termination rate of the USPP participants for each utility in the 2018-2019 winter heating season. Compared to the 2017-2018 heating season, the number of USPP participants' services terminated was 1,913, an increase of 321, or 20.1 percent over the preceding heating season. The statewide USPP termination rate was approximately 6.72 percent, an increase from the 4.62 percent termination rate in the previous heating season, which represents the second consecutive increase from the 3.55 percent termination rate in the 2016-2017 winter. The termination rate increase mathematically is due to the increase in terminations and the decrease in USPP participants. Table E2 indicates that terminations are reported only by five major utilities: BGE, Choptank, DPL, Pepco, and The Potomac Edison Company ("PE"). BGE reported the highest number of terminations among the reporting utilities in the 2018-2019 heating season. BGE's number of terminations increased more than the statewide terminations increased in the 2018-2019 winter compared to the 2017-2018 winter. The other four investor-owned utilities reduced winter terminations for USPP participants by a total of 69 terminations in a season over season comparison. It may be that BGE had increased terminations due to BGE's increased USPP participation rate as compared with decreases in USPP participants reported by other utilities such as DPL and Pepco. Among the five utilities that terminated USPP participants, Choptank had the highest termination rate at 16.67 percent, followed by BGE with a 9.6 percent termination rate. Nine utilities did not report any terminations in the 2018-2019 winter season. Columbia Gas and Washington Gas Light Company ("WGL") each have a no-termination policy during the winter heating season. Some small and municipal utilities normally report no terminations, and will work with their customers to avoid termination.

E 2 2018-2019 USPP TERMINATION BY UTILITY

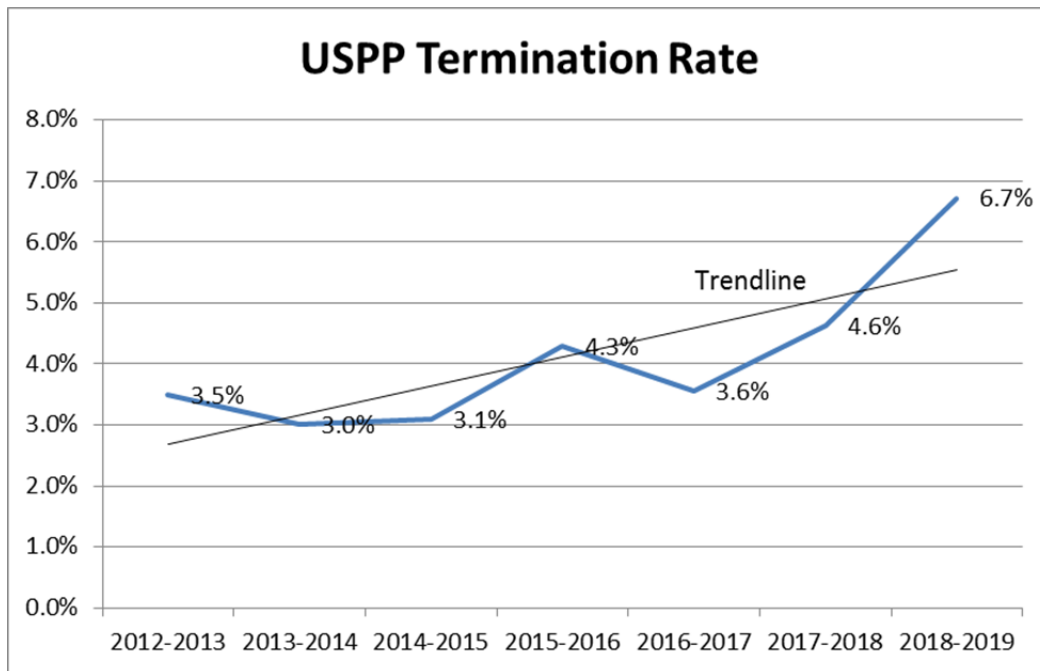
UTILITY	USPP Participants	Termination	Termination Rate	Change in Terminations from Previous Heating Season
Baltimore Gas & Electric Company	17,157	1,647	9.60%	390
Chesapeake Utilities - Cambridge Gas Division	7	0	0.00%	0
Chesapeake Utilities - Citizens Gas Division	10	0	0.00%	0
Chesapeake Utilities - Sandpiper Energy	1	0	0.00%	0
Choptank Electric Cooperative, Inc.	288	48	16.67%	-17
Columbia Gas of Maryland, Inc.	1,126	0	0.00%	0
Delmarva Power & Light Company	2,926	130	4.44%	-33
Easton Utilities Commission	136	0	0.00%	0
Elkton Gas	54	0	0.00%	0
Mayor & Council of Berlin	199	0	0.00%	0
Potomac Electric Power Company	1,185	86	7.26%	-14
Southern Maryland Electric Cooperative, Inc.	2,270	0	0.00%	0
The Potomac Edison Company	889	2	0.22%	-5
Washington Gas Light Company	2,217	0	0.00%	0
TOTAL	28,465	1,913	6.72%	321

Table E3 summarizes the number of USPP participants and USPP terminations for the seven most recent winter seasons from 2012-2013 to 2018-2019. The number of USPP participants was downward-trending during this time period, decreasing from 63,389 in the 2012-2013 winter season to 28,465 in the 2018-2019 heating season, a reduction of approximately 55 percent. The number of USPP terminations also showed a downward trend from the 2012-2013 to the 2017-2018 heating season, decreasing from 2,208 in the 2012-2013 heating season to 1,913 in the 2017-2018 heating season, a decrease of 295 or approximately 13 percent from the 2012-2013 winter season. The current reporting season had more terminations than that in the previous season. Staff also noticed that the termination rate among USPP participants was the highest in the latest winter season. As shown by a trend line in Figure 2, there is a tendency for an upward termination rate.

E 3 USPP Participation and Service Termination¹

Reporting Season	USPP Participants	USPP Service Termination	Percentage of USPP Termination
2012-2013	63,389	2,208	3.50%
2013-2014	59,982	1,788	3.00%
2014-2015	55,075	1,721	3.10%
2015-2016	39,907	1,718	4.30%
2016-2017	37,251	1,323	3.55%
2017-2018	34,443	1,592	4.62%
2018-2019	28,465	1,913	6.72%

Figure 2 USPP Termination Rate by Heating Season



BACKGROUND

On March 1, 1988, the Public Service Commission of Maryland (“Commission”) issued Order No. 67999 in Case No. 8091,² which established the Utility Service Protection Program, as

¹ The analyses did not include the Poverty Level 5 data submitted by BGE, DPL, and Pepco since 2015-2016.

² *In the Matter of Regulations Governing Terminations of Gas or Electric Service to Low Income Residential Customers during the Heating Season.*

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 winter 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, 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 winter heating season, which extends from November 1 through March 31. The USPP is intended to help 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 participating households. The USPP allows customers in arrears to restore service by accepting an equal payment plan and by requiring that any outstanding arrearages be lowered to no more than \$400 prior to the beginning of the winter heating season. The USPP 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 winter 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.³ Utilities serving residential customers in Maryland submitted data for this report. The Commission's May 2019 data request for the 2018-2019 heating season was similar to the previous USPP data requests.⁴ This report provides an analysis and summary of that information.

DATA COLLECTION AND ANALYSIS

Eighteen companies submitted 2018-2019 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 two small municipal companies—Thurmont and Williamsport—and UGI reported that they did not participate in the USPP and are not included⁶ in this report. The analysis contained in this report includes 14 companies that provided USPP poverty level data; however, the data provided to the Commission by these companies have variations. For example, some utilities indicated that the data were not available by poverty level due to accounting system limitations or was unavailable for various other reasons. The data analyses in this report

³ The data request was issued to BGE, Chesapeake Utilities Corporation-Cambridge Gas Division ("CUC-Cambridge"), Chesapeake Utilities Corporation-Citizens Gas Division ("CUC-Citizens"), Chesapeake Utilities Corporation-Sandpiper ("CUC-Sandpiper"), Choptank, CGM, DPL, Easton Utilities Commission ("Easton"), Elkton Gas ("Elkton"), WGL, Hagerstown Municipal Electric Light Plant ("Hagerstown"), Berlin, PE, Pepco, Southern Maryland Electric Cooperative, Inc. ("SMECO"), Thurmont Municipal Light Company ("Thurmont"), UGI Utilities, Inc. ("UGI"), and Williamsport Municipal Light Plant ("Williamsport").

⁴ The USPP Data Request was expanded in 2007 and several small changes were made in 2018 in the interests of clarity.

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.

⁶ UGI is a Pennsylvania based-company that offers limited service in Maryland.

were performed based on the available data of the 14 companies for the 2018-2019 heating season. The basic information for all responding utilities is contained in Appendix A1.

The data in this report provides information on Poverty Levels 1, 2, 3, and 4 ("PL1, PL2, PL3, and PL4") grouped by household incomes measured against the federal poverty level ("FPL") as follows:

Poverty Level Classification

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

A special note regarding the treatment of Poverty Level 5 in this report is required. Poverty Level 5 data previously was reported only by Baltimore Gas and Electric Company; however, since the 2015-2016 reporting season, DPL and Pepco also have provided data for Poverty Level 5.⁷ Poverty Level 5 data 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 MEAP benefit than other USPP participants.⁸ Staff did not include Poverty Level 5 data as a separate poverty level in this report. The report presents an analysis of the USPP data provided by the utilities in the order of the tables. The analysis focuses on the changes by utilities and poverty levels between the current reporting winter season and the previous heating season—two consecutive heating seasons.

⁷ DPL and Pepco started reporting Poverty Level 5 as did BGE after those companies merged with Exelon Corporation.

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.

PROGRAM PARTICIPATION

Table 1 shows the number of USPP participants and USPP eligible non-participants for each utility by poverty level in the 2018-2019 heating season.⁹ The number of USPP participants was 28,465 with MEAP-certified non-USPP participants of 17,039, resulting in a total number of MEAP-certified customers of 45,504. The number of USPP participants decreased by 5,978, or 17.3 percent; the MEAP-certified non-USPP customers increased by 1,338, or 8.5 percent; and the total number of MEAP-certified customers decreased by 5,520 or 10.8 percent when compared to the previous heating season.

Experience varied by utility during the 2018-2019 heating season. The majority of reporting utilities reported a decrease of USPP participants in the 2018-2019 heating season as compared with the previous heating season. DPL and Pepco reported the largest decrease in participants by 4,177 and 1,548, respectively, as compared with the previous heating season. BGE reported the largest increase in USPP participants, with an increase of 1,599 over the previous winter season. Chesapeake Utilities-Citizen Gas Division reported 10 USPP participants in this report but no data was available in the previous heating season. Altogether, increases and decreases among the utilities resulted in a net decrease of 5,978 USPP participants as compared with the last reporting season. Figure 3 illustrates USPP Participation by poverty level for the two most recent heating seasons.

As for the distribution of statewide USPP participants, BGE reported 17,157 USPP participants, accounting for 60.3 percent of the State's total USPP participants, which is higher than its 45.37 percent reported in the last heating season.

⁹ The USPP participants are a subset of MEAP certified customers. Another subset of MEAP certified customers are non-USPP participants. The Terms "USPP eligible non-Participant," "MEAP eligible non-USPP Participant," and "MEAP certified non-USPP customer" are used interchangeably in this report. These persons represent the customers who are eligible to receive a MEAP grant and are, therefore, eligible to enroll in USPP but who do not participate in USPP program.

Table 1 NUMBER OF USPP CUSTOMERS AND ELIGIBLE NON-PARTICIPATING CUSTOMERS BY POVERTY LEVEL

UTILITY	USPP Participants					% of Statewide Total	USPP Eligible Non-Participants					Grand Total
	Poverty Level						Poverty Level					
	1	2	3	4	Overall		1	2	3	4	Overall	
Baltimore Gas & Electric	6,104	4,453	4,509	2,091	17,157	60.27%	493	314	321	138	1,266	18,423
Chesapeake Utilities - Cambridge Gas Division	3	3	1	0	7	0.02%	93	87	76	18	274	281
Chesapeake Utilities - Citizens Gas Division	5	4	1	0	10	0.04%	180	176	109	46	511	521
Chesapeake Utilities - Sandpiper Energy	1	0	0	0	1	0.00%	13	18	24	9	64	65
Choptank Electric Cooperative	88	91	83	26	288	1.01%	69	65	67	25	226	514
Columbia Gas of Maryland	384	341	298	103	1,126	3.96%	268	300	300	118	986	2,112
Delmarva Power & Light	1,092	802	722	310	2,926	10.28%	1,079	802	716	307	2,904	5,830
Easton Utilities	53	35	39	9	136	0.48%	93	154	144	55	446	582
Elkton Gas	16	17	13	8	54	0.19%	50	68	66	21	205	259
Mayor & Council of Berlin	78	68	38	15	199	0.70%	57	32	16	2	107	306
Potomac Electric Power Company	469	350	227	139	1,185	4.16%	1,080	844	657	354	2,935	4,120
Southern Maryland Electric Power Cooperative	771	665	582	252	2,270	7.97%	886	802	710	306	2,704	4,974
The Potomac Edison Company	269	249	266	105	889	3.12%	318	372	419	132	1,241	2,130
Washington Gas Light Company	911	570	497	239	2,217	7.79%	1,185	833	812	340	3,170	5,387
TOTALS	10,244	7,648	7,276	3,297	28,465	100.00%	5,864	4,867	4,437	1,871	17,039	45,504

Figure 3 USPP Participation by Poverty Level

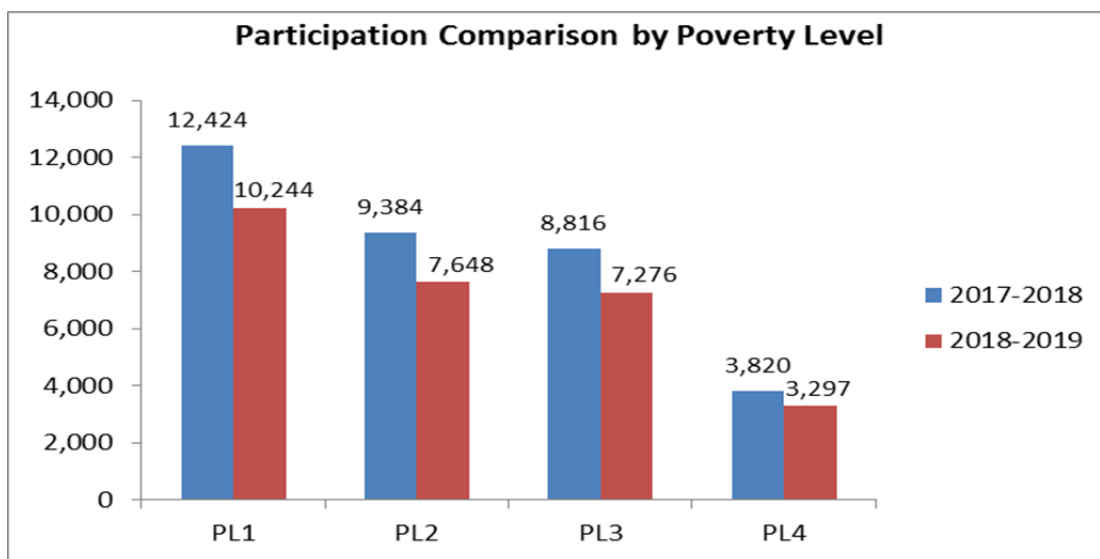


Table 2 presents USPP participation as a percentage of the total number of MEAP-certified customers for the 2018-2019 and 2017-2018 heating seasons by company and by poverty level. The statewide USPP participation rate of MEAP-certified customers for the 2018-2019 winter heating season is 62.6 percent, approximately six percentage points lower than the 68.6 percent observed in 2017-2018. This measure is an indication of MEAP-certified customers who need energy assistance and also need USPP protection to spread unpaid balances over the winter season and beyond in order to avoid their services being terminated; in other words, 62.6 percent of MEAP customers need the USPP.

The enrollment rate varied among the utilities. BGE reported the highest enrollment rate among its MEAP-certified customers at 93 percent which was 3.79 percentage points higher than in 2017-2018. The other reporting utilities had enrollment rates at or below 65 percent. Comparing each utility's current enrollment rate to its own previous winter season enrollment rate, four utilities—BGE, CUC-Sandpiper Energy, Berlin, and Easton—reported an increased enrollment and the other 10 utilities each reported a decreased enrollment. DPL had the largest enrollment rate decrease with 34.2 percentage points lower than its last enrollment rate of 84.39 percent. Statewide observations among Poverty Levels 1, 2, 3, and 4 present small variations. If compared to the 2017-2018 winter season's poverty levels, all four Poverty Levels were lower by between five to seven percentage points.

Table 2 USPP PARTICIPATION AS A PERCENT OF TOTAL ELIGIBLE FOR EACH POVERTY LEVEL FOR EACH OF THE LAST TWO HEATING SEASONS¹⁰

UTILITY	2018-2019 Participation					2017-2018 Participation				
	Poverty Level					Poverty Level				
	1	2	3	4	Overall	1	2	3	4	Overall
Baltimore Gas & Electric	93%	93%	93%	94%	93%	89%	89%	90%	90%	89%
Chesapeake Utilities - Cambridge Gas	3%	3%	1%	0%	2%	2%	3%	1%	4%	3%
Chesapeake Utilities - Citizens Gas Division	3%	2%	1%	0%	2%	N.A.	N.A.	N.A.	N.A.	N.A.
Chesapeake Utilities - Sandpiper Energy	7%	0%	0%	0%	2%	N.A.	N.A.	N.A.	N.A.	N.A.
Choptank Electric Cooperative	56%	58%	55%	51%	56%	79%	81%	82%	82%	81%
Columbia Gas of Maryland, Inc.	59%	53%	50%	47%	53%	59%	55%	49%	56%	54%
Delmarva Power & Light	50%	50%	50%	50%	50%	87%	84%	82%	84%	84%
Easton Utilities	36%	19%	21%	14%	23%	28%	20%	18%	13%	20%
Elkton Gas	24%	20%	16%	28%	21%	24%	25%	25%	27%	25%
Mayor & Council of Berlin	58%	68%	70%	88%	65%	69%	58%	45%	48%	57%
Potomac Electric Power Company	30%	29%	26%	28%	29%	55%	53%	54%	46%	53%
Southern Maryland Electric Cooperative	47%	45%	45%	45%	46%	48%	48%	46%	46%	48%
The Potomac Edison Company	46%	40%	39%	44%	42%	44%	42%	41%	44%	43%
Washington Gas Light Company	43%	41%	38%	41%	41%	49%	45%	44%	45%	46%
TOTALS	64%	61%	62%	64%	63%	70%	68%	68%	69%	69%

Table 3 presents the USPP enrollment compared to the total customers each utility serves. During the 2018-2019 heating season, the rate of USPP participants to total utility customers statewide was 0.82 percent and decreased slightly from the previously reported one percent. Columbia Gas reported a 3.77 percent USPP participation rate (the highest USPP participation rate among major utilities except for municipal Berlin), followed by DPL with a 1.64 percent, and SMECO with a 1.55 percent participation rate. BGE, PE, Pepco, WGL, and Choptank each had a USPP participation rate below one percent. The slightly decreased statewide USPP enrollment of utilities' total residential customers was the result of a decreased

¹⁰ N.A. indicates either a company is not required to provide data or a company does not track data by poverty level.

USPP participant enrollment rate and a slightly increased number of residential customers (by 42,499) in this winter season over the previous winter season.

Table 3 USPP PARTICIPANTS AND PERCENTAGE OF ENROLLMENT TO MEAP AND TOTAL CUSTOMERS

UTILITY	USPP	MEAP Customer	USPP Participants as a Percentage of MEAP Customer	Total Customers	USPP Participants as a Percentage of Total Customer
Baltimore Gas & Electric	17,157	18,423	93%	1,796,616	0.95%
Chesapeake Utilities - Cambridge Gas	7	281	2%	2,489	0.28%
Chesapeake Utilities - Citizens Gas Division	10	521	2%	8,877	0.11%
Chesapeake Utilities - Sandpiper Energy	1	65	2%	9,702	0.01%
Choptank Electric Cooperative	288	514	56%	47,184	0.61%
Columbia Gas of Maryland, Inc.	1,126	2,112	53%	29,892	3.77%
Delmarva Power & Light	2,926	5,830	50%	178,064	1.64%
Easton Utilities	136	582	23%	8,366	1.63%
Elkton Gas	54	259	21%	6,462	0.84%
Mayor & Council of Berlin	199	277	72%	2,382	8.35%
Potomac Electric Power Company	1,185	4,120	29%	529,210	0.22%
Southern Maryland Electric Cooperative	2,270	4,974	46%	146,231	1.55%
The Potomac Edison Company	889	2,130	42%	224,240	0.40%
Washington Gas Light Company	2,217	5,387	41%	472,802	0.47%
TOTALS	28,465	45,475	63%	3,462,517	0.82%

Table 4 shows the percentage of customers who were USPP participants in the 2017-2018 heating season and also participated in the 2018-2019 heating season. Overall, 36 percent of the USPP customers who participated in the 2017-2018 heating season also enrolled in the USPP during the 2018-2019 heating season. This enrollment rate in two-consecutive heating seasons is three percentage points lower than the 39 percent noted in the previous report.

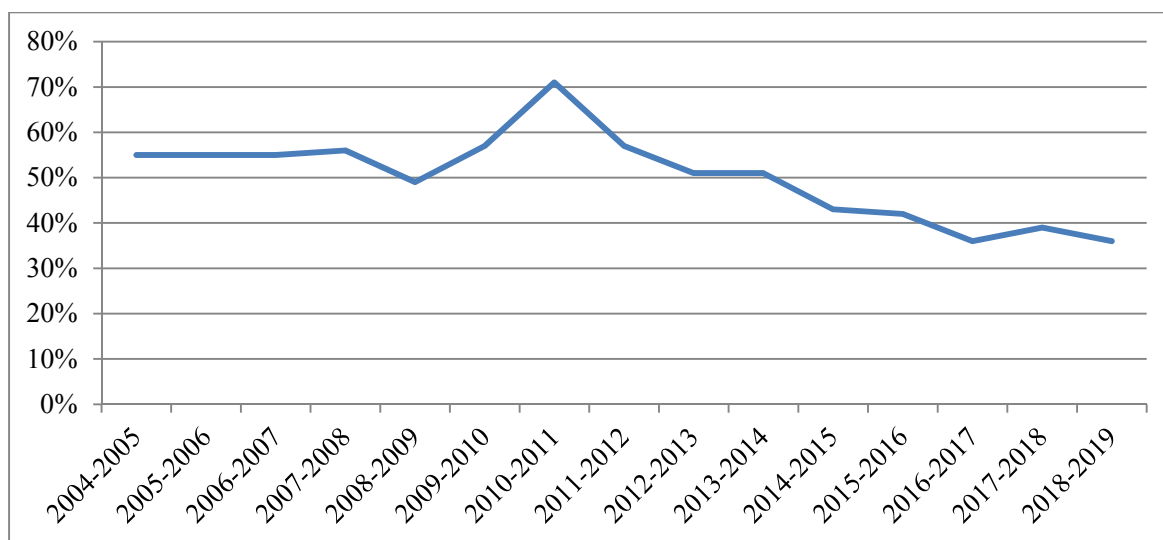
Figure 4 illustrates that there has been a declining rate of repeat participants since the 2010-2011 heating season. Based on data availability for the two most recent heating seasons, six utilities (BGE, Choptank, DPL, Elkton Gas, Pepco, and PE) reported a lower repeated enrollment for this winter season over the last winter season. SMECO and WGL reported an elevated

repeated enrollment rate. CUC-Cambridge, CUC-Citizens, CUC-Sandpiper, CGM, and Easton had no reported data. Figure 5 provides a comparison for the utilities with reported data.

Table 4 PERCENTAGE OF 2018-2019 USPP PARTICIPANTS WHO ALSO PARTICIPATED IN THE PROGRAM DURING THE PRIOR HEATING SEASON¹¹

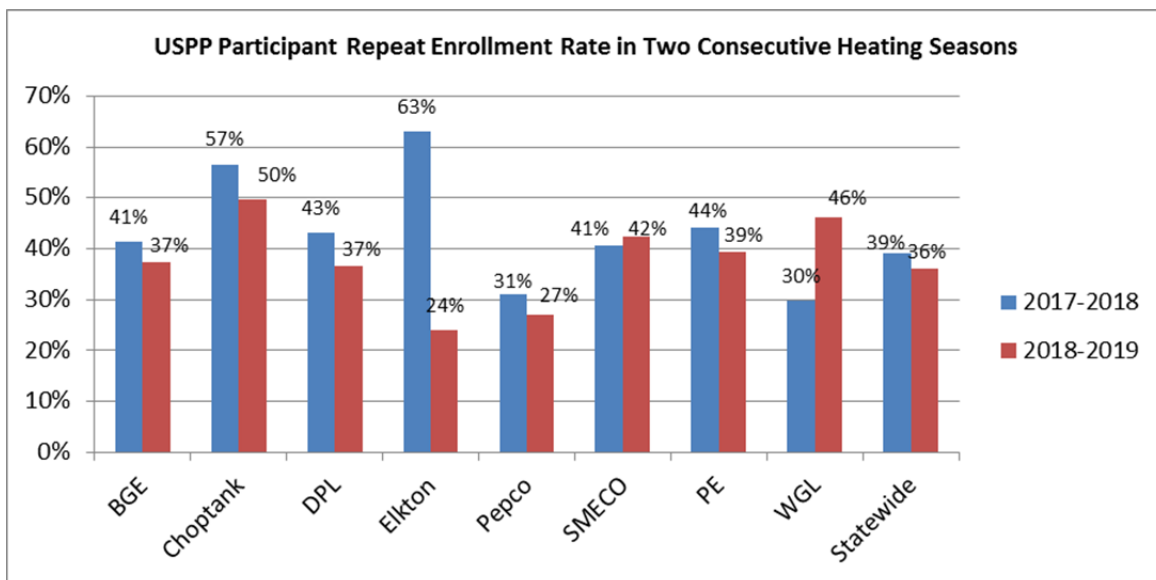
UTILITY	Poverty Level				
	1	2	3	4	Overall
Baltimore Gas & Electric	33%	41%	41%	35%	37%
Chesapeake Utilities - Cambridge Gas	N.A.	N.A.	N.A.	N.A.	N.A.
Chesapeake Utilities - Citizens Gas Division	N.A.	N.A.	N.A.	N.A.	N.A.
Chesapeake Utilities - Sandpiper Energy	N.A.	N.A.	N.A.	N.A.	N.A.
Choptank Electric Cooperative	44%	54%	55%	35%	50%
Columbia Gas of Maryland, Inc.	N.A.	N.A.	N.A.	N.A.	N.A.
Delmarva Power & Light	35%	42%	36%	31%	37%
Easton Utilities	N.A.	N.A.	N.A.	N.A.	N.A.
Elkton Gas	13%	35%	23%	25%	24%
Mayor & Council of Berlin	N.A.	N.A.	N.A.	N.A.	N.A.
Potomac Electric Power Company	25%	30%	30%	22%	27%
Southern Maryland Electric Cooperative	42%	49%	39%	32%	42%
The Potomac Edison Company	36%	42%	42%	34%	39%
Washington Gas Light Company	45%	49%	47%	41%	46%
TOTALS	33%	39%	38%	33%	36%

Figure 4 Statewide Rate of USPP Customers Enrolled in Two-Consecutive Heating Seasons



¹¹ N.A. indicates either a company is not required to provide data or a company does not track data by poverty level.

Figure 5 USPP Customers Enrolled in Previous Two-Consecutive Heating Seasons by Utility



SUPPLEMENTAL PAYMENTS AND SUPPLEMENTAL ARREARAGES

Table 5 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 the utilities to offer customers with outstanding arrearages the opportunity to place all or part of those arrearages in a special agreement 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. For example, Columbia Gas allows USPP customers to make 12-, 24-, and 36- months’ equal payment of the existing arrearages according to their USPP customers’ income. 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.

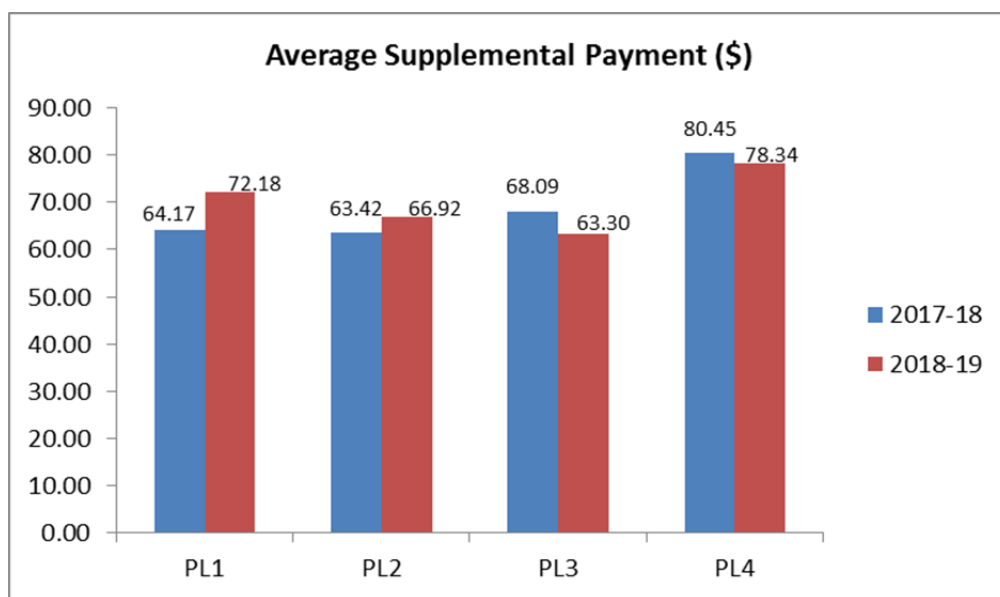
Table 5 PERCENTAGE OF USPP CUSTOMERS MAKING SUPPLEMENTAL PAYMENTS, THE AVERAGE DOLLAR AMOUNT OF THOSE PAYMENTS, AND THE AVERAGE ARREARAGE REQUIRING PAYMENTS BY POVERTY LEVEL¹²

UTILITY	Percentage of USPP Customers Making Supplemental Payments					Average Monthly Amount of Supplemental Payments (\$)					Average Supplemental Arrearage (\$)				
	Poverty Level					Poverty Level					Poverty Level				
	1	2	3	4	Overall	1	2	3	4	Overall	1	2	3	4	Overall
Baltimore Gas & Electric	3%	3%	4%	5%	4%	86	82	86	100	87	618	560	638	722	627
Chesapeake Utilities - Cambridge Gas	33%	0%	0%	N.A.	14%	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Chesapeake Utilities - Citizens Gas Division	20%	75%	100%	N.A.	50%	242	184	126	0	184	67	67	53	0	64
Chesapeake Utilities - Sandpiper Energy	0%	N.A.	N.A.	N.A.	0%	0	0	0	0	N.A.	0	0	0	0	N.A.
Choptank Electric Cooperative	0%	0%	0%	0%	0%	0	0	0	0	N.A.	0	0	0	0	N.A.
Columbia Gas of Maryland, Inc.	66%	56%	45%	54%	56%	18	18	19	23	19	228	203	137	147	194
Delmarva Power & Light	1%	2%	2%	5%	2%	212	90	134	138	141	1,429	607	1,021	1,013	992
Easton Utilities	0%	0%	0%	0%	0%	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Elkton Gas	0%	0%	0%	0%	0%	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Mayor & Council of Berlin	0%	0%	0%	0%	0%	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Potomac Electric Power Company	32%	28%	22%	40%	30%	127	133	101	85	118	1144	1208	926	1079	1120
Southern Maryland Electric Cooperative	22%	17%	19%	27%	20%	56	52	44	58	52	408	398	309	384	378
The Potomac Edison Company	30%	17%	17%	33%	23%	98	92	88	92	93	361	243	328	265	312
Washington Gas Light Company	4%	3%	4%	4%	4%	107	87	74	126	97	450	417	341	464	418
TOTALS	9%	8%	7%	10%	8%	72	67	63	78	70	540	499	446	579	514

¹² N.A. indicates either a company is not required to provide data or a company does not track data by poverty level.

The number of customers who were participants in USPP and also made supplemental payments in the 2018-2019 heating season is 2,407, lower than the 3,673 in the 2017-2018 and 6,323 in the 2016-2017 winter season. The percentage of USPP participants making supplemental payments was approximately 8.5 percent of total USPP participants, which was 2.5 percentage points lower than in the last reporting season. The amount of the average monthly supplemental payment balances during the 2018-2019 heating season statewide was \$69.70, which is slightly higher than the last year's \$66.94.¹³ As compared with the 2017-2018 season, a comparison by poverty level revealed that the average monthly supplemental payments increased for Poverty Levels 1 and 2 and decreased for Poverty Levels 3 and 4. The comparison by poverty level for two consecutive heating seasons is demonstrated in Figure 6.

Figure 6 Average Supplemental Payment by Poverty Level for 2017-2018 and 2018-2019



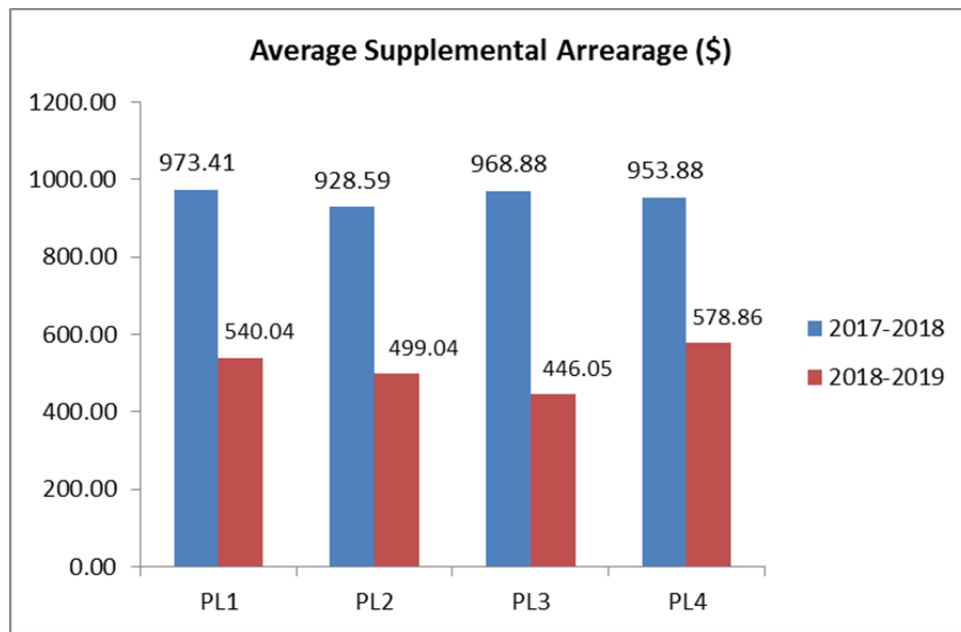
As compared to the 2017-2018 heating season, the statewide average supplemental arrearage was \$513.87,¹⁴ a decrease of \$444.53 from \$958.40 of the 2017-2018 heating season, which is the largest decrease in the recent years. The data also indicated that the average supplemental arrearage for all poverty levels continued decreasing for the third consecutive

¹³ This is a weighted average calculation for all poverty levels across all utilities weighted by number of USPP participants who make supplemental payment as well.

¹⁴ *Id.*

heating season since 2015-2016. Figure 7 illustrates a two consecutive year comparison by poverty level. This significant decline of average supplemental arrearages across all poverty levels in this heating season may indicate that recent year's national economic condition improvement and growth after the 2008 economic recession has had a positive impact on low income customers although the data for an accurate assessment for USPP customers is outside the scope of this report.

Figure 7 Average Supplemental Arrearage by Poverty Level for 2017-2018 and 2018-2019



PARTICIPANT ARREARAGES AND PROGRAM COMPLIANCE

Table 6 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, 2019. As was the pattern experienced over the previous 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 in the 2018-2019 winter heating season. Non-MEAP eligible customers were the lowest percentage of customers in arrears during the 2018-2019 winter heating season. For all reporting utilities, the percentage of customers in arrears was 42 percent for USPP participants, 30 percent for MEAP-certified non-USPP participants, and 17

percent for non-MEAP-eligible customers as of March 31, 2019. The proportion of USPP participants who were in arrears was about three percentage points higher than the previous 39 percent, but almost the same as the 41 percent reported in the 2016-2017 heating season.

Table 6 PERCENTAGE OF USPP PARTICIPANTS, MEAP-ELIGIBLE CUSTOMERS, AND NON-MEAP CUSTOMERS IN ARREARS BY POVERTY LEVEL¹⁵

UTILITY	USPP Participants					MEAP-Eligible Non-Participants					Non-MEAP Customers
	Poverty Level					Poverty Level					
	1	2	3	4	Overall	1	2	3	4	Overall	
Baltimore Gas & Electric	61%	53%	53%	59%	57%	35%	28%	60%	119%	49%	17%
Chesapeake Utilities - Cambridge Gas Division	0%	0%	0%	0%	0%	66%	40%	34%	28%	46%	28%
Chesapeake Utilities - Citizens Gas Division	40%	25%	0%	0%	30%	43%	38%	34%	43%	39%	19%
Chesapeake Utilities - Sandpiper Energy	0%	0%	0%	0%	0%	31%	11%	17%	33%	20%	8%
Choptank Electric Cooperative	70%	78%	87%	100%	80%	41%	45%	27%	44%	38%	8%
Columbia Gas of Maryland, Inc.	44%	31%	24%	22%	33%	18%	7%	9%	8%	11%	14%
Delmarva Power & Light	4%	3%	3%	5%	3%	24%	21%	23%	29%	23%	19%
Easton Utilities	25%	11%	18%	0%	18%	8%	4%	8%	15%	7%	2%
Elkton Gas	13%	18%	15%	25%	17%	34%	32%	21%	14%	27%	26%
Mayor & Council of Berlin	0%	0%	0%	0%	0%	33%	91%	81%	50%	58%	14%
Potomac Electric Power Company	9%	10%	7%	6%	9%	21%	15%	17%	23%	19%	21%
Southern Maryland Electric Cooperative	52%	46%	45%	46%	48%	60%	54%	51%	54%	55%	21%
The Potomac Edison Company	32%	16%	15%	29%	22%	32%	15%	20%	30%	23%	16%
Washington Gas Light Company	2%	2%	3%	3%	2%	32%	20%	21%	28%	25%	9%
TOTALS	44%	39%	40%	45%	42%	33%	26%	28%	37%	30%	17%

Table 7 presents the average dollar amount of arrearages for USPP participants, MEAP-certified non-USPP participants, and non-MEAP customers. Compared to the 2017-2018 data, the average arrearage balances for both USPP customers and MEAP-certified non-USPP participants decreased. For the 2018-2019 heating season, the overall average arrearage for USPP participants was \$321.43, decreasing by \$99.45 or about 24 percent from \$420.80 in the

¹⁵ Customer is in arrears if some monthly billing is past due on March 31, 2019.

2017-2018 winter, and \$300 less than the \$622 for the 2016-2017 winter season. In 2018-2019, the average arrearage balance for MEAP eligible non-USPP participants was approximately \$366, decreasing by \$48 or 12 percent from \$414 in the 2017-2018 winter heating season. Across all poverty levels, the average arrearage balances for USPP participants decreased from the previous heating season. Among utilities, DPL and Pepco still reported the highest average arrearages with \$664 and \$724, respectively, as in the previous two heating seasons. However, the arrearages for these two companies in this report were their respectively lowest in the most recent three winter seasons, as shown in Figure 8.

Figure 8 DPL and Pepco USPP Arrearage for Three Most Recent Heating Seasons

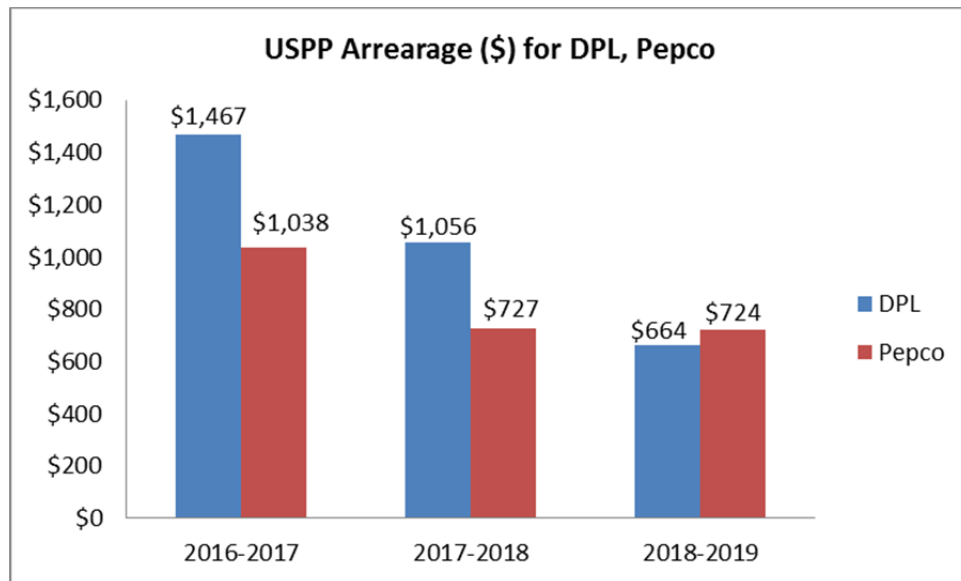


Table 7 ARREARAGE FOR USPP PARTICIPANTS, MEAP-CERTIFIED NON-USPP PARTICIPANTS, AND NON-MEAP CUSTOMERS IN ARREARS BY POVERTY LEVEL^{16,17}

UTILITY	USPP Participants (\$)					MEAP Certified Non-USPP Participants (\$)					Non-MEAP Customers (\$)
	Poverty Level					Poverty Level					
	1	2	3	4	Overall	1	2	3	4	Overall	
Baltimore Gas & Electric	490	488	480	471	485	550	526	518	575	543	288
Chesapeake Utilities - Cambridge Gas	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Chesapeake Utilities - Citizens Gas Division	125	280	0	0	177	177	187	146	198	176	209
Chesapeake Utilities - Sandpiper Energy	0	0	0	0	0	239	331	295	399	307	216
Choptank Electric Cooperative	425	353	309	365	360	515	577	556	567	551	175
Columbia Gas of Maryland, Inc.	139	177	159	167	155	260	139	134	168	196	211
Delmarva Power & Light	439	923	767	527	643	950	699	772	694	812	416
Easton Utilities	N.A.	N.A.	N.A.	N.A.	0	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Elkton Gas	93	307	256	370	262	92	89	100	84	92	149
Mayor & Council of Berlin	N.A.	N.A.	N.A.	N.A.	0	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Potomac Electric Power Company	955	769	499	674	796	646	629	639	659	643	284
Southern Maryland Electric Cooperative	437	329	312	419	375	238	223	225	241	231	201
The Potomac Edison Company	223	156	154	254	200	223	206	190	264	215	223
Washington Gas Light Company	223	175	242	212	217	325	293	317	265	310	255
TOTALS	467	458	448	456	459	415	347	381	429	392	239

¹⁶ Customer is in arrears if any monthly billing is past due on March 31, 2019.

¹⁷ N.A. indicates either a company is not required to provide data or a company does not track data by poverty level.

Table 8 presents the percentage of USPP participants who complied with the payment provisions of the program for the 2018-2019 heating season and compares those rates 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 2018-2019 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 8 may overstate the proportion of customers that comply with the USPP payment provisions. The 96 percent compliance rate indicates that only four percent of USPP participants were removed from the program. When compared with the previous heating seasons, the statewide compliance rate increased by approximately one percentage point from a 95 percent compliance rate in the 2017-2018 winter heating season but was the same compliance rate as in the 2016-2017 winter heating season. The compliance rates across all poverty levels were almost identical at around 96 percent in 2018-2019.¹⁸ Among the data reported by utilities, SMECO reported a 98 percent compliance rate and was followed by WGL with a compliance rate of 92 percent. Major utilities' compliance rates were above 77 percent. Three small utilities, CUC-Cambridge Gas, CUC-Sandpiper, and Berlin reported a compliance rate of 100 percent.

¹⁸ The percentage numbers are rounded up to the nearest integer.

Table 8 PERCENTAGE OF USPP PARTICIPANTS WHO COMPLIED WITH PROGRAM PAYMENT PROVISIONS BY POVERTY LEVEL DURING THE LAST TWO HEATING SEASONS¹⁹

UTILITY	Compliance 2018-2019					Compliance 2017-2018				
	Poverty Level					Poverty Level				
	1	2	3	4	Overall	1	2	3	4	Overall
Baltimore Gas & Electric	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Chesapeake Utilities - Cambridge Gas	100%	100%	100%	0%	100%	0%	100%	100%	100%	63%
Chesapeake Utilities - Citizens Gas Division	40%	75%	100%	0%	60%	N.A.	N.A.	N.A.	N.A.	N.A.
Chesapeake Utilities - Sandpiper Energy	100%	0%	0%	0%	100%	N.A.	N.A.	N.A.	N.A.	N.A.
Choptank Electric Cooperative	64%	84%	80%	92%	77%	79%	89%	88%	89%	86%
Columbia Gas of Maryland, Inc.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Delmarva Power & Light	80%	82%	83%	85%	82%	82%	87%	86%	83%	84%
Easton Utilities	83%	80%	87%	100%	85%	92%	97%	97%	100%	96%
Elkton Gas	94%	88%	100%	100%	94%	80%	95%	94%	100%	91%
Mayor & Council of Berlin	100%	100%	100%	100%	100%	N.A.	N.A.	N.A.	N.A.	N.A.
Potomac Electric Power Company	86%	83%	80%	93%	85%	87%	90%	89%	84%	88%
Southern Maryland Electric Cooperative	98%	98%	99%	98%	98%	99%	99%	99%	99%	99%
The Potomac Edison Company	93%	87%	93%	90%	91%	93%	83%	90%	86%	88%
Washington Gas Light Company	90%	93%	92%	93%	92%	97%	97%	97%	99%	97%
TOTALS	96%	96%	96%	97%	96%	94%	95%	95%	95%	95%

¹⁹ BGE and Columbia Gas of Maryland do not remove customers from USPP for failure to pay the amount due on two consecutive monthly bills.

N.A. indicates either a company is not required to provide data or a company does not track data by poverty level.

HEATING SEASON TERMINATIONS

Table 9 presents the number of USPP participants, MEAP-certified non-USPP participants, and non-MEAP customers whose services were terminated during the winter heating season. Of the 28,465 USPP participants, five of the 14 reporting utilities collectively terminated 1,913 USPP participants, an increase of 321, or approximately 20 percent from 1,592 terminations reported in the 2017-2018 winter, and also higher than the 1,323 terminations noted in the 2016-2017 report. There appears to be an increasing trend of terminations in recent years. The USPP customer terminations increased by 321 as compared with the 2017-2018 winter heating season. BGE represented 1,645 terminations or approximately 86 percent of the State's total reported USPP terminations in the current report. Compared to the 1,257 terminations last reported by BGE, their terminations increased by 390, which is higher than the total 321 increases reported by all five utilities that reported termination. The remaining four utilities reporting terminations showed a decline from the last winter season.

Table 9 NUMBER OF WINTER HEATING SEASON TERMINATIONS²⁰

UTILITY	USPP Participants					MEAP-Certified Non-USPP Participants					Non- MEAP Customers
	Poverty Level					Poverty Level					
	1	2	3	4	Overall	1	2	3	4	Overall	
Baltimore Gas & Electric	695	370	368	214	1,647	58	30	28	16	132	12,643
Chesapeake Utilities - Cambridge Gas	0	0	0	0	0	3	0	2	1	6	0
Chesapeake Utilities - Citizens Gas Division	0	0	0	0	0	5	4	2	2	13	50
Chesapeake Utilities - Sandpiper Energy	0	0	0	0	0	0	1	0	0	1	0
Choptank Electric Cooperative	23	9	13	3	48	0	0	0	0	0	115
Columbia Gas of Maryland, Inc.	0	0	0	0	0	0	0	0	0	0	1
Delmarva Power & Light	56	36	25	13	130	162	92	81	50	385	870
Easton Utilities	0	0	0	0	0	3	0	0	0	3	15
Elkton Gas	0	0	0	0	0	0	0	0	0	0	64
Mayor & Council of Berlin	0	0	0	0	0	0	0	0	0	0	0
Potomac Electric Power Company	45	21	11	9	86	24	9	12	7	52	3,338
Southern Maryland Electric Cooperative	0	0	0	0	0	0	0	0	0	0	344
The Potomac Edison Company	2	0	0	0	2	0	0	2	0	2	18
Washington Gas Light Company	0	0	0	0	0	0	0	0	0	0	0
TOTALS	821	436	417	239	1,913	255	136	127	76	594	17,458

²⁰ Note: Columbia Gas and Washington Gas each has a no-termination policy during heating season.

HIGH ENERGY CONSUMPTION

Table 10 presents the percentage of USPP participants who consumed more than 135 percent of their utility system’s average usage. Data in this table show the proportions of USPP customers who consume higher-than-average levels of energy by poverty level.²¹ Due to this increased consumption, these customers will have higher-than-average heating bills. These higher bills may tend to generate greater arrearages, thereby creating a higher risk of defaulting on payment plans and a greater risk of termination. For the 2018-2019 heating season, approximately 24 percent of USPP participants consumed more than 135 percent of their utilities’ system average usage, which was 14 percentage points lower than the 38 percent recognized in the 2017-2018 winter heating season. There is not much variation by poverty level, which all decreased by approximately 14 percentage points from the 2017-2018 report.

Table 10 PERCENTAGE OF USPP PARTICIPANTS WHO CONSUMED MORE THAN 135% OF SYSTEM AVERAGE ENERGY DURING THE MOST RECENT HEATING SEASON²²

UTILITY	Poverty Level				Overall
	1	2	3	4	
Baltimore Gas & Electric	23%	23%	22%	22%	23%
Chesapeake Utilities - Cambridge Gas Division	N.A.	N.A.	N.A.	N.A.	N.A.
Chesapeake Utilities - Citizens Gas Division	20%	0%	0%	0%	10%
Chesapeake Utilities - Sandpiper Energy	N.A.	N.A.	N.A.	N.A.	N.A.
Choptank Electric Cooperative	N.A.	N.A.	N.A.	N.A.	N.A.
Columbia Gas of Maryland, Inc.	N.A.	N.A.	N.A.	N.A.	N.A.
Delmarva Power & Light	23%	22%	25%	25%	23%
Easton Utilities	N.A.	N.A.	N.A.	N.A.	N.A.
Elkton Gas	19%	12%	31%	0%	17%
Mayor & Council of Berlin	N.A.	N.A.	N.A.	N.A.	N.A.
Potomac Electric Power Company	31%	24%	26%	28%	28%
Southern Maryland Electric Cooperative	56%	44%	53%	55%	52%
The Potomac Edison Company	51%	44%	49%	43%	47%
Washington Gas Light Company	13%	13%	15%	14%	14%
TOTALS	24%	23%	24%	24%	24%

²¹ 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 small utilities serving less than 5,000 customers since they are not required to report this information.

²² N.A. indicates either a company is not required to provide data or a company does not track usage data by poverty level.

PRIMARY HEAT SOURCE

Table 11 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 the 2018-2019 heating season, 74 percent of USPP customers, 58 percent of MEAP-certified non-USPP participants, and 51 percent of non-MEAP customers received their primary heating source from the utility responding to the data request. The percentage of USPP customers using the reporting utilities as their heating source increased three percentage points compared to 71 percent in the previous heating season. The data applicable to the primary heating source vary across utilities. The percentage of USPP customers whose primary heating source was provided by the reporting utilities ranged from 16 percent to 100 percent among utilities. Four gas companies and one electric company reported that they were the sole heating source for their entire customer base. DPL, an electric-only utility, reported 16 percent, 11 percentage points lower than in the 2017-2018 season. The remaining utilities reported between 76 and 96 percent of USPP customers using their utilities as their major heating source.

Table 11 PERCENTAGE OF PARTICIPANTS, MEAP-CERTIFIED NON-USPP PARTICIPANTS, AND NON-MEAP CUSTOMERS WHOSE PRIMARY HEAT SOURCE IS PROVIDED BY THE UTILITY BY POVERTY LEVEL²³

UTILITY	USPP Participants					MEAP-Certified Non-USPP Participants					Non-MEAP Customers
	Poverty Level					Poverty Level					
	1	2	3	4	Overall	1	2	3	4	Overall	
Baltimore Gas & Electric	71%	77%	79%	81%	76%	76%	77%	79%	77%	77%	50%
Chesapeake Utilities - Cambridge Gas	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Chesapeake Utilities - Citizens Gas Division	100%	100%	100%	N.A.	100%	100%	100%	100%	100%	100%	94%
Chesapeake Utilities - Sandpiper Energy	100%	N.A.	N.A.	N.A.	100%	100%	100%	100%	100%	100%	94%
Choptank Electric Cooperative	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	0%
Columbia Gas of Maryland, Inc.	100%	100%	100%	100%	100%	100%	100%	99%	100%	100%	96%
Delmarva Power & Light	12%	19%	20%	14%	16%	14%	20%	19%	17%	17%	31%
Easton Utilities	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Elkton Gas	100%	88%	100%	100%	96%	90%	97%	94%	90%	94%	91%
Mayor & Council of Berlin	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Potomac Electric Power Company	82%	78%	81%	81%	81%	74%	77%	77%	72%	75%	32%
Southern Maryland Electric Cooperative	94%	95%	95%	93%	95%	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
The Potomac Edison Company	84%	85%	82%	81%	83%	85%	86%	86%	80%	85%	49%
Washington Gas Light Company	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
TOTALS	71%	75%	76%	77%	74%	57%	58%	59%	58%	58%	51%

²³ N.A. indicates data not available; or small utilities (CUC-Cambridge, Berlin, and Easton) are not required to report data; Choptank did not provide data for non-MEAP customers and SMECO did not provide data for MEAP-certified non-USPP customers and non-MEAP participants.

MEAP GRANTS

Table 12 presents the average MEAP grant payable to the utility at the time of the customer's enrollment in the USPP program. Most USPP participating utilities work closely with OHEP to lower their customers' arrearage and unpaid balances in order that they may be enrolled into USPP and be eligible for an alternate payment plan. OHEP's benefit calculation methodology provides larger MEAP grants at poverty levels reflecting lower incomes. The data indicates that the overall average benefit was \$507 in 2018-2019, increasing from \$440 in the 2017-2018 heating season. As seen in the previous years, the size of the MEAP benefit awarded to customers decreased as the poverty level increased. Customers in Poverty Level 1, at the lowest household income level, received the highest MEAP benefit, an average of \$541; those in Poverty Levels 2, 3, and 4, were reported to have received a MEAP grant of \$497, \$487, and \$467, respectively. Customers of WGL, BGE, SMECO, and Choptank received the largest average grant at \$572, \$543, \$509, and \$497, respectively, followed by DPL and Columbia Gas with \$437 and \$417.

Table 12 AVERAGE MARYLAND ENERGY ASSISTANCE PROGRAM GRANT FOR USPP PARTICIPANTS BY POVERTY LEVEL FOR THE LAST TWO HEATING SEASONS²⁴

UTILITY	Average 2018-2019 Grants (\$)					Average 2017-2018 Grants (\$)				
	Poverty Level					Poverty Level				
	1	2	3	4	Overall	1	2	3	4	Overall
Baltimore Gas & Electric	\$589.00	\$543.00	\$510.00	\$479.00	\$542.89	\$519.00	\$481.00	\$447.00	\$417.00	\$477.48
Chesapeake Utilities - Cambridge Gas	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Chesapeake Utilities - Citizens Gas Division	613.4	599.25	543	0	600.7	N.A.	N.A.	N.A.	N.A.	N.A.
Chesapeake Utilities - Sandpiper Energy	284	0	0	0	284	N.A.	N.A.	N.A.	N.A.	N.A.
Choptank Electric Cooperative	\$554.00	\$497.00	\$450.00	\$449.00	\$496.54	\$519.00	\$449.00	\$431.00	\$404.00	\$459.35
Columbia Gas of Maryland, Inc.	\$390.90	\$429.36	\$427.36	\$439.28	\$416.62	\$579.91	\$559.00	\$588.84	\$518.64	\$569.67
Delmarva Power & Light	\$466.00	\$413.00	\$433.00	\$402.00	\$436.55	\$398.00	\$360.00	\$368.00	\$375.00	\$376.89
Easton Utilities	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Elkton Gas	\$355.00	\$331.00	\$386.00	\$216.00	\$334.31	\$289.00	\$301.00	\$293.00	\$356.00	\$302.95
Mayor & Council of Berlin	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Potomac Electric Power Company	\$426.00	\$370.00	\$394.00	\$439.00	\$404.85	\$386.00	\$354.00	\$375.00	\$377.00	\$374.06
Southern Maryland Electric Cooperative	\$515.35	\$503.71	\$516.17	\$483.86	\$508.65	\$468.68	\$450.37	\$493.45	\$473.71	\$469.68
The Potomac Edison Company	\$347.00	\$303.00	\$324.00	\$340.00	\$326.97	\$327.00	\$300.00	\$287.00	\$311.00	\$306.50
Washington Gas Light Company	\$589.76	\$543.17	\$573.76	\$565.33	\$571.56	\$473.04	\$488.29	\$520.36	\$453.32	\$485.60
TOTALS	\$540.78	\$496.65	\$487.04	\$466.67	\$506.60	\$465.91	\$430.37	\$428.25	\$410.67	\$440.46

²⁴ N.A. indicates either a company is not required to provide data or a company does not track data by poverty level.

CONCLUSION

The data reported to the Commission from the participating utilities for the 2018-2019 winter heating season show that the total number of USPP participants continues to decrease from the previous heating season. The number of statewide USPP participants was 28,465 during the 2018-2019 heating season, representing 5,978 or a 17.35 percent decrease of USPP participants as compared with the 2017-2018 heating season, the largest decrease in recent reporting years. Accompanied with the significant decrease of USPP participants, the USPP enrollment also declined to 62.6 percent from previous 68.6 percent of MEAP customers enrolled into the USPP; similarly the USPP enrollment rate slightly decreased from 1.01 percent to 0.82 percent of the total utility residential customer base. Other indicators for the USPP program also show decreases from the last heating season, including USPP participants repeated enrollment in two consecutive heating seasons, USPP participants who also made supplemental payment, average supplemental arrearages, and USPP participants' average arrearages. It is the first time in one heating season that a decrease in so many indicators has been observed. These changes may be associated with the improved national economic conditions observed in recent years. On the other hand, five utilities reported 1,913 USPP customers' services terminated. Four utilities except for BGE reported a decline in terminations from the previous heating season. BGE had increased terminations of 390 USPP customers, which contributed to the statewide termination rate of 6.72 percent termination rate in this report compared to 4.62 percent in the last report.

Conversely, while the number of USPP participants decreased, the size of the MEAP grant increased. 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 2018-2019 heating season. These programs vary from utility to utility, but all focus on helping low-income customers with billing and related issues.

APPENDIX A1 2018-2019 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	No	≥ 5,000	Gas	Yes
Choptank Electric Cooperative	Yes	≥ 5,000	Electric	Yes
Columbia Gas of Maryland, Inc.	Yes	≥ 5,000	Gas	Yes
Delmarva Power and Light Company	Yes	≥ 5,000	Electric	Yes
Easton Utilities Commission ²⁵	Yes	≥ 5,000	Gas and Electric	Yes
Elkton Gas Company	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 Cooperative	Yes	≥ 5,000	Electric	Yes
Thurmont	No	< 5,000	Electric	No
UGI Utilities, Inc.	No	< 5,000	Gas	No
Washington Gas Light Company	Yes	≥ 5,000	Gas	Yes
Williamsport Municipal Electric Light Plant	No	< 5,000	Electric	No

²⁵ Easton Utilities has provided data as a small company although it has more than 5,000 customers.