

**PUBLIC SERVICE COMMISSION
OF MARYLAND**

UTILITY SERVICE PROTECTION PROGRAM

ANNUAL REPORT

WINTER 2021-2022

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

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EXECUTIVE SUMMARY

The 2021-2022 winter heating season was the second heating season since the onset of the COVID-19 pandemic in 2020. The data by the reporting utilities indicates that this latest heating season showed signs of recovery as compared with the previous heating season, which was deeply impacted by the circumstances associated with COVID-19. During that season, the number of Utility Service Protection Program (USPP) participants and of service terminations were extremely low, and the average supplemental arrearages skyrocketed when compared to the pre-COVID-19 heating season – the 2019-2020 winter season. The data of the 2021-2022 heating season showed the performance fell in the range between 2019-2020 - the pre-pandemic heating season, and the 2020-2021 heating season - the COVID-19 peak period.

During the 2021-2022 winter heating season, 18,027 customers participated in the USPP. Customer enrollment in the USPP increased by 1,392 or approximately eight percent from the 16,635 USPP participants in the 2020-2021 heating season, which had the lowest participation number since the 2010-2011 USPP as shown in Figure 1. The low USPP participation during the 2020-2021 heating season was the result of Governor Larry Hogan’s Executive Order and the Commission’s orders that mandated the utilities not disconnect customers’ service for non-payment due to COVID-19.¹ Under the mandatory moratorium policy, some utilities established their own policies that would not disconnect customers’ services.² When comparing the three most recent heating seasons, the current 18,027 USPP participant enrollment increased from the previous heating season. During the 2021-2022 winter heating season, 5,323 fewer customers participated in USPP, a customer enrollment

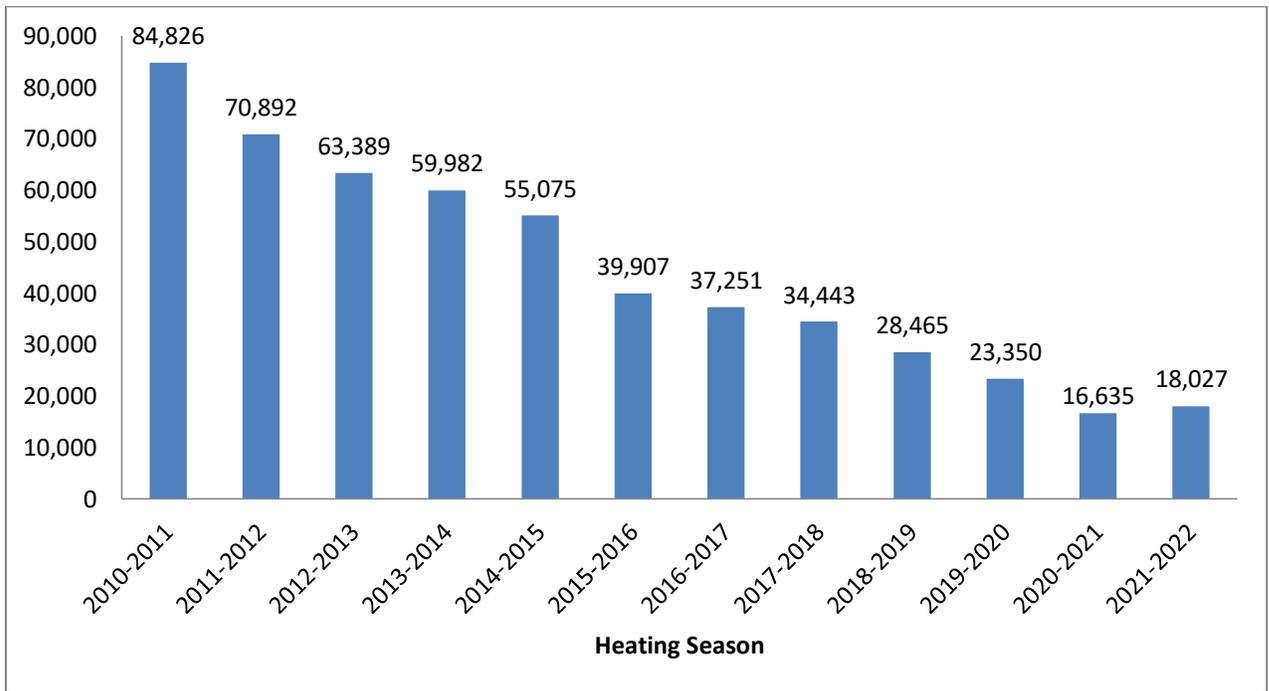
¹ On March 16, 2020, Governor Hogan issued an Executive Order prohibiting the termination of residential utility services and the imposition of late fees during the COVID-19 state of emergency. This prohibition was set to expire on August 1, 2020. On July 31, 2020, Governor Hogan extended the utilities termination on residential customers to September 1, 2020.

The Commission initiated *PC53: Impacts of COVID-19 Pandemic on Maryland’s Gas and Electric Utility Operations and Customer Experiences* and issued five motions in the PC 53 session held August 31, 2020. The five motions prohibited the public utilities to terminate service on their residential customers through November 15, 2020. The motions required a 45-day notice to customers for the service disconnection.

² Four subsidiaries of Chesapeake Utilities Corporation (CUC), CUC-Cambridge Gas Division, CUC-Citizen Gas Division, CUC-Sandpiper Energy, and Elkton Gas implemented a policy that there would be no terminations during the 2020-2021 heating season due to COVID-19.

decrease of approximately 23 percent lower than the 23,350 USPP participants in the 2019-2020 heating season.³ As seen in Figure 1 USPP participation has been declining since the 2010-2011 heating season, or for more than a decade. USPP participants in the 2021-2022 winter heating season decreased by 66,799 or approximately 79 percent as compared with the highest enrollment of 84,826 USPP participants in the 2010-2011 winter season. The 2021-2022 USPP participation was the second lowest reporting season following the 2020-2021 heating season. It is important to note that four subsidiaries of the Chesapeake Utilities Corporation: CUC-Cambridge, CUC-Citizen, CUC-Sandpiper, and Elkton did not provide USPP data in this current heating season or the 2020-2021 heating season; the analysis did not include data from these four subsidiaries.

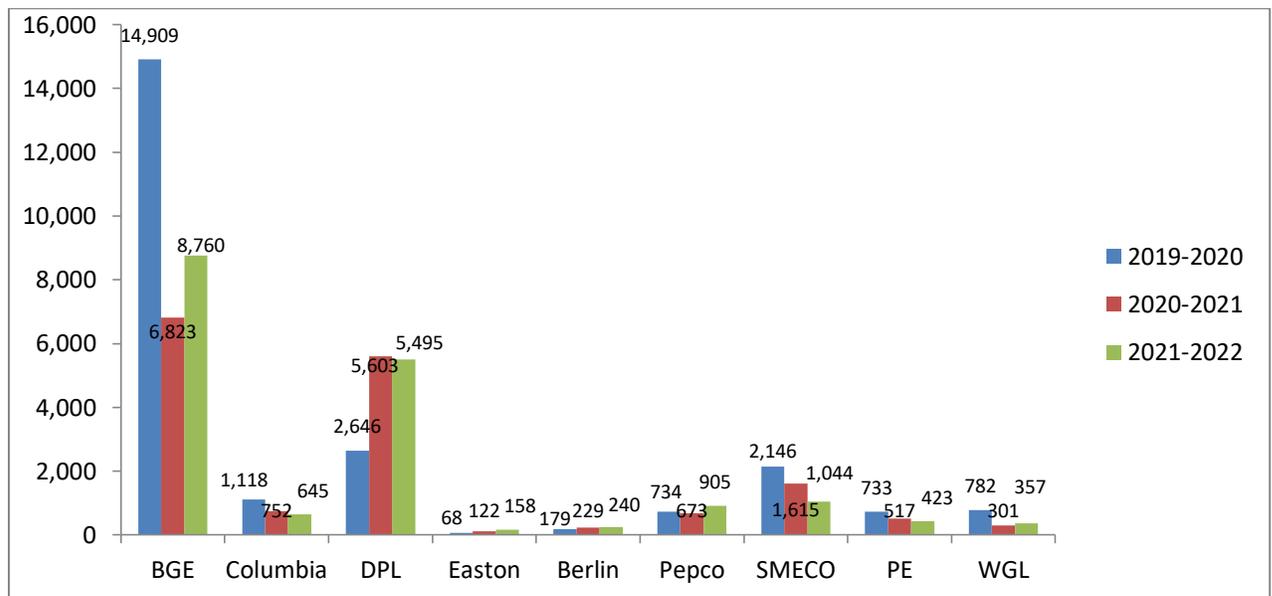
Figure 1 USPP Participants by Heating Season



³ The numbers represent the comparable between two consecutive heating seasons (2019-2020 and 2020-2021) by excluding Choptank Electric Cooperative, Inc., since Choptank was no longer subject to COMAR 20.31.05.09 during the 2020-2021 heating season. The statewide comparison will exclude Choptank, unless noted otherwise.

At the utility level, five utilities reported a total increase of 2,272 USPP participants in 2021-2022.⁴ Four utilities reported a total decrease of 880 USPP participants from the previous heating season.⁵ Thus, the net increase of USPP participants is 1,392 in the 2021-2022 heating season compared to the previous heating season. Figure 2 provides a three-year comparison of the USPP enrollment by utilities. The changes among the three heating seasons varied for each of the reporting utilities. BGE had the highest USPP participation in the 2019-2020 heating season with 14,909 customers, and the lowest participation in the 2020-2021 heating season, with 6,823 customers enrolled and 8,760 customers participating in the USPP in the 2021-2022 heating season. DPL had the highest number of USPP participants in the 2020-2021 heating season and the lowest USPP customer participation in the 2019-2020 heating season. In the current heating season, BGE and Delmarva had the highest and second highest USPP enrollment numbers, accounting for 79 percent of the statewide total USPP participants.

Figure 2 Three Heating Seasons USPP Enrollment by Utilities



⁴ Baltimore Gas and Electric Company (BGE), Easton Utilities Commission, the Mayor and Council of Berlin, Potomac Electric Power Company (Pepco), and Washington Gas Light Company (WGL) reported increases in USPP enrollment.

⁵ Columbia Gas of Maryland, Inc., Delmarva Power & Light Company (Delmarva or DPL), Southern Maryland Electric Cooperative, Inc. (SMECO), and The Potomac Edison Company (PE) reported decreases in the number of USPP participants.

The USPP enrollment rate in the latest winter season represented 45 percent of the 39,728 customers statewide who were certified to receive benefits from the Maryland Energy Assistance Program (MEAP) during that period, approximately four percentage points lower than the 49 percent observed during the previous winter season. Table E1 provides each utility's USPP participants, MEAP-certified customers, total customers, and USPP enrollment as a percentage of MEAP, and the total residential customers the utility serves. Of the utilities listed, BGE, with approximately 91 percent, had the highest USPP enrollment rate among its MEAP customers, followed by Berlin with 85 percent, Delmarva with 76 percent, and Columbia Gas with 46 percent of the enrollment rate. The rest of the utilities had an enrollment rate below 31 percent. SMECO had an approximate 10 percent USPP enrollment rate, which was the lowest. Five utilities (BGE, Berlin, Easton, Pepco, and WGL) reported their USPP enrollment rate increased and four utilities (Columbia, Delmarva, SMECO, and PE) reported their USPP enrollment rate decreased from the previous heating season to the current heating season.

Table E1 2021-2022 USPP PARTICIPATION INFORMATION BY UTILITY⁶

UTILITY	USPP	MEAP Customer	USPP Enrollment as % of MEAP	Total Customer	USPP Enrollment as % of Total Customer
Baltimore Gas and Electric Company	8,760	9,674	90.55%	1,845,277	0.47%
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
Columbia Gas of Maryland, Inc.	645	1,399	46.10%	30,921	2.09%
Delmarva Power & Light Company	5,495	7,276	75.52%	188,252	2.92%
Easton Utilities Commission	158	526	30.04%	9,098	1.74%
Chesapeake Utilities - Elkton Gas	N/A	N/A	N/A	N/A	N/A
Mayor and Council of Berlin	240	282	85.11%	2,432	9.87%
Potomac Electric Power Company	905	5,313	17.03%	544,497	0.17%
Southern Maryland Electric Cooperative, Inc.	1,044	10,866	9.61%	160,289	0.65%
The Potomac Edison Company	423	1,730	24.45%	235,960	0.18%
Washington Gas Light Company	357	2,662	13.41%	479,798	0.07%
STATEWIDE	18,027	39,728	45.38%	3,496,524	0.52%

As seen in the last column of Table E1, the statewide USPP participants accounted for approximately 0.52 percent of the total customer base that the USPP participating utilities serve, higher than the 0.48 percent in the last USPP report but lower than the 0.68 percent observed in the 2019-2020 USPP report. The USPP enrollment rate for each utility ranged from less than one percent to 9.87 percent of the utility’s respective total residential customers.

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 2021-2022 winter heating season. The number of USPP participants with service terminations was 959, an increase of 873 from 86 in the 2020-2021 heating season, which was an exceptionally low termination

⁶ The four utilities - CUC-Cambridge, CUC-Citizen, CUC-Sandpiper and Elkton - did not report USPP data but did report data for the MEAP non-USPP participants so in the calculation for this table, their data was treated as not applicable.

number. However, this was 444 terminations fewer than the 1,403 terminations in the 2019-2020 heating season.⁷ The statewide USPP termination rate was approximately 5.32 percent, compared to a 0.52 percent termination rate in the 2020-2021 heating season and the 6.10 percent termination rate in the 2019-2020 report. The low USPP customer terminations and termination rate in the 2020-2021 heating season program (since the 2010-2011 heating season) reflected the impact of the COVID-19 pandemic and the implementation of the Commission's termination moratorium policy in August 2020.⁸ The termination rate in this report indicated it was lower than the pre-pandemic heating season, but termination rates increased from the 2020-2021 COVID-19 peak heating season. The termination rate may increase in the future heating season.

Table E2 indicates that terminations were reported by four utilities in the 2021-2022 heating season: of the total 959 terminations, BGE terminated 922 accounts; DPL terminated 25 accounts; Pepco terminated 11 accounts; and PE terminated 1 account. PE did not report any terminations in the 2020-2021 report. BGE serves the largest number of residential customers in the state and its terminations accounted for the largest total amount (96 percent) in this report. In the 2020-2021 heating season, BGE reported 30 terminations (the second largest number of terminations), while DPL reported 50 terminations. Four subsidiaries of the Chesapeake Utilities Corporation did not report any USPP data. Five utilities did not report any terminations in the 2021-2022 winter season. As in the previous heating seasons, Columbia Gas and WGL each observed a no-termination policy. Some small and municipal utilities normally report no terminations and typically work with their customers to avoid service disconnection. SMECO did not report any terminations in the two most recent heating seasons, but did report terminations in the 2019-2020 heating season.

⁷ The 1,403 terminations in 2019-2020 does not include Choptank's 39 terminations for a comparable base because since 2020-2021 Choptank did not have an obligation to report USPP data to the Commission.

⁸ The Commission initiated *PC53: Impacts of COVID-19 Pandemic on Maryland's Gas and Electric Utility Operations and Customer Experiences* and issued five motions on August 31, 2020. The Commission's orders directed a moratorium on terminations until November 15, 2020, and the Commission required that the utilities send a termination notice 45 days in advance to customers as of October 1, 2020. These actions included but were not limited to USPP customers.

Table E2 2021-2022 USPP TERMINATIONS BY UTILITY

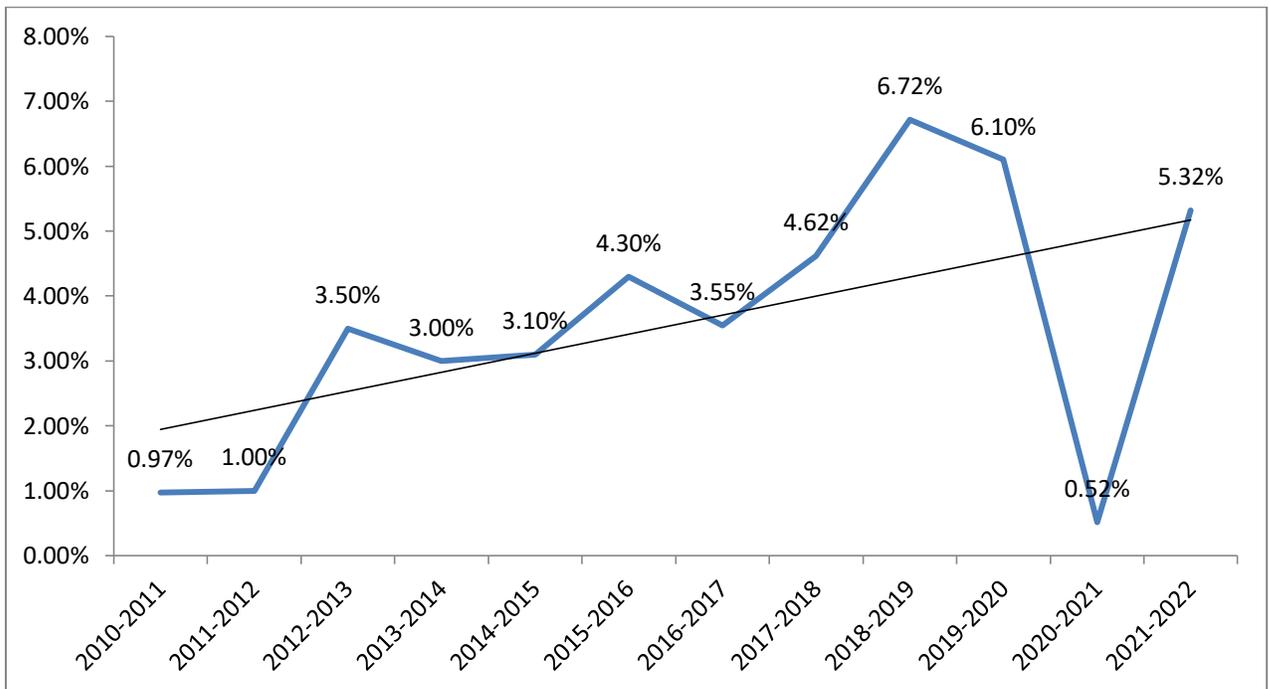
UTILITY	USPP Participants	Terminations	Termination Rate	Change in Terminations from the Previous Heating Season
Baltimore Gas and Electric Company	8,760	922	10.53%	892
Chesapeake Utilities - Cambridge Gas Division	N/A	N/A	N/A	N/A
Chesapeake Utilities - Citizens Gas Division	N/A	N/A	N/A	N/A
Chesapeake Utilities - Sandpiper Energy	N/A	N/A	N/A	N/A
Columbia Gas of Maryland, Inc.	645	0	0%	0
Delmarva Power & Light Company	5,495	25	0.45%	-25
Easton Utilities Commission	158	0	0.00%	0
Elkton Gas	N/A	N/A	N/A	N/A
Mayor & Council of Berlin	240	0	0.00%	0
Potomac Electric Power Company	905	11	1.22%	5
Southern Maryland Electric Cooperative, Inc.	1,044	0	0%	0
The Potomac Edison Company	423	1	0.24%	1
Washington Gas Light Company	357	0	0%	0
TOTAL	18,027	959	5.32%	873

Table E3 summarizes the number of USPP participants as shown in Figure 1 above and USPP terminations for the 12 winter seasons from 2010-2011 to 2021-2022. The number of USPP participants was downward trending during this period, decreasing from 84,826 in the 2010-2011 winter season to 18,027 in the 2020-2021 heating season, a reduction of approximately 79 percent. The number of USPP terminations fluctuated during the same period. Therefore, the termination rate also fluctuated but tended to go up as shown by a trend line in Figure 3. The lowest termination rate, 0.52 percent of the 2020-2021 termination rate, was obviously an outlier and far below the trend line due to the utilities response to the COVID-19 pandemic. The upward trend in the termination rate is largely due to the decline in the number of USPP participants.

Table E3 USPP Participation and Service Termination⁹

Reporting Season	USPP Participants	USPP Service Terminations	Percentage of USPP Terminations
2010-2011	84,826	819	0.97%
2011-2012	7,0892	708	1.00%
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%
2019-2020	23,647	1,442	6.10%
2020-2021	16,635	86	0.52%
2021-2022	18,072	959	5.32%

Figure 3 USPP Termination Rate by Heating Season

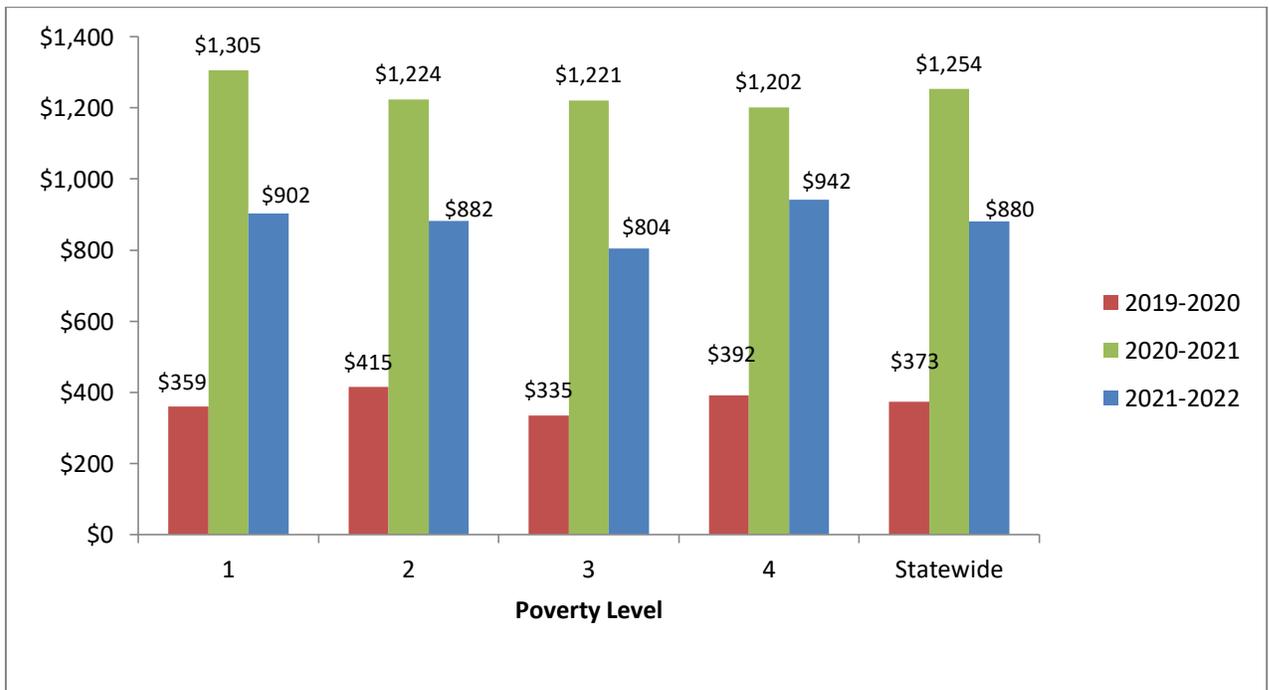


The data also shows that the statewide average supplemental arrearage fell somewhat from the large increase seen in the 2020-2021 winter season. During the 2021-2022 heating

⁹ The analyses did not include the Poverty Level 5 data submitted by BGE, DPL, and Pepco since 2015-2016.

season, the statewide average supplemental arrearage was \$880, a decrease of \$374 from \$1,254 in the 2020-2021 heating season. However, the 2021-2022 statewide average supplemental arrearage was \$507 higher than the \$373 average supplemental arrearage in the 2019-2020 winter heating season. The average supplemental arrearage at each poverty level decreased in the current report compared to the previous season. Figure 4 illustrates the average supplemental arrearage in the three consecutive heating seasons by poverty level. The average supplemental arrearages were the lowest in the 2019-2020 USPP report. Data by poverty levels show the average supplemental arrearage rose to over \$1,200 in the 2020-2021 winter season and decreased in the 2021-2022 winter heating season. This is an indication that the COVID-19 pandemic affected USPP customers' supplemental arrearages in the peak pandemic and in the current heating season.

Figure 4 USPP Average Supplemental Arrearage by Poverty Level in Three Consecutive Winter Seasons



BACKGROUND OF THE USPP

On March 1, 1988, the Maryland Public Service Commission issued Order No. 67999 in Case No. 8091,¹⁰ which established the Utility Service Protection Program, as required by Article 78 §54K, which has since been recodified as Section 7-307 of the Public Utilities Article (PUA), *Annotated Code of Maryland*. PUA §7-307 directed the Commission to promulgate regulations relating to when, and under what conditions, there should be a prohibition against or a limitation upon the authority of a public service company to terminate, for nonpayment, gas or electric service to low-income residential customers during the 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 MEAP, which is administered by the Office of Home Energy Programs (OHEP), a division of the Maryland Department of Human Services. 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—also known as budget billing plans—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

¹⁰ *In the Matter of Regulations Governing Terminations of Gas or Electric Service to Low Income Residential Customers during the Heating Season.*

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 USPP 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.¹¹ Utilities serving residential customers in Maryland submitted data for this report. The Commission's April 2022 data request for the 2021-2022 heating season was similar to the previous USPP data requests.¹² This report provides an analysis and summary of that information.

DATA COLLECTION AND ANALYSIS

Seventeen companies submitted 2021-2022 heating season USPP reports to the Commission.¹³ Among these, four companies did not participate in the USPP: Hagerstown does not participate in the USPP but implements a Commission-approved alternate program;¹⁴ two small municipal companies—Thurmont and Williamsport—and UGI

¹¹ The data request was issued to BGE, CUC-Cambridge, CUC-Citizens, CUC-Sandpiper, CGM, DPL, Easton, Elkton, WGL, Hagerstown Municipal Electric Light Plant, Berlin, PE, Pepco, SMECO, Thurmont Municipal Light Company, UGI Utilities, Inc., and Williamsport Municipal Light Plant.

¹² The USPP Data Request was expanded in 2007 and several small changes were made in 2018 in the interest of clarity.

¹³ Eighteen utilities reported in 2019-2020. Choptank is no longer subject to COMAR 20.31.05.09 and did not provide data responses beginning from the 2020-2021 heating season.

¹⁴ 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.

reported that they did not participate in the USPP and are not included in this report.¹⁵ The analysis contained in this report includes 13 companies that provided USPP poverty level data; however, the four subsidiaries of Chesapeake Utilities Corporation—CUC-Cambridge, CUC-Citizen, CUC-Sandpiper, and Elkton—did not report USPP data and explained that OHEP increased MEAP grants, and no customers enrolled in the USPP but expects customers to enroll in the USPP in the coming heating season. For consistency with the previous report, these four utilities are included in this report. The poverty level data provided to the Commission by the nine companies have variations. For example, some utilities indicated that poverty level data was not available due to accounting system limitations or for various other reasons. The data analyses in this report were performed based on the available data of the nine companies for the 2021-2022 heating season, even though there are 13 utilities included in the tables. The basic information for all responding utilities is contained in Appendix A1, which indicates that utilities should provide all data in the Commission Data Request if they serve more than 5,000 customers or a limited set of data if they serve 5,000 or fewer customers.

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) guidelines 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

Each USPP customer’s poverty level is determined by OHEP after it receives the customer’s MEAP application. OHEP provides the list of customer poverty levels to each utility which serves the approved MEAP customers. A special note regarding the treatment of poverty level 5 in this report is required-poverty level 5 data is composed of participants who receive subsidized housing allowances. Poverty level 5 data previously was reported

¹⁵ UGI is a Pennsylvania based company that offers limited service in Maryland.

only by BGE; however, since the 2015-2016 reporting season, DPL and Pepco also have provided this data.¹⁶ In the 2021-2022 data responses, almost all utilities had poverty level 5 data while some utilities did not provide data for this poverty level. Because residents of subsidized housing may receive an allowance to defray the cost of utilities, these participants receive a separate and lower MEAP benefit than do other USPP participants.¹⁷ Staff did not include separate poverty level 5 data in the instant USPP report because these customers' incomes are not necessarily comparable. The report presents an analysis of the USPP data provided by the utilities in the order of the tables. In the previous USPP reports, the analysis focuses on the changes by utilities and poverty levels between the current winter reporting season and the previous heating season. In this report, the analysis focuses on the data from 2021-2022 and provides a comparison for the three consecutive heating seasons: (1) the 2019-2020 heating season (pre-pandemic); (2) the 2020-2021 heating season, which was the COVID-19 pandemic peak season; and (3) the 2021-2022 heating season, which was the "recovery" heating season although still in the pandemic. The report also includes some trend analyses.

PROGRAM PARTICIPATION

Table 1 shows the number of USPP participants and USPP eligible non-participants for each utility by poverty level in the 2021-2022 heating season.¹⁸ The number of USPP participants was 18,027 with MEAP-certified, non-USPP participants of 21,701, resulting in a total number of MEAP-certified customers of 39,728. The number of USPP participants increased by 1,392 or approximately eight percent; the MEAP-certified non-USPP customers increased by 4,472 or 26 percent; and the total number of MEAP-certified customers

¹⁶ DPL and Pepco started reporting Poverty Level 5 as did BGE after those companies merged with Exelon Corporation.

¹⁷ 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.

¹⁸ 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.

increased by 5,864 or 17 percent when compared to the previous heating season.¹⁹ Compared to the pre-COVID 2019-2020 heating season, the current USPP participants were 5,323 lower than the 23,350 participants of the 2019-2020 heating season.²⁰

¹⁹ Since the 2020-2021 heating season, Choptank has not reported USPP data to the Commission.

²⁰ The number of 2019-2020 participants does not include Choptank's data for comparison.

Table 1 NUMBER OF USPP CUSTOMERS AND ELIGIBLE NON-PARTICIPATING CUSTOMERS BY POVERTY LEVEL²¹

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 and Electric Company	3,554	2,070	2,159	977	8,760	48.59%	367	214	212	121	914	9,674
Chesapeake Utilities - Cambridge Gas Division	N/A	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	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Chesapeake Utilities - Sandpiper Energy	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Columbia Gas of Maryland	228	187	157	73	645	3.58%	232	217	221	84	754	1,399
Delmarva Power & Light Company	1,985	1,628	1,356	526	5,495	30.48%	634	480	487	180	1781	7,276
Easton Utilities	42	54	43	19	158	0.88%	93	119	116	40	368	526
Elkton Gas	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mayor & Council of Berlin	91	86	55	8	240	1.33%	17	15	9	1	42	282
Potomac Electric Power Company	380	222	214	89	905	5.02%	2037	1068	907	396	4,408	5,313
Southern Maryland Electric Power Cooperative, Inc.	375	303	263	103	1,044	5.79%	3575	2813	2439	995	9,822	10,866
The Potomac Edison Company	145	131	120	27	423	2.35%	422	361	357	167	1,307	1,730
Washington Gas Light Company	158	88	70	41	357	1.98%	997	543	525	240	2,305	2,662
TOTALS	6,958	4,769	4,437	1,863	18,027	100.00%	8,712	6,232	5,511	2,283	21,701	39,728

²¹ N/A indicates data are not available. Four utilities - CUC-Cambridge, CUC-Citizen, CUC-Sandpiper, and Elkton - did not report USPP data for the 2020-2021 and 2021-2022 heating seasons, but did report data on MEAP non-USPP participants so, for this table, their data were treated as not applicable.

Experience varied by utility during the 2021-2022 heating season. As noted earlier, Chesapeake Utilities' four gas utilities did not report any USPP data for the current and previous heating seasons. Of the remaining nine reporting utilities, five—BGE, Easton, Berlin, Pepco, and WGL—reported USPP enrollment increases and four—Columbia Gas, DPL, PE, and SMECO—reported decreases in the number of USPP participants in the current heating season as compared to the previous heating season. BGE reported the largest increase in participants by 1,937 or approximately 28 percent, followed by Pepco, which had an increase of 232 participants, as compared with the previous heating season. Five utilities reported a total increase of 2,272 USPP enrollment compared to the previous heating season. On the other hand, four utilities reported 808 USPP enrollment decreases from the last heating season. SMECO reported the largest decrease in the number of USPP enrollments by 571. Overall, there was a net increase of 1,392 USPP enrollments between the current and the previous heating season. Figure 5 illustrates USPP participation by poverty level for the three most recent heating seasons.

As for the distribution of statewide USPP participants, BGE reported 8,760 USPP participants, accounting for 49 percent of the State's total. BGE's USPP enrollment increased by 8 percentage points from the 41 percent in the 2020-2021 heating season but decreased by 14 percentage points from 63 percent in the 2019-2020 heating season. BGE is the largest utility in the State and has the largest share of USPP participation. DPL reported 5,495 participants and accounted for 30 percent of the statewide USPP enrollments for the current season. The remaining seven utilities accounted for 21 percent, ranging from one to six percent of the state USPP enrollment rate. As shown in Figure 5, the lower the poverty level, the greater the percentage of USPP enrollment.

Figure 5 USPP Participation Comparison by Poverty Level for Three Consecutive Heating Seasons

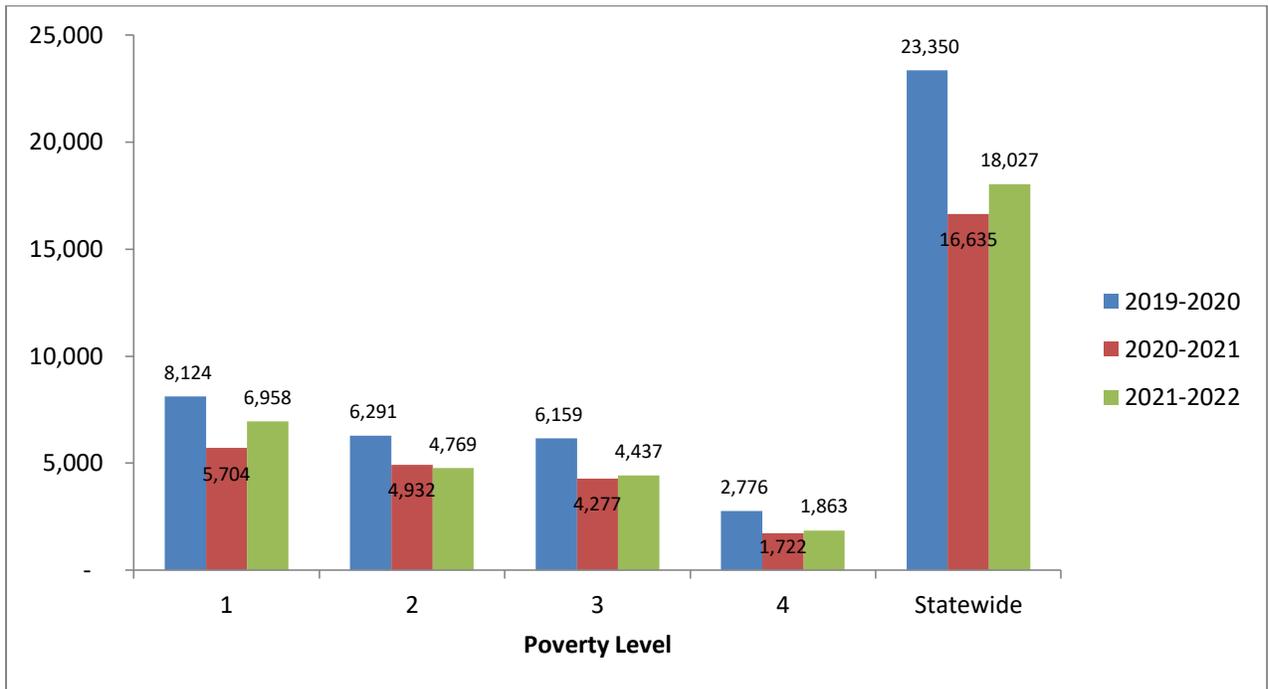


Table 2 presents USPP participation as a percentage of the total number of MEAP-certified customers for the 2021-2022 and 2020-2021 heating seasons by company and by poverty level. The statewide USPP participation rate of MEAP-certified customers for the 2021-2022 heating season was 45 percent, approximately four percentage points lower than the 49 percent observed in 2020-2021 heating season. This measure is normally an indicator of MEAP-certified customers who need energy assistance and need USPP protection to spread unpaid balances over the winter season and beyond to avoid service termination. The USPP participation rate decreases from 64 percent in the 2019-2020 heating season, to 49 percent in the 2020-2021, and 45 percent in the 2021-2022 heating season.

The enrollment rate varied among the utilities. BGE reported 91 percent of the USPP participants in its MEAP certified customers in the current heating season, which was the highest among the utilities that responded to the Commission’s data request. The Mayor & Council of Berlin was the second highest enrollment rate at 85 percent, followed by DPL with an enrollment rate of 76 percent, and Columbia Gas with a 46 percent enrollment rate. In the 2020-2021

heating season, DPL reported the highest enrollment at 84 percent, followed by BGE with 83 percent. BGE in this current heating season was back to its pre-pandemic USPP enrollment rate - above 90 percent among its MEAP-certified customers. The remaining utilities each reported an enrollment rate at or below 30 percent. Observations among the statewide Poverty Levels 1, 2, 3, and 4 present small variations ranging from 45 (Poverty Levels 1 and 2) to 46 (Poverty Levels 3 and 4) percent.

Table 2 USPP PARTICIPATION AS A PERCENT OF TOTAL ELIGIBLE FOR EACH POVERTY LEVEL FOR EACH OF THE LAST TWO HEATING SEASONS²²

UTILITY	2021-2022 Participation					2020-2021 Participation				
	Poverty Level					Poverty Level				
	1	2	3	4	Overall	1	2	3	4	Overall
Baltimore Gas and Electric Company	91%	91%	91%	89%	91%	81%	85%	84%	82%	83%
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	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Chesapeake Utilities - Sandpiper Energy	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Columbia Gas of Maryland, Inc.	50%	46%	42%	46%	46%	50%	50%	50%	50%	50%
Delmarva Power & Light Comapny	76%	77%	74%	75%	76%	84%	86%	83%	83%	84%
Easton Utilities	31%	31%	27%	32%	30%	18%	22%	20%	22%	20%
Elkton Gas	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mayor & Council of Berlin	84%	85%	86%	89%	85%	62%	72%	78%	64%	68%
Potomac Electric Power Company	16%	17%	19%	18%	17%	13%	17%	15%	13%	14%
Southern Maryland Electric Cooperative, Inc.	9%	10%	10%	9%	10%	32%	33%	30%	28%	32%
The Potomac Edison Company	26%	27%	25%	14%	24%	26%	25%	26%	21%	25%
Washington Gas Light Company	14%	14%	12%	15%	13%	6%	8%	6%	4%	6%
TOTALS	45%	45%	46%	46%	45%	46%	52%	50%	48%	49%

²² N/A indicates either a company is not required to provide data or a company does not track data by poverty level. Four utilities—CUC-Cambridge, CUC-Citizen, CUC-Sandpiper, and Elkton—did not report USPP data, but did report data for MEAP non-USPP participants so, for this table, their data were treated as not applicable.

Table 3 presents the USPP enrollment compared to the MEAP and the total customers each utility serves. During the 2021-2022 heating season, the rate of USPP participants compared to total utility customers statewide was up to 0.52 percent from the previous 0.48 percent in the 2020-2021, but was lower than the 0.68 percent in the 2019-2020 report. The decline in the statewide USPP enrollment rate of utilities’ total residential customers continued the trend of the pre-COVID19 pandemic—except for the 2020-2021 heating season.

Table 3 USPP PARTICIPANTS AND PERCENTAGE OF ENROLLMENT TO MEAP AND TOTAL CUSTOMERS²³

UTILITY	USPP	MEAP Customer	USPP Participants as a Percentage of MEAP Customer	Total Customers	USPP Participants as a Percentage of Total Customer
Baltimore Gas and Electric Company	8,760	9,674	91%	1,845,277	0.47%
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
Columbia Gas of Maryland, Inc.	645	1,399	46%	30,921	2.09%
Delmarva Power & Light Company	5,495	7,276	76%	188,252	2.92%
Easton Utilities	158	526	30%	9,098	1.74%
Elkton Gas	N/A	N/A	N/A	N/A	N/A
Mayor & Council of Berlin	240	282	85%	2,432	9.87%
Potomac Electric Power Company	905	5,313	17%	544,497	0.17%
Southern Maryland Electric Cooperative, Inc.	1044	10,866	10%	160,289	0.65%
The Potomac Edison Company	423	1,730	24%	235,960	0.18%
Washington Gas Light Company	357	2,662	13%	479,798	0.07%
TOTALS	18,027	39,728	45%	3,496,524	0.52%

At the utility level, DPL reported 2.92 percent USPP participation rate (the highest USPP participation rate among major utilities) of its total residential customers, followed by Columbia

²³ N/A is data not reported. Four utilities—CUC-Cambridge, CUC-Citizen, CUC-Sandpiper and Elkton—did not report USPP data but did report data for MEAP non-USPP participants so, for this table, their data were treated as not applicable.

Gas with 2.09 percent, and Easton’s 1.74 percent participation rate, respectively. BGE, PE, Pepco, SMECO, and WGL each had a USPP participation rate below one percent.

Table 4 shows the percentage of customers who were USPP participants in the 2020-2021 heating season and also participated in the 2021-2022 heating season. Overall, approximately 34 percent of the USPP customers who participated in the 2020-2021 heating season also enrolled in the USPP during the 2021-2022 heating season. This statewide repeated enrollment rate of 34 percent in two consecutive heating seasons is 11 percentage points lower than the 45 percent in the 2020-2021 heating, but was aligned with the 35 and 36 percent of the repeat enrollments in the pre-pandemic 2018-2019 and 2019-2020 heating seasons, respectively.

Table 4 PERCENTAGE OF 2021-2022 USPP PARTICIPANTS WHO ALSO PARTICIPATED IN THE PROGRAM DURING THE PRIOR HEATING SEASON²⁴

UTILITY	Poverty Level				Overall
	1	2	3	4	
Baltimore Gas and Electric Company	26%	38%	38%	36%	33%
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
Columbia Gas of Maryland, Inc.	N/A	N/A	N/A	N/A	N/A
Delmarva Power & Light Company	40%	55%	51%	41%	47%
Easton Utilities	N/A	N/A	N/A	N/A	N/A
Elkton Gas	N/A	N/A	N/A	N/A	N/A
Mayor & Council of Berlin	N/A	N/A	N/A	N/A	N/A
Potomac Electric Power Company	16%	19%	19%	18%	18%
Southern Maryland Electric Cooperative, Inc.	33%	46%	37%	30%	38%
The Potomac Edison Company	21%	27%	21%	30%	23%
Washington Gas Light Company	7%	16%	11%	5%	10%
TOTALS	28%	40%	38%	33%	34%

Figure 6 shows the two consecutive repeated enrollments by the utilities and statewide participation in the three recent heating seasons. Four of the six utilities (BGE, DPL, Pepco, and SMECO) had the highest USPP repeated enrollment in the 2020-2021 report in the three recent

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

heating seasons. PE and WGL reported lower repeated USPP enrollment in the 2020-2021 than in the 2019-2020 heating season. If compared to the 2020-2021 report, the repeated enrollment rates in the 2021-2022 decreased among all six utilities reporting data. The decrease ranged from approximately 5 to 22 percentage points lower than those in the 2020-2021 report.

Figure 6 USPP Customers Repeated Enrollment in Two Consecutive Heating Seasons by Utility for 2019-2020, 2020-2021, and 2021-2022 Report

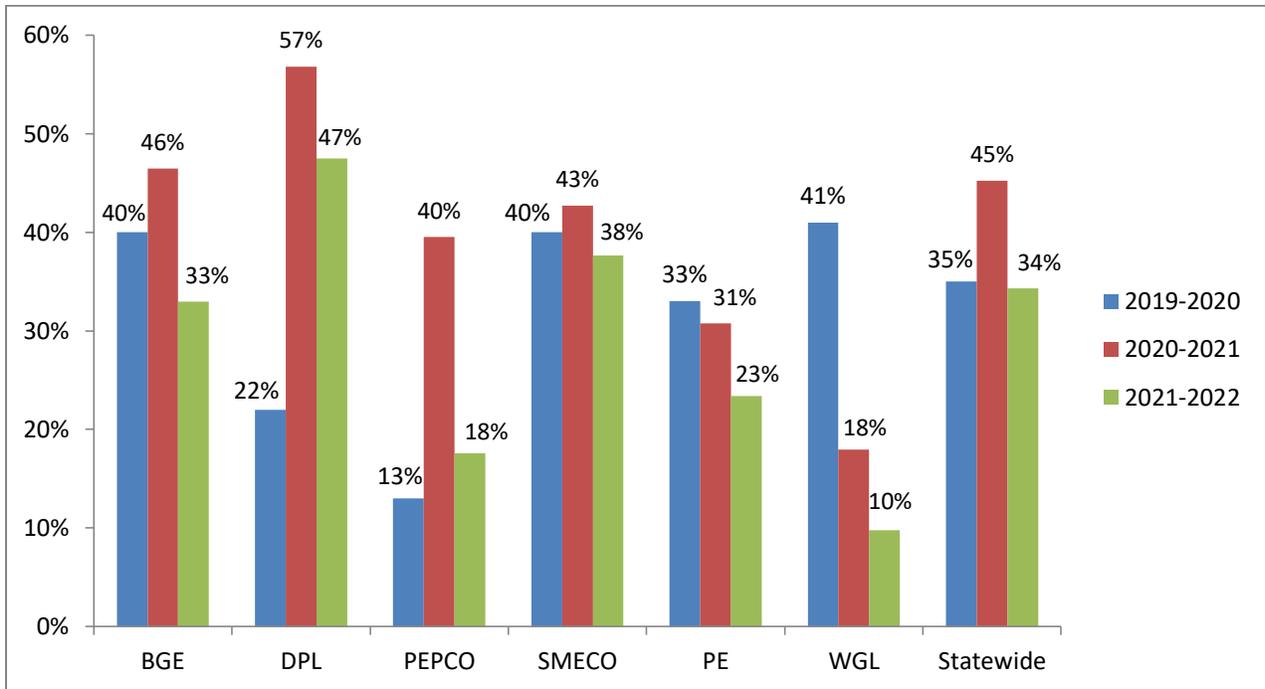
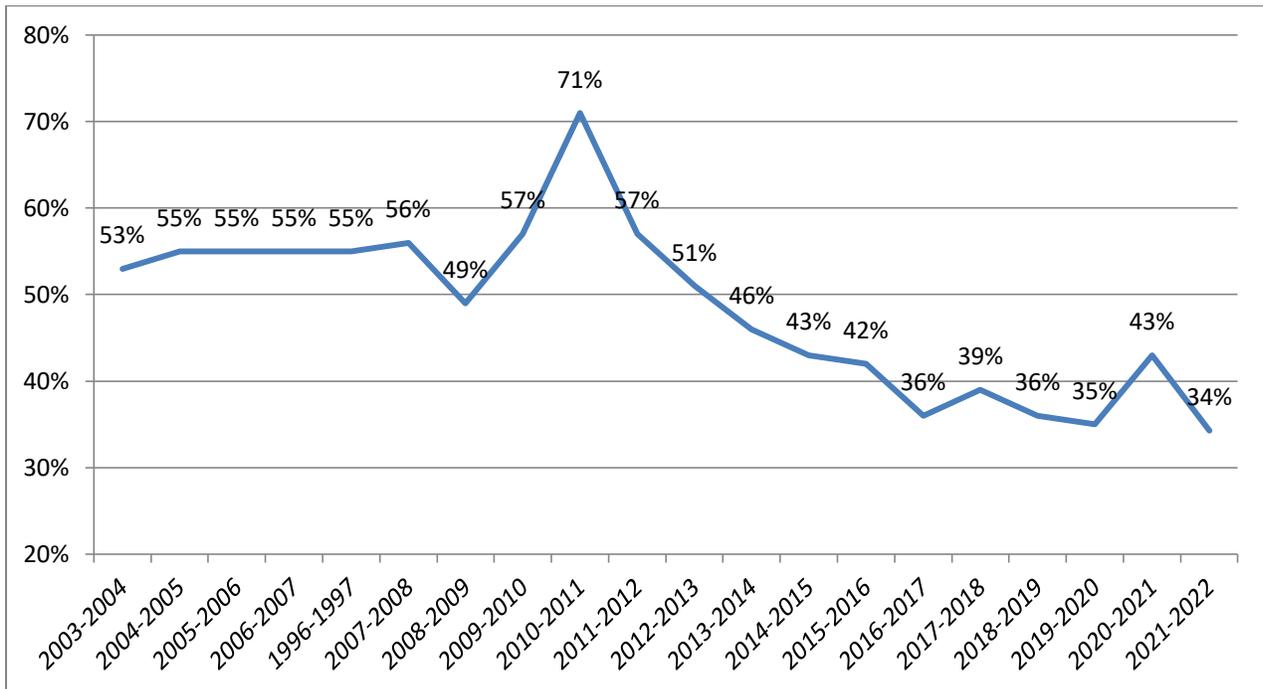


Figure 7 illustrates a trend line for the repeat participation rates from the 2003-2004 heating season to the latest heating season. The repetition rate of USPP participation increased beginning in 2003-2004 USPP and reached the peak in 2010-2011 and then declined and reached the lowest rate of repeat participants in the 2019-2020 heating season. Among the three recent heating seasons, the repetition rate was the highest at 43 percent in the 2020-2021 heating season and decreased by nine percentage points to 34 percent in the 2021-2022 heating season.

Figure 7 Statewide Rate of USPP Customers Enrolled in Two Consecutive Heating Seasons Since 2003-2004 Heating Season



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 payment plan to be paid off over an extended period. Although the deferred payment arrangements vary, all utilities provide for enrollment in supplemental payment plans. For example, BGE requires that all USPP participants enroll in a budget billing plan. Columbia Gas allows USPP customers to make 12-, 24-, and 36- months’ equal monthly payments of existing arrearages according to their USPP customers’ incomes. Placing outstanding arrearages in payment plans allows customers to enroll in USPP and to be considered current in their utility payments if they continue to make their USPP equal monthly payments and their supplemental payments in a timely fashion. During the previous heating season, the Commission required

utilities to offer a minimum payment plan period of 12 months, and 24 months for those customers receiving energy assistance from OHEP.²⁵

The number of customers who were participants in USPP and made supplemental payments in the 2021-2022 heating season was 1,486, lower than the 3,139 in 2020-2021 and 1,769 in the 2019-2020 winter season. The percentage of USPP participants making supplemental payments was approximately 8 percent of total USPP participants, which was 11 percentage points lower than in the last reporting season. The amount of the average monthly supplemental payment balances during the 2021-2022 heating season statewide was \$47.²⁶

²⁵ The Commission initiated *PC53: Impacts of COVID-19 Pandemic on Maryland's Gas and Electric Utility Operations and Customer Experiences* and issued five motions on August 31, 2020.

²⁶ This is a weighted average calculation for all utilities and for all poverty levels and is weighted by the number of USPP participants who make supplemental payment.

Table 5 PERCENTAGE OF USPP CUSTOMERS MAKING SUPPLEMENTAL PAYMENTS, THE AVERAGE DOLLAR AMOUNT OF THOSE PAYMENTS, AND THE AVERAGE ARREARAGE REQUIRING PAYMENTS BY POVERTY LEVEL²⁷

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 and Electric Company	8%	6%	6%	8%	7%	51	46	49	48	49	949	915	863	947	922
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	N/A	N/A	N/A	N/A
Chesapeake Utilities - Citizens Gas Division	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Chesapeake Utilities - Sandpiper Energy	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Columbia Gas of Maryland, Inc.	39%	32%	32%	34%	35%	17	17	14	28	18	287	320	263	370	286
Delmarva Power & Light Company	7%	4%	5%	6%	5%	60	60	68	63	62	1,693	1,563	1,581	1,429	1,313
Easton Utilities	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Elkton Gas	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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	N/A	N/A	N/A	N/A
Potomac Electric Power Company	7%	4%	5%	9%	6%	50	136	151	81	87	1,444	2,714	1,548	2,314	1,793
Southern Maryland Electric Cooperative, Inc.	17%	12%	20%	20%	17%	34	43	30	36	35	696	945	629	760	735
The Potomac Edison Company	23%	13%	8%	7%	15%	58	62	42	26	56	660	296	533	130	525
Washington Gas Light Company	20%	22%	10%	20%	18%	51	32	47	44	44	612	449	596	634	565
TOTALS	9%	7%	7%	9%	8%	54	57	58	57	47	902	882	804	942	880

²⁷ N/A indicates either a company is not required to provide data or a company does not track data by poverty level. Four utilities—CUC-Cambridge, CUC-Citizen, CUC-Sandpiper and Elkton—did not report USPP data but did report data for MEAP non-USPP participants so, for this table, their data were treated as not applicable.

A comparison by poverty level for the three recent heating seasons—2019-2020, 2020-2021, and 2021-2022—revealed that the average monthly supplemental payments in the 2020-2021 heating season were the highest for all poverty levels except for Poverty Level 4. Poverty Level 4 - \$57 in 2020-2021, is slightly lower than the \$58 in the 2019-2020 winter season. If compared with the 2020-2021 heating season, the average supplemental payments in the current report are lower than those in the 2020-2021 heating season for all poverty levels. This is most likely due to the impact of the peak COVID-19 pandemic on low-income customers. However, the USPP payments among poverty levels 1-4 were almost identical (within one dollar difference) for this current heating season. The supplemental payment comparison by poverty level for three consecutive heating seasons is demonstrated in Figure 8.

Figure 8 Average Monthly Supplemental Payment by USPP Participants by Poverty Level for 2019-2020, 2020-2021, and 2021-2022



The last section of Table 5 is the average supplemental arrearage by poverty level and by utility. The current statewide average supplemental arrearage for USPP participants was \$880,²⁸

²⁸ *Id.*

a decrease by \$374 or approximately 30 percent from \$1,254 in the previous report. The 2020-2021 average supplemental arrearage, represented an increase of \$881 or 236 percent from \$373 in the 2019-2020 heating season. This increase is likely the consequence of the COVID-19 pandemic. As indicated in Figure 9, the current average monthly supplemental payments decreased but the payments are higher than the \$373 in 2019-2020 for USPP participants. The average supplemental arrearages - \$880 in the current report, increased 2.36 times from \$373 in 2019-2020. The unpaid bills were deferred into the supplemental arrearages and caused arrearages larger than those in the pre-pandemic heating season. These two recent heating seasons reversed the decreasing trend of average supplemental arrearages seen in the pre-pandemic heating seasons. For the fourth consecutive heating season since 2015-2016, the average supplemental arrearages decreased and were the lowest in the 2019-2020 USPP. Figure 9 illustrates the most recent three consecutive years comparison by poverty level. If the previous decline of average supplemental arrearages from 2015-2016 to 2019-2020 across all poverty levels indicated that improvement of the national economic conditions after the 2008 economic recession had a positive impact on low-income customers, the increase in the average supplemental arrearage since 2020-2021 is an indication that the on-going COVID-19 pandemic has had a negative impact on USPP customers, resulting in increased unpaid bills.

**Figure 9 Average Supplemental Arrearage by Poverty Level
for 2019-2020, 2020-2021, and 2021-2022**



PARTICIPANT ARREARAGES AND PROGRAM COMPLIANCE

Table 6 shows the percentage of USPP participants, MEAP-certified non-USPP participants, and all other non-MEAP residential customers who were in arrears on their utility bills as of March 31, 2022, which is a snapshot scenario. As was the pattern seen in 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 winter heating season. For all utilities reporting data, the percentage of customers in arrears was 32 percent for USPP participants, 15 percent for MEAP-certified non-USPP participants, and 15 percent for non-MEAP-eligible customers as of March 31, 2022. Non-MEAP eligible customers were the lowest percentage of customers in arrears in the previous reports, however, during the 2021-2022 winter heating season, the non-MEAP customers had the same percentage in arrears as MEAP certified non-USPP customers in arrears. The proportion of USPP participants who were in arrears was about seven percentage points lower than the 39 percent observed in the previous period.

Table 6 PERCENTAGE OF USPP PARTICIPANTS, MEAP-ELIGIBLE CUSTOMERS, BY POVERTY LEVEL, AND NON-MEAP CUSTOMERS IN ARREARS ²⁹

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 and Electric Company	50%	40%	39%	45%	45%	52%	40%	36%	46%	45%	15%
Chesapeake Utilities – Cambridge Gas Division	N/A	N/A	N/A	N/A	N/A	16%	6%	3%	13%	9%	24%
Chesapeake Utilities – Citizens Gas Division	N/A	N/A	N/A	N/A	N/A	17%	19%	6%	13%	14%	18%
Chesapeake Utilities – Sandpiper Energy	N/A	N/A	N/A	N/A	N/A	11%	18%	11%	30%	16%	7%
Columbia Gas of Maryland, Inc.	54%	38%	33%	30%	41%	13%	3%	1%	0%	5%	19%
Delmarva Power & Light Company	24%	16%	17%	17%	19%	10%	5%	5%	9%	7%	12%
Easton Utilities	10%	7%	7%	16%	9%	15%	7%	9%	10%	10%	13%
Elkton Gas	N/A	N/A	N/A	N/A	N/A	13%	17%	10%	12%	14%	28%
Mayor & Council of Berlin	N/A	N/A	N/A	N/A	N/A	41%	67%	100%	0%	62%	7%
Potomac Electric Power Company	16%	11%	14%	18%	14%	23%	13%	17%	22%	19%	15%
Southern Maryland Electric Cooperative, Inc.	33%	22%	27%	34%	28%	14%	12%	12%	14%	13%	19%
The Potomac Edison Company	32%	22%	11%	30%	23%	17%	9%	10%	13%	12%	16%
Washington Gas Light Company	13%	17%	9%	12%	13%	20%	16%	16%	19%	18%	15%
TOTALS	38%	27%	28%	33%	32%	18%	13%	13%	17%	15%	15%

²⁹ A USPP customer is considered in arrears if some monthly billing is past due on March 31, 2022.

Table 7 presents the average dollar amount of arrearages for USPP participants, MEAP-certified non-USPP participants, and non-MEAP customers. As in the previous heating seasons, the USPP participants have the highest arrearage of \$585, the MEAP-certified non-USPP participants have \$519 in arrearages, and non-MEAP customers have the lowest arrearage amount, on average \$410. Compared to the 2019-2020 data, the average arrearage balances for both USPP customers and MEAP-certified non-USPP participants increased at a large pace. Compared to the 2020-2021 heating season, the overall average arrearage for USPP participants was \$173 lower than the \$758 in the 2020-2021 heating season, a decrease of 23 percent. The comparison indicates that the two most recent heating seasons' arrearages are higher than the previous COVID-19 level, but in the current heating season the average arrearages fell from the peak COVID-19 heating season. The average arrearage balance for MEAP eligible non-USPP customers trends the same as that of the USPP participants. The statewide arrearage was \$519, lower than the \$713 recorded in 2020-2021, but higher than the \$392 seen in the 2019-2020 season.

Across all poverty levels, the current average arrearage balances for USPP participants decreased from the 2020-2021 heating season, after increasing from the 2019-2020 heating seasons. Figure 10 indicates the impact of COVID-19 on low-income customers.

**Table 7 ARREARAGE FOR USPP PARTICIPANTS, MEAP-CERTIFIED NON-USPP PARTICIPANTS,
AND NON-MEAP CUSTOMERS IN ARREARS BY POVERTY LEVEL^{30,31}**

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 and Electric Company	636	564	553	573	596	931	782	537	674	792	454
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	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Chesapeake Utilities - Sandpiper Energy	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Columbia Gas of Maryland, Inc.	341	301	334	0	301	151	172	524	0	183	546
Delmarva Power & Light Company	725	649	779	843	728	1,011	682	790	647	863	534
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	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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	405	558	500	340	446	913	821	938	1,032	915	392
Southern Maryland Electric Cooperative, Inc.	491	301	249	456	386	269	243	250	250	256	319
The Potomac Edison Company	461	288	326	351	382	360	264	242	278	305	275
Washington Gas Light Company	272	337	416	384	326	300	243	357	322	301	327
TOTALS	619	542	562	575	585	578	431	473	524	519	410

³⁰ A customer is in arrears if any monthly billing is past due on March 31, 2022.

³¹ N/A indicates either a company is not required to provide data or a company does not track data by poverty level.

Figure 10 USPP Arrearages by Poverty Level for Three Consecutive Heating Seasons

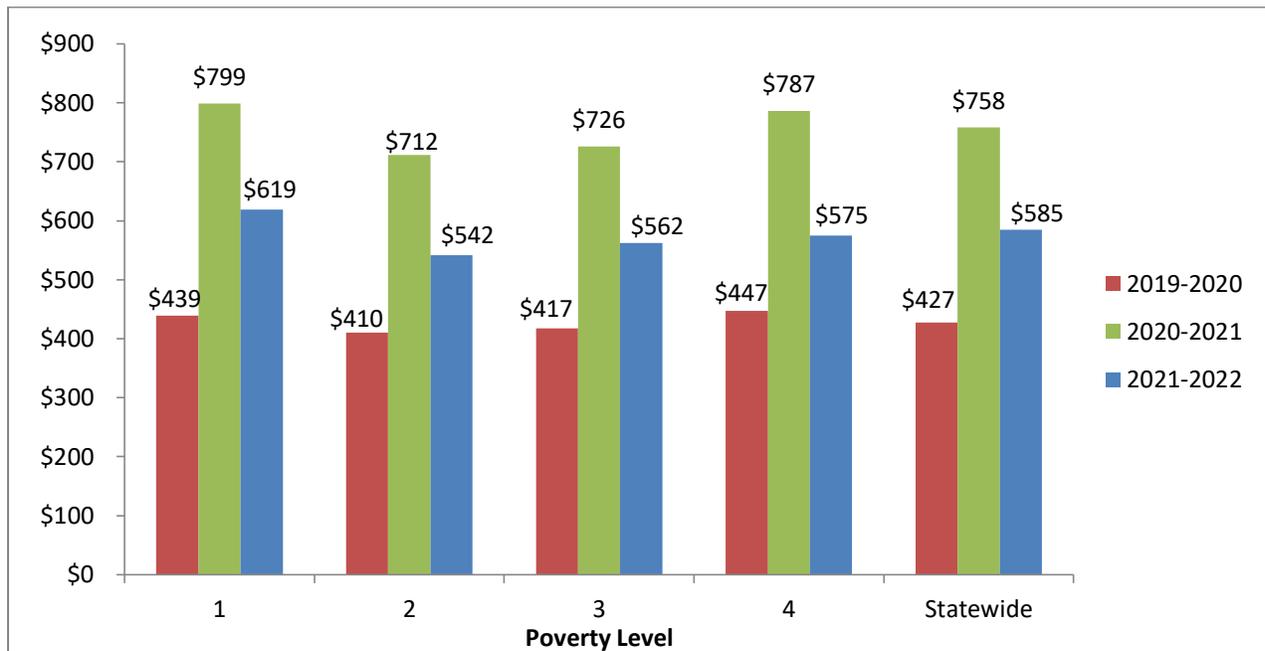


Table 8 presents the percentage of USPP participants who complied with the payment provisions of the program for the 2021-2022 heating season and compares those rates to the previous season’s results. According to the USPP provisions, a customer can be removed from the program and a customer’s service 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 2021-2022 heating season. Seven of nine utilities reported the compliance rate. Among major utilities, SMECO reported a 100 percent compliance rate, followed by Pepco and DPL with 98 and 97 percent, respectively. Municipal utilities, Berlin and Easton Utilities reported a compliance rate of 100 and 85 percent, respectively. The compliance rates across all poverty levels showed compliance rates from 98, 99, 99 and 98 percent for Poverty Levels 1, 2, 3, and 4, respectively in 2021-2022.³²

Compliance data is not available for CUC-Cambridge, CUC-Citizens, CUC-Sandpiper, and Elkton since those utilities reported no USPP participants. Also, some municipal utilities do

³² The percentage numbers are rounded up to the nearest integer.

not track the percentage of customers who complied with the program rules. As a result, the statewide compliance percentage of approximately 98 percent shown in Table 8 may overstate the proportion of customers who comply with USPP payment provisions. The 98 percent compliance rate indicates that only two percent of USPP participants were removed from the program. When compared with the previous heating seasons, the statewide compliance rate increased by approximately four percentage points from 94 percent in the 2020-2021 winter heating season.

Table 8 PERCENTAGE OF USPP PARTICIPANTS WHO COMPLIED WITH PROGRAM PAYMENT PROVISIONS BY POVERTY LEVEL DURING THE LAST TWO HEATING SEASