

**ANNUAL REPORT REGARDING
THE PUBLIC SERVICE COMMISSION'S
UTILITY SERVICE PROTECTION PROGRAM
WINTER 2004-2005 RESULTS**

Submitted to the
Maryland General Assembly
Annapolis, Maryland

by the
Public Service Commission of Maryland
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Background

On March 1, 1988 the Public Service Commission of Maryland (“Commission”) issued Order No. 67999 in Case No. 8091 which established the Utility Service Protection Program ("USPP") to meet the requirements of Section 7-307 of the Public Utility Companies Article (“PUC Article”) of the Annotated Code of Maryland. See *Re Regulations Governing Termination of Gas and Electric Service*, 79 Md. P.S.C. 83 (1988). PUC Article §7-307 provides for the promulgation by the Commission of 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 pertaining to the USPP are contained in Chapter 20.31.05 of the Code of Maryland Regulations ("COMAR").

The USPP is available to utility customers who are eligible and who have made application for an energy assistance grant to the Maryland Energy Assistance Program ("MEAP"). The USPP is designed to protect eligible low-income residential customers from having their utility service terminated during the winter. The USPP helps low-income customers avoid the accumulation of arrearages, which could lead to service terminations, by establishing equal monthly utility payments for participants based on the estimated annual service cost to the household. The USPP allows customers in arrears to restore service by accepting the USPP equal payment plan and by bringing outstanding arrearages down to \$400. The program encourages the utility to establish a supplemental monthly payment plan for customers with outstanding arrearages to reduce those arrearages. Maryland's gas and electric utilities are required to publicize and offer the USPP prior to November 1 of each year.

PUC Article §7-307 requires the Commission to submit an annual report to the General Assembly on terminations of service during the previous heating season. To facilitate the compilation of such reports, the Commission directs all gas and electric utilities to collect an array of data. See COMAR 20.31.05.09. By means of a Commission-issued data request, each utility is asked to report the following: 1) the number of USPP participants, MEAP eligible non-participants, total utility customers, and current participants who also participated 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

supplemental payments; 4) the number of USPP participating and eligible non-participating customers in arrears, the amount of the average 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; 8) the number of customers consuming more than 135 percent of the heating season system average; and 9) the average heating season cost of actual usage. This report provides the summary and analysis of that information.

Data Reporting

All utilities serving residential customers in Maryland submitted data for this report. The Commission's April 2005 data request contained the same questions as in all USPP data requests since the 1990-91 reporting season. Consistent questions and data reporting procedures have contributed to the yearly comparability of the information contained in this report.

Pursuant to COMAR 20.31.05.01C, Hagerstown Municipal Electric Light Plant (“Hagerstown”) operates an approved alternative USPP 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. In addition, Hagerstown and three other utilities were not required to answer all the questions contained in the Commission's data request because these utilities are either municipally-owned or have fewer than 5,000 residential customers.

Program Participation

Table 1 presents the number of USPP participants and eligible non-participants by utility. The eligible income brackets are separated into three categories: Poverty Level I (0-50 percent of the current federal poverty level), Poverty Level II (51-100 percent of the current federal level), and Poverty Level III (101-150 percent of the current federal poverty level). The Poverty Levels are based on federal guidelines.¹ During the 2004-2005 heating

¹ For a complete explanation of the Federal Poverty Guidelines and Threshold, please refer to the following websites: www.aspe.hhs.gov/poverty/04poverty and www.ncat.org/liheap.

season 55,362 eligible customers participated in the USPP. This was 3,627 more than the 51,735 participants during the 2003-2004 heating season and 14,349 more participants than the 1993-94 heating season. There were 41,013 participants in the 1993-94 heating season. The total eligible population for the 2004-2005 heating season was 65,200 customers, an increase of 4,244 since the 2003-2004 heating season. Baltimore Gas and Electric (“BGE”) had 58 percent of all USPP participants. BGE had 2,315 more USPP participants and 193 fewer eligible non-participants than during the 2003-2004 heating season. The increase in USPP participation may be due to extensive outreach activities conducted by BGE, the Department of Human Resources’ Office of Home Energy Programs (“DHR/OHEP”), the Office of People’s Counsel (“OPC”), and the Commission, combined with a major increase in the price of gas, electricity and fuel and changes in BGE’s service termination practices. Under BGE’s policy, special agreements are cancelled and the process to terminate service begins when bills become 90 or more days past due.² If this policy significantly reduced the number of low-income customers receiving service, or able to return to service through a supplemental payment arrangement, the number of BGE customers receiving MEAP and participating in USPP would also be reduced.

Potomac Electric Power Company (“Pepco”) had 7,197 or 13 percent of the USPP eligible population. This is the same percentage of USPP eligible customers that Pepco served for the 2003-2004 heating season. Only two of Pepco’s eligible non-participants do not participate in USPP. Pepco maintains a 99.9 percent participation rate because Pepco ensures that its equal monthly payment plan is appealing to low-income customers by keeping their bills constant for twelve months. Therefore, most of Pepco’s low-income customers are already on a stabilized equal monthly payment plan and participating in the USPP is the next logical choice.

Southern Maryland Electric Cooperative, Inc. (“SMECO”) saw its number of eligible participants fall from 523 in 2003-2004 to 483 in 2004-2005. Both Staff and SMECO are concerned that only 483 low-income customers participate in the USPP. In addition to SMECO’s hiring a person to work in the local OHEP office six months out of the year, SMECO is also informing its customers of the advantages of participating in the USPP. SMECO is working closely with DHR/OHEP and its Local Administering Agency (“LAA”)

² While this is a change in BGE’s internal credit and collection policy, BGE continues to operate under the otherwise applicable COMAR provisions on service terminations.

to increase outreach and public awareness of the various programs that are available to assist low-income customers. Columbia Gas of Maryland and The Potomac Edison Company also experienced a decrease in USPP participants for 2004-2005.

Table 2 presents USPP participation as a percentage of the total number of MEAP-eligible customers for 2004-2005 and 2003-2004. The overall rate of customer participation in the USPP for all utilities is 89 percent reflecting no change from the 2003-2004 results. The overall participation rate was 58 percent for the 1993-1994 heating season. One utility showed an increased participation rate of greater than 12 percent, four utilities showed a nominal increase in participation rate, nine utilities showed a decreased participation rate, and two utilities had no change in participation rate as compared to 2003-2004.

Participation levels tend to be lower for smaller utilities as compared with the larger utilities. BGE, for example, had over 92 percent of the overall total number of customers participating in the USPP program versus 11 percent for Chesapeake Utilities-Citizens Gas Division and 37 percent for Easton Utilities Commission-Gas Division. It is quite likely that the availability of the Electric Universal Service Program (“EUSP”) has increased eligible customer participation in the USPP. The Commission has generally addressed low participation rates on a case-by-case basis. However, the Commission also works closely with OHEP and the utilities as a group to explore ways to encourage customer participation in the USPP. The Commission Staff is a member of the OHEP Advisory Board, OHEP Statewide Outreach Team, and Energy Advocates. These groups are dedicated to developing ways to assist low-income customers with their energy bills.

Table 3 presents the percentage of USPP participants who were also in the program during the 2003-2004 heating season. Overall, only 55 percent of the 2004-2005 participants were participants in the 2003-2004 heating season. Fifty-three percent of the 2003-2004 participants were also in the program the previous year. Historical data shows that 42 percent of the 1993-1994 participants participated in the 1992-93 heating season.

Equal Monthly Payments and Actual Heating Season Usage

Table 4 compares average equal monthly billings to actual usage for USPP participants. This Table shows clearly that equal monthly payments reduced the overall impact of higher utility usage during the heating season.

The average monthly payments are calculated based on the previous year's actual usage. The overall average monthly payment for all utilities was \$84.60. The actual monthly payments are an average of five billing months, November through March for 2004-2005. The overall average actual monthly usage for the 2004-2005 heating season was \$131.30. Although this data reflects what consumers actually paid and actually used, it does not necessarily reflect the norm. According to Maryland data obtained from the National Oceanic and Atmospheric Administration ("NOAA"),³ the average temperature for November 2004, December 2004, January 2005, and February 2005 was either close to or significantly above average monthly temperatures maintained by that agency. March 2005 ranked as a colder than average month. The average temperature for March 2005 was 39.1 degrees Fahrenheit. In comparison, the average monthly temperatures for the 2003-2004 heating season were at or above the historical averages, with the exception of January 2004. However, the average monthly temperatures for the 2002-2003 and 2001-2002 heating seasons were among the coldest in the past 10 years. Data for previous years indicated that actual monthly usage was down and average monthly payments were lower because the average winter temperature was higher. The tables included in this report are not seasonally adjusted results to reflect a normal Maryland heating season. Nor do the tables in this report reflect the volatility in the natural gas market resulting in significant increases. Therefore, future results in this category may seem comparatively low when they are actually normal. The average monthly payment for the 1993-94 heating season was \$85.25 with an average actual monthly usage of \$119.89.

³ The National Oceanic and Atmospheric Administration ("NOAA") maintains the world's largest archive of weather data at the National Climate Data Center ("NCDC"). The NCDC has archived weather data dating back to 1895. Items in its system are ranked from 1-109 with one being the coldest average temperature and 109 being the warmest temperature. One can run queries isolating mean temperature according to months, seasons, etc.

Supplemental Payments and Arrearages

Equal monthly payments are not the only payment obligation many USPP participants have to the utility. The USPP program encourages utilities to offer customers who have outstanding arrearages with the utility to place all or part of those arrearages in a special agreement or an alternate payment plan, to be paid off over an extended period of time. For the purpose of this report, these special agreements are called “supplemental arrearages” and the payments on the special agreements are called “supplemental payments.” Placing outstanding arrearages in such special agreements allows the customer to enroll in the USPP and to be considered current in his utility payments as long as the customer continues to make USPP equal monthly payments and supplemental payments in a timely fashion.

Table 5 presents the percentage of USPP participants making supplemental payments, the average monthly amount of those payments, and the average "supplemental arrearage" which led to those payments. Twenty-one percent of Poverty Level I customers, for all utilities, make supplemental payments. Their average monthly supplemental payment is \$33.77, and their average supplement arrearage amount is \$421.39. Twenty-seven percent of Poverty Level II and eighteen percent of Poverty Level III customers are making supplemental payments. Their average monthly payment amounts are \$32.65 and \$47.15, respectively. Their average arrearage amount is \$360.03 and \$256.78.

Baltimore Gas and Electric Company has over 15,000 USPP customers in arrears; 3,125 in Poverty Level I, 3,953 in Poverty Level II, and 8,744 in Poverty Level III. The Company reported that 62 customers were making monthly supplemental payments as of the end of March 2004. BGE had over 7,700 USPP participants in arrearage during the 2003-2004 heating season, and 27 customers were on a supplemental payment plan. BGE reported only 14 customers on a supplemental payment plan for the 2002-2003 heating season. At that time the Company had over 12,000 USPP participants in arrears.

1993-1994 BGE data indicated that fifty-nine percent or 7,055 of Poverty Level I customers were on supplemental payment plans. Forty-three percent or 4,470 of Poverty Level II customers were on a supplemental payment plan, and forty-two percent or 2,544 of Poverty Level III customers were on a supplemental payment plan.

2003-2004 data for all utilities indicated that nineteen percent of Poverty Level I customers, for all utilities, make supplemental payments. Their average monthly supplemental payment was \$33.61, and their average supplement arrearage amount was \$393.57. Twenty percent of Poverty Level II and fifteen percent of Poverty Level III customers were making supplemental payments. Their average monthly payment amounts were \$31.11 and \$39.68, respectively. Their average arrearage amounts were \$339.23 and \$270.45.

1993-1994 collected data for all utilities indicated that 52 percent of Level I customers, 41 percent of Level II customers, and 41 percent of Level III customers were making supplemental payments. The average monthly amount of the supplemental payments was \$17.54 for Level I customers, \$16.69 for Level II customers, and \$20.74 for Level III customers. The average arrearage on which the supplemental payment was based was \$377.47 for Level I customers, \$337.15 for Level II customers, and \$335.35 for Level III customers.

Participant Arrearages and Program Compliance

Table 6 presents the percentage of USPP participants, MEAP eligible non-participants, and all other utility residential customers in arrears as of March 31, 2005. In the case of USPP participants, this means that the customer has failed to pay the total amount due on at least one equal monthly billing.

Overall, 2004-2005 USPP participants were more likely to be in arrears to the utility than the eligible non-participants. For all utilities 40 percent of USPP participants, 28 percent of eligible non-participants, and 13 percent of non-eligible customers were in arrears. Overall, BGE had the highest percentage of USPP participants in arrears at 54 percent, a nominal increase from 53 percent in 2003-2004. Pivotal Holdings, Inc. d/b/a Elkton Gas showed significant decreases in USPP customers in arrears. In 2003-2004, Elkton Gas reported 65 percent of its USPP customers to be in arrears, and in 2004-2005, that percentage decreased to 45 percent. Washington Gas Light Company-Maryland Division also saw arrearages decrease from 62 percent in 2003-2004 to 23 percent in 2004-2005. Easton Utilities Commission-Electric Division had 3 percent of USPP participants in arrears, the lowest among the reporting companies. Looking at utilities overall, six utilities reported decreased percentages of participants in arrears; eight utilities reported an increase in the

number of USPP participants in arrears, and one utility showed no change at all. Forty-five percent of USPP participants, 44 percent of eligible non-participants, and 19 percent of non-MEAP customers were in arrears for the 1993-1994 reporting year.

Overall weighted average data for all utilities indicates that only 13 percent of non-program participant customers are in arrears. Non-program participant customers are least likely to be in arrearage for several reasons. First, these customers are subject to termination during the winter heating season if an amount past due is not paid. Second, non-low-income customers are more likely to have other financial resources to “tap” in the event of a utility arrearage. Third, non-low-income customers are usually better able to budget their utility bills because they are not on a fixed income and their income is less likely to be fully committed.

Table 7 presents the average dollar amount of arrearages for USPP participants, eligible non-participants, and non-eligible customers currently in arrears. The dollar amount of the overall average arrearage for USPP participants was \$325.47 for all utilities and \$324.55 for MEAP eligible non-participants. Delmarva Power and Light Company had, by far, the highest average arrearage for USPP participants and MEAP eligible non-participants, reporting \$802.11 and \$1,079.51 respectively. As compared to 2003-2004 data, eight utilities reported increased average arrearages for USPP customers, and four utilities reported decreased average arrearages. The overall weighted averages for USPP participants and MEAP eligible non-participants, for all utilities in the 2003-2004 heating season, was \$329.43 and \$378.58. For the 1993-94 heating season the overall arrearage amount for USPP participants was \$275.19. The overall arrearage amount for MEAP eligible non-participants was \$295.97, and the arrearage amount for non-MEAP customers was \$207.08.

Table 8 presents the percentage of USPP participants who complied with the payment provisions of the program for 2004-2005 and compares that data to the previous year’s results. A customer can be removed from the program and have his service terminated, if the amount due is not paid on two consecutive monthly bills. The May 1st deadline for the data request (and the fact that most utilities needed to prepare data at least one week earlier) probably contributes to an upward bias in the compliance rates given in Table 8. Most utilities were unable to know how many customers (due to timing of utility billing cycles) were in arrears for March, and thus potentially in arrears for two consecutive months, at the time their data was compiled.

The overall 2004-2005 compliance rate for all utilities was 81 percent, one percentage point above the previous year. Data from ten years ago, 1993-1994 shows further evidence of consistency in compliance, with an overall compliance rate of 80 percent. Overall compliance differed little by Poverty Level. Compliance rates varied considerably for the different utilities. The overall compliance level for most utilities has increased or remained relatively constant except for SMECO, Chesapeake Utilities – Cambridge Gas Division, and Chesapeake Utilities – Citizens Gas Division. Delmarva Power and Light Company is still unable to supply compliance numbers by Poverty Level. The overall compliance for SMECO for the 2004-2005 year was 48 percent, this reflects a 35 percent decrease from 2003-2004. The overall compliance level for Washington Gas Light Company - Maryland Division increased significantly from 36 percent for the 2003-2004 heating season to 61 percent for the 2004-2005 heating season. Columbia Gas of Maryland is still unable to supply data for the comparison, and Hagerstown operates an approved alternate USPP.

Heating Season Terminations

The primary purpose of the USPP is the prevention of service terminations during the heating season. Table 9 presents the number of USPP, eligible non-participant, and non-MEAP customers, who had their service terminated during the heating season. Four hundred eighty-seven USPP participants, 205 MEAP-eligible non-participants, and 6,666 non-MEAP customers were terminated during the 2003-2005 winter heating season. During the 2003-2004 heating season 595 USPP participants, 266 eligible non-participants, and 5,871 eligible non-MEAP customers had their service terminated.

A substantial portion of all (USPP, MEAP, and non-MEAP) customer terminations appear to occur in BGE's service territory. Fifty-five percent of all of the USPP terminations occurred in BGE's service territory. Twenty-six percent of all terminated MEAP eligible non-participants were located in BGE's service territory, and 37 percent of all terminated non-MEAP customers were located in BGE's service territory. These termination figures must be seen from the perspective of the number of terminations and the actual USPP, MEAP, and non-MEAP customer base. BGE terminated 270 USPP customers but the Company has 29,667 USPP customers so only 1.21 percent of total BGE USPP customers were terminated. The same is true for eligible non-participants. BGE terminated 53 MEAP

eligible non-participants, and it has over 3,134 MEAP eligible non-participants. The Company actually terminated 2.7 percent of its total MEAP eligible non-participant population.

Choptank Electric Cooperative terminated 46 of its USPP customers during the 2003-2004 winter heating season. Choptank did not terminate any of its USPP customers or MEAP eligible non-participants for the 2004-2005 heating season.

1993-1994 data indicated that there were over 69,511 USPP and eligible non-participants during the 1993-94 heating season and only 142 winter heating season terminations. At that time most of the USPP terminations occurred in Pepco's territory, and most of the MEAP eligible non-participants' terminations occurred in the service territory of the Chesapeake Utilities Company - Citizens Gas Division.

High Energy Consumption

Table 10 presents the percentage of USPP participants who consumed more than 135 percent of the system average for the utility providing their service. In 1992, in cooperation with the Weatherization Assistance Program ("WAP"), utilities developed a prioritized list of customers eligible for weatherization assistance. BGE was exempted from maintaining a list of all eligible customers using more than 135 percent of system average energy for the heating season. Although exempted from responding to this question, BGE realized the importance of low-income customers with energy usage greater than 135 percent of the system average. Therefore, BGE continues to collect data in this area. For the 2004-2005 heating season 43 percent of Poverty Level I, 42 percent of Poverty Level II, and 32 percent of Poverty Level III participants consumed more than 135 percent of the system average energy between November and March. Overall 31 percent of USPP customers consumed greater than 135 percent of the system average.

BGE, Columbia Gas, Delmarva Power and Light, Washington Gas-Frederick Gas Division, Potomac Edison, and Pepco had a moderate to high overall percentage of USPP customers consuming more than 135 percent of the system average. Choptank Electric Cooperative was unable to respond to this data request. For most utilities, it is clear that significant numbers of low-income customers could benefit from weatherization and energy conservation programs.

Primary Heating Source

Table 11 presents the percentage of USPP participants, eligible non-participants, and non-MEAP customers whose primary heating source is the energy provided by the indicated utility. Overall for all utilities, 75 percent of USPP customers, 79 percent of eligible non-participants and 50 percent of non-MEAP customers receive their primary heating source from the utility responding to the data request. The 2003-2004 results indicated that 73 percent of USPP customers, 72 percent of eligible non-participants, and 47 percent of non-MEAP customers receive their primary source of heat from a utility. Interestingly, Choptank Electric Cooperative had only 27 percent of its USPP customers receive their primary heat source from the utility, but 100 percent of its eligible non-participants received their primary heat source from the utility. Chesapeake Utilities Citizens - Gas Division, Easton Utilities Commission - Gas and Electric Divisions, and Washington Gas-Frederick Gas Division are the primary heat source for 100 percent of their USPP participants and eligible non-participants.

MEAP Grants

Table 12 presents the average MEAP grant payable to the utility at the time of customer enrollment. Most utilities also included supplemental awards in their reports. The overall average 2004-2005 MEAP grant for all utilities was \$338.52 as compared with \$372.42 in 2003-2004. The overall average for all utilities varied from \$433.43 for Poverty Level I customers to \$295.43 for Poverty Level II customers, and \$285.00 for Poverty Level III customers. The overall reported MEAP grant for all utilities increased \$47.96 from 2003-2004 to 2004-2005 as compared to a decrease of \$76.00 between the 2002-2003 and 2003-2004 reporting years. The increase in the average MEAP grant amount may be attributed to increased outreach efforts by the Commission, utility companies, and the Office of Home Energy Programs. This is because an increase in the total MEAP-eligible population may lead to an increase in LIHEAP funding from the Federal government.

Conclusion

The Utility Service Protection Program continued to accomplish its goal of minimizing the number of service terminations during the winter heating season. Participation levels for the 2004-2005 winter heating season were 13,516 greater than the level of participants for the 1994-1995 winter heating season and 3,632 greater than the 2003-2004 winter heating season.

Data reported by the participating utility companies indicated that 0.879 percent of the USPP population was terminated during the 2004-2005 winter heating season as compared to 0.0912 percent of the USPP participants during the previous year's heating season. 1994-1995 data indicated that 0.064 percent of USPP participants were terminated during the heating season. The low number of termination indicates that the USPP is effective in keeping low-income customers' service connected during the winter.

In addition to the USPP, MEAP, and EUSP providing assistance to low-income customers, all utilities providing electric or gas service in Maryland have programs dedicated to assisting low-income customers. These programs are different from utility to utility, but all are focused on helping low-income customers with billing or other related issues. Some gas or combined utilities offer specialized programs to their low-income customers. For example, Washington Gas Light Company has a pilot program, and Baltimore Gas and Electric Company has two well-established programs for low-income customers. Washington Gas Light Company has a Residential Essential Services⁴ ("RES") pilot program that has been operating since January 2004. This program is only open to MEAP-eligible customers who are current on their gas utility bills. Thus far, over 2,300 RES participants have received over \$82,000 in cash assistance from the RES program.

As previously stated BGE has two well-established programs for low-income customers. The first is Customer Assistance Maintenance Program ("CAMP").⁵ Under CAMP, a USPP participant may receive as much as a \$144 annual credit on the total utility

⁴ Funding for this program is from two components. The Company contributes \$50,000 annually and any additional funding is charged to all firm customers through the Company's Firm Credit Adjustment.

⁵ Funding for this program comes directly from avoided costs associated with credit and collections services.

bill if the customer remains current on the monthly utility bill. Last year, 28,232 low-income BGE customers received 131,995 CAMP credits or over \$1,000,000 in cash assistance. BGE also offers the Conservation Home Improvement Program (“CHIP”). Through CHIP, BGE provides funding for weatherization measures such as wall and attic insulation as well as installation and gas furnace repair or replacement for low-income customers. Funding for CHIP⁶ is provided by BGE in conjunction with the Department of Energy and the Maryland Energy Administration. For calendar year 2004, 264 low-income customers’ homes were weatherized at a cost in excess of \$614,000. Furnaces were replaced in 72 homes through CHIP totaling over \$214,000.

Responding to the USPP data request in a timely manner is still challenging for many utilities, and the Commission is working on a solution to this problem.

The survey results of the 2004-2005 heating season reflect the capability of the Utility Service Protection Program, and the utilities managing the program, to benefit low-income customers. Terminations remained low. Only 1.15 percent, of USPP participants were terminated during the winter heating season.⁷ Sixty percent of all program participants and 64 percent of eligible non-participants were able to make current bill payments in a timely manner avoiding arrearages. The Commission will need to adjust the eligibility percentages for Poverty Levels I, II, III to reflect DHR/OHEP’s new eligibility percentage guidelines for the 2005-2006 heating season. The new Poverty Level guidelines are as follows: Poverty

Level I is between 0-75 percent; Poverty Level II is between 76-110 percent; Poverty Level III is between 111 – 150 percent. Other than that, nothing contained in the 2004-2005 heating season results indicates that a change is need in the USPP for the 2005-2006 heating season. However, the evolution of EUSP and gas and electric choice programs may lead to a comprehensive review of USPP and related programs some time in the future.

⁶ Funding for this program is derived from an embedded gas conservation surcharge.

⁷ This number does not reflect the number of terminations that occur when the winter heating season officially ends. During the winter heating season, utility companies must file an affidavit with the Commission prior to terminating low-income customers. Utility companies may terminate consumers April 1st or some day thereafter if a customer does not pay the utility bill in full during the winter, and an arrearage has accrued by spring.

TABLES

TABLE 1
NUMBER OF 2004 - 2005 USPP CUSTOMERS AND ELIGIBLE NON-PARTICIPATING CUSTOMERS BY POVERTY LEVEL

UTILITY	USPP Participants				Eligible Non-Participants				Overall
	0-50%	51-100%	101-150%	Total	0-50%	51-100%	101-150%	Total	Total
Baltimore Gas & Electric	4,539	6,719	20,724	31,982	884	819	1,238	2,941	34,923.00
Chesapeake Utilities									
Cambridge Gas Division	21	17	14	52	110	138	67	315	367.00
Citizens Gas Division	19	31	22	72	122	257	228	607	679.00
Choptank Electric Cooperative	284	742	635	1,661	1	0	3	4	1,665.00
Columbia Gas of Maryland	224	541	508	1,273	80	369	482	931	2,204.00
Delmarva Power & Light	1,138	2,253	1,746	5,137	137	435	323	895	6,032.00
Easton Utilities									
Electric	73	220	144	437	27	85	94	206	643.00
Gas	8	35	38	81	8	75	54	137	218.00
Elkton Gas Service	35	62	55	152	23	66	51	140	292.00
Washington Gas-Frederick Gas Division	10	12	101	123	23	47	293	363	486.00
Hagerstown Municipal Electric	**	**	**	**	10	87	269	366	366.00
Washington Gas - Maryland Division	960	748	1,750	3,458	22	91	367	480	3,938.00
Mayor & Council - Berlin	4	9	11	24	7	20	57	84	108.00
Potomac Edison	613	1,314	1,206	3,133	263	569	444	1,276	4,409.00
Potomac Electric Power Company	975	2,179	4,043	7,197	0	2	0	2	7,199.00
Somerset Rural Electric Cooperative	13	40	44	97	0	0	0	0	97.00
Southern Maryland Electric Cooperative	86	190	207	483	231	456	404	1,091	1,574.00
TOTALS:	9,002	15,112	31,248	55,362	1,948	3,516	4,374	9,838	65,200.00

** Operates approved alternate USPP

TABLE 2

USPP PARTICIPATION AS A PERCENT OF TOTAL ELIGIBLE FOR EACH POVERTY LEVEL, 2004 - 2005 AND 2003- 2004

UTILITY	2004 - 2005 Participation				2003 - 2004 Participation			
	0-50%	51-100%	101-150%	Overall	0-50%	51-100%	101-150%	Overall
Baltimore Gas & Electric	84%	89%	94%	92%	86%	88%	93%	91%
Chesapeake Utilities								
Cambridge Gas Division	16%	11%	17%	15%	13%	13%	23%	20%
Citizens Gas Division	13%	11%	9%	11%	17%	13%	10%	13%
Choptank Electric Cooperative	100%	100%	100%	100%	100%	99%	99%	99%
Columbia Gas of Maryland	74%	59%	51%	59%	72%	66%	67%	67%
Delmarva Power & Light	89%	84%	84%	85%	85%	80%	84%	83%
Easton Utilities								
Electric	73%	72%	61%	68%	56%	52%	40%	48%
Gas	50%	32%	41%	37%	21%	42%	50%	43%
Elkton Gas Service	60%	48%	52%	52%	72%	67%	70%	69%
Washington Gas-Frederick Gas Division	30%	20%	26%	25%	27%	38%	36%	36%
Hagerstown Municipal Electric	**	**	**	**	**	**	**	**
Washington Gas - Maryland Division	98%	89%	83%	88%	94%	76%	75%	80%
Mayor & Council - Berlin	36%	31%	16%	22%	29%	44%	46%	44%
Potomac Edison	70%	70%	73%	71%	87%	86%	88%	87%
Potomac Electric Power Company	100%	100%	100%	100%	100%	100%	100%	100%
Somerset Rural Electric Cooperative	100%	100%	100%	100%	100%	100%	100%	100%
Southern Maryland Electric Cooperative	27%	29%	34%	31%	32%	34%	35%	34%
ALL UTILITIES:	85%	85%	91%	89%	85%	86%	92%	89%

** The City of Hagerstown offers an approved alternate USPP to all MEAP eligible customers

TABLE 3
PERCENTAGE OF 2004 - 2005 USPP PARTICIPANTS WHO ALSO PARTICIPATED IN THE PROGRAM
DURING THE 2003-2004 HEATING SEASON

UTILITY	Poverty Level			
	0-50%	51-100%	101-150%	Overall
Baltimore Gas & Electric	44%	55%	61%	58%
Chesapeake, Citizens Gas	5%	10%	14%	10%
Choptank Electric Cooperative	23%	17%	12%	16%
Columbia Gas of Maryland	*	*	*	*
Delmarva Power & Light	34%	38%	36%	36%
Easton Utilities				
Electric	40%	76%	65%	66%
Gas	50%	77%	79%	75%
Washington Gas-Frederick Gas Division	0%	0%	4%	3%
Washington Gas - Maryland Division	98%	96%	89%	93%
Potomac Edison	38%	46%	49%	45%
Potomac Electric Power Company	53%	74%	62%	64%
Southern Maryland Electric Cooperative	*	*	*	
ALL UTILITIES:	47%	52%	58%	55%

* Data is Not Available

TABLE 4
AVERAGE EQUAL MONTHLY PAYMENTS AND AVERAGE ACTUAL MONTHLY HEATING SEASON USAGE
FOR 2004 - 2005 USPP PARTICIPANTS BY POVERTY LEVEL

UTILITY	Average Monthly Payments (\$)				Average Actual Monthly Usage (\$)*			
	0-50%	51-100%	101-150%	Overall	0-50%	51-100%	101-150%	Overall
Baltimore Gas & Electric	101.00	107.00	92.00	96.43	206.04	203.86	184.01	191.31
Chesapeake, Citizens Gas	97.00	108.00	114.00	106.93	177.40	180.00	172.40	176.99
Choptank Electric Cooperative	61.00	66.00	89.00	73.94	**	**	**	103.71
Columbia Gas of Maryland	74.36	77.68	83.21	79.30	179.20	178.81	176.02	177.77
Delmarva Power & Light	86.39	81.12	90.26	85.39	116.53	109.65	112.97	112.30
Easton Utilities								
Electric	0.00	0.00	0.00	0.00	125.00	100.00	125.00	112.41
Gas	0.00	0.00	0.00	0.00	137.00	117.00	130.00	125.07
Washington Gas-Frederick Gas Division	48.00	51.00	47.00	47.47	145.00	118.20	118.80	120.87
Washington Gas - Maryland Division	95.37	97.44	85.54	90.84	116.06	115.70	108.17	111.99
Potomac Edison	86.00	75.00	75.00	77.15	57.00	48.20	49.80	50.54
Potomac Electric Power Company	51.00	42.00	56.00	51.08	94.00	90.00	99.00	95.60
Southern Maryland Electric Cooperative	65.81	53.87	68.68	62.34	143.94	142.20	137.03	140.29
ALL UTILITIES WEIGHTED AVERAGE:	72.83	77.33	81.24	84.60	150.25	128.76	127.84	131.30

Average monthly usage for five billing months of Nov.-March

*Utility is unable to supply date

** Not Available by Poverty Level

TABLE 5

PERCENTAGE OF 2004-2005 USPP CUSTOMERS MAKING SUPPLEMENATAL 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 (\$)		
	0-50%	51-100%	101-150%	0-50%	51-100%	101-150%	0-50%	51-100%	101-150%
Baltimore Gas & Electric	0.132%	0.208%	0.265%	115.00	127.00	132.00	1000.00	805.00	\$834.00
Chesapeake									
Cambridge Gas	**	**	**	**	**	**	**	**	**
Citizens Gas	5%	13%	0%	67.00	65.00	0.00	400.00	306.00	0.00
Choptank Electric Cooperative	0%	0%	0%	***	***	***	***	***	***
Columbia Gas of Maryland	91%	71%	65%	15.77	17.68	21.38	377.14	326.03	305.61
Delmarva Power & Light	74%	62%	69%	16.09	15.66	19.34	750.57	776.59	761.70
Easton Utilities									
Electric	23%	5%	15%	55.00	70.00	80.00	250.00	210.00	250.00
Gas	0%	23%	11%	60.00	65.00	70.00	275.00	300.00	350.00
Elkton Gas Service	0%	0%	0%	**	**	**	**	**	**
Washington Gas-Frederick Gas Division	0%	0%	7%	0.00	0.00	25.00	0.00	0.00	294.00
Washington Gas - Maryland Division	7%	13%	22%	87.97	57.49	53.85	362.55	349.25	335.94
Mayor & Council - Berlin	0%	11%	27%	**	**	**	**	**	**
Potomac Edison	19%	30%	37%	61.00	56.00	65.00	403.00	382.00	296.00
Potomac Electric Power Company	67%	79%	74%	51.00	42.00	56.00	22.00	22.00	21.00
Southern Maryland Electirc Cooperative	7%	3%	5%	4.25	18.25	39.25	64.41	214.63	385.94
ALL UTILITIES WEIGHTED AVERAGE	21%	27%	18%	33.77	32.65	47.15	421.39	360.03	256.78

*Under COMAR 20.31.01.08

Not required to provide this informatio *Required data not supplied.

**TABLE 6
PERCENTAGE OF 2004 - 2005 USPP PARTICIPANTS, MEAP ELIGIBLE CUSTOMERS AND NON-MEAP CUSTOMERS
IN ARREARS* BY POVERTY LEVEL**

UTILITY	USPP Participants				Eligible Non-Participants				Non-MEAP Customers
	0-50%	51-100%	101-150%	Overall	0-50%	51-100%	101-150%	Overall	
Baltimore Gas & Electric	65%	55%	51%	54%	48%	43%	43%	44%	8%
Chesapeake Utilities									
Cambridge Gas Division	10%	6%	7%	8%	52%	41%	48%	46%	28%
Citizens Gas Division	0%	10%	14%	8%	43%	39%	33%	38%	18%
Choptank Electric Cooperative	10%	8%	11%	9%	100%	0%	0%	25%	13%
Columbia Gas of Maryland	44%	25%	21%	27%	25%	17%	14%	16%	28%
Delmarva Power & Light	38%	30%	36%	34%	65%	27%	35%	36%	12%
Easton Utilities									
Electric	5%	0%	7%	3%	0%	4%	12%	7%	11%
Gas	0%	11%	5%	7%	0%	0%	0%	0%	3%
Elkton Gas Service	57%	35%	47%	45%	17%	17%	27%	21%	19%
Washington Gas-Frederick Gas Division	10%	33%	38%	35%	0%	32%	42%	39%	16%
City of Hagerstown	***	***	***	***	40%	32%	15%	20%	33%
Washington Gas - Maryland Division	23%	23%	23%	23%	50%	49%	48%	48%	22%
Mayor & Council - Berlin	0%	0%	9%	6%	14%	40%	53%	46%	15%
Potomac Edison	19%	11%	9%	12%	14%	6%	8%	8%	12%
Potomac Electric Power Company	22%	14%	22%	19%	na	50%	0%	50%	16%
Somerset Rural Electric Cooperative	*	*	*	*	*	*	*	*	*
Southern Maryland Electric Cooperative	14%	8%	10%	10%	6%	6%	4%	5%	74%
WEIGHTED AVERAGE ALL UTILITIES:	46%	35%	41%	40%	36%	24%	28%	28%	13%

* Customer is in arrears if some monthly billing is past due on March 31, 2004

** Not Available

*** Operates approved alternate USPP

na No customers in this category

TABLE 7
AVERAGE ARREARAGE FOR 2004 - 2005 USPP PARTICIPANTS, MEAP ELIGIBLE CUSTOMERS AND NON-MEAP CUSTOMERS IN
ARREARS* BY POVERTY LEVEL

UTILITY	USPP Participants (\$)				MEAP Eligible Non-Participants (\$)				Non-MEAP
	0-50%	51-100%	101-150%	Overall	0-50%	51-100%	101-150%	Overall	Customers (\$)
Baltimore Gas & Electric	349.00	333.00	279.00	302.57	290.00	289.00	257.00	276.31	355.00
Chesapeake, Citizens Gas	0.00	61.00	107.00	84.00	178.00	162.00	157.00	163.97	165.00
Choptank Electric Cooperative	264.15	347.89	298.35	310.93	800.07	0.00	0.00	181.68	132.30
Columbia Gas of Maryland	223.17	202.56	203.22	208.75	244.76	216.90	232.67	202.72	183.68
Delmarva Power & Light	818.18	798.67	794.74	802.11	1092.17	1121.81	1025.27	1,079.51	258.81
Easton Utilities									
Electric	135.00	170.00	185.00	170.67	0.00	500.00	350.00	382.14	112.50
Gas	0.00	175.00	195.00	181.67	0.00	0.00	0.00	0.00	112.50
Washington Gas-Frederick Gas Division	74.00	180.00	177.00	174.88	82.00	206.00	125.00	132.40	59.00
Washington Gas - Maryland Division	150.27	144.12	118.84	133.04	345.61	330.52	310.51	316.06	353.63
Potomac Edison	139.00	125.00	147.00	135.86	332.00	283.00	212.00	276.00	96.00
Potomac Electric Power Company	238.00	229.00	251.00	244.16	0.00	0.00	0.00	136.00	187.00
Southern Maryland Electric Cooperative	2.50	1.86	14.48	7.54	311.57	577.51	240.37	409.88	400.41
Overall Weighted Average:	369.05	368.81	293.98	325.47	355.43	357.28	287.88	324.55	298.50

* Customer is in arrears if some monthly billing is past due on March 31, 2004

** Not Available by Poverty Level

**TABLE 8
PERCENTAGE OF USPP PARTICIPANTS WHO COMPLIED WITH PROGRAM PAYMENT PROVISIONS 2004 - 2005 and 2003 - 2004 BY
POVERTY LEVEL**

UTILITY	Compliance 2004-2005				Compliance 2003-2004			
	0-50%	51-100%	101-150%	Overall	0-50%	51-100%	101-150%	Overall
Baltimore Gas & Electric	100%	100%	100%	100%	100%	100%	100%	100%
Chesapeake Utilities								
Cambridge Gas Division	67%	76%	86%	75%	40%	100%	86%	85%
Citizens Gas Division	63%	65%	82%	69%	67%	92%	92%	86%
Choptank Electric Cooperative	91%	92%	93%	92%	91%	94%	99%	95%
Columbia Gas of Maryland	*	*	*	*	*	*	*	*
Delmarva Power & Light	*	*	*	49%	*	*	*	41%
Easton Utilities								
Electric	95%	100%	95%	97%	88%	96%	97%	95%
Gas	0%	94%	97%	96%	0%	90%	100%	89%
Elkton Gas Service	94%	94%	98%	95%	95%	99%	98%	98%
Washington Gas-Frederick Gas Division	100%	100%	99%	99%	100%	100%	97%	97%
Hagerstown Municipal Elec.	**	**	**	**	**	**	**	**
Washington Gas - Maryland Division	65%	62%	58%	61%	10%	39%	47%	36%
Mayor & Council - Berlin	100%	100%	100%	100%	100%	100%	100%	100%
Potomac Edison	88%	94%	94%	93%	90%	94%	94%	93%
Potomac Electric Power Company	67%	79%	74%	75%	69%	83%	73%	76%
Somerset Rural Electric Cooperative	100%	100%	100%	100%	100%	100%	100%	100%
Southern Maryland Electric Cooperative	55%	61%	34%	48%	84%	81%	84%	83%
ALL UTILITIES:	76%	75%	86%	81%	78%	78%	85%	82%

* Unable to supply data, therefore comparison is unavailable

** Operates approved alternate USPP

*** No USPP participants

TABLE 9
NUMBER OF 2004 - 2005 WINTER HEATING SEASON TERMINATIONS

UTILITY	USPP Participants				MEAP Eligible Non-Participants				Non-MEAP
	0-50%	51-100%	101-150%	Total	0-50%	51-100%	101-150%	Total	Customers
Baltimore Gas & Electric	67	61	142	270	23	9	21	53	2,488
Chesapeake Utilities									
Cambridge Gas Division	2	0	0	2	12	8	9	29	68
Citizens Gas Division	1	4	1	6	20	34	25	79	352
Choptank Electric Cooperative	0	0	0	0	*	*	*	0	176
Columbia Gas of Maryland	0	0	0	0	0	0	0	0	151
Delmarva Power & Light	39	38	33	110	3	5	12	20	997
Easton Utilities									
Electric	0	3	11	14	0	3	11	14	25
Gas	0	0	0	0	0	0	0	0	0
Elkton Gas Service	6	8	1	15	4	2	2	8	12
Washington Gas-Frederick Gas Division	0	0	0	0	0	0	0	0	0
Hagerstown Municipal Electric	**	**	**	**	0	0	0	0	0
Washington Gas - Maryland Division	0	0	0	0	0	0	2	2	0
Mayor & Council - Berlin	0	0	0	0	0	0	0	0	14
Potomac Edison	0	0	0	0	0	0	0	0	21
Potomac Electric Power Company	14	18	38	70	0	0	0	0	2,362
Somerset Rural Electric Cooperative	0	0	0	0	0	0	0	0	0
Southern Maryland Electric Cooperative	0	0	0	0	0	0	0	0	0
TOTALS:	*	*	*	487	*	*	*	205	6,666

* Data not available by povety level

** Operates approved alternate USPP

TABLE 10
PERCENTAGE OF USPP PARTICIPANTS WHO CONSUMED MORE THAN 135% OF SYSTEM
AVERAGE ENERGY FOR NOVEMBER 2004 - MARCH 2005

UTILITY	Poverty Level			
	0-50%	51-100%	101-150%	Overall
Baltimore Gas & Electric	43%	42%	32%	36%
Chesapeake, Citizens Gas	5%	10%	14%	10%
Choptank Electric Cooperative	**	**	**	**
Columbia Gas of Maryland	*	*	*	25%
Delmarva Power & Light	38%	33%	36%	35%
Easton Utilities				
Electric	0%	0%	0%	0%
Gas	0%	0%	0%	0%
Washington Gas-Frederick Gas Division	70%	50%	40%	43%
Washington Gas - Maryland Division	11%	12%	11%	11%
Potomac Edison	46%	53%	50%	50%
Potomac Electric Power Company	32%	26%	29%	29%
Southern Maryland Electric Cooperative	7%	9%	7%	8%
All Utilities:	35%	32%	30%	31%

* Utility provides improved weatherization priority list and is no longer required to maintain this data

** Utility is unable to respond to data request

TABLE 11
PERCENTAGE OF 2004 - 2005 USPP PARTICIPANTS, MEAP ELIGIBLE CUSTOMERS, AND NON-MEAP CUSTOMERS WHOSE PRIMARY HEAT SOURCE IS PROVIDED BY THE UTILITY BY POVERTY LEVEL

UTILITY	USPP Participants				Eligible Non-Participants				Non-MEAP
	0-50%	51-100%	101-150%	Overall	0-50%	51-100%	101-150%	Overall	Customers
Baltimore Gas & Electric	77%	80%	84%	82%	74%	74%	80%	77%	47%
Chesapeake, Citizens Gas	100%	100%	100%	100%	100%	100%	100%	100%	91%
Choptank Electric Cooperative	29%	25%	28%	27%	100%	100%	100%	100%	17%
Columbia Gas of Maryland	100%	100%	100%	100%	98%	95%	94%	95%	94%
Delmarva Power & Light	67%	67%	61%	65%	94%	96%	92%	94%	46%
Easton Utilities									
Electric	100%	100%	100%	100%	100%	100%	100%	100%	*
Gas	0%	100%	100%	100%	100%	100%	100%	100%	*
Washington Gas-Frederick Gas Division	100%	100%	100%	100%	100%	100%	100%	100%	100%
City of Hagerstown	***	***	***	***	*	*	*	*	*
Washington Gas - Maryland Division	98%	88%	86%	90%	100%	100%	99%	100%	99%
Potomac Edison	71%	72%	72%	72%	100%	100%	100%	100%	39%
Potomac Electric Power Company	54%	52%	41%	49%	n/a	50%	0%	50%	*
Southern Maryland Electric Cooperative	69%	69%	62%	67%	74%	68%	53%	64%	29%
TOTALS:	73%	71%	76%	75%	77%	80%	78%	79%	50%

* Not Available

*** Operates approved alternate USPP

**TABLE 12
AVERAGE MARYLAND ENERGY ASSISTANCE PROGRAM GRANT* FOR 2004-2005 AND 2003-2004 USPP PARTICIPANTS BY POVERTY
LEVEL**

UTILITY	Average 2004-2005 Grant (\$)				Average 2003-2004 Grant (\$)			
	0-50%	51-100%	101-150%	Overall	0-50%	51-100%	101-150%	Overall
Baltimore Gas & Electric	576.00	391.00	312.00	366.06	517.00	385.00	250.00	328.47
Chesapeake, Citizens Gas	506.00	356.00	320.00	384.58	373.00	376.00	275.00	335.53
Choptank Electric Cooperative	490.00	330.00	230.00	319.13	388.02	220.00	308.75	282.23
Columbia Gas of Maryland	349.28	344.52	312.74	332.68	349.28	344.52	312.74	330.84
Delmarva Power & Light	357.00	298.00	234.00	286.01	307.81	272.19	220.97	261.61
Easton Utilities								
Electric	230.00	350.00	230.00	290.41	396.00	325.00	215.00	299.19
Gas	528.00	400.00	320.00	375.11	600.00	400.00	265.00	339.81
Washington Gas-Frederick Gas Division	528.00	400.00	320.00	344.72	480.00	400.00	265.00	295.05
Washington Gas - Maryland Division	569.00	437.00	354.00	431.64	261.75	297.10	242.72	256.63
Potomac Edison	283.00	216.00	171.00	211.79	193.00	219.00	166.00	192.63
Potomac Electric Power Company	291.00	291.00	291.00	291.00	274.00	274.00	274.00	274.00
Southern Maryland Electirc Cooperative	354.72	287.17	231.59	275.38	310.58	257.73	217.65	257.11
ALL UTILITIES:	433.43	295.43	285.00	338.52	397.41	316.82	246.91	290.56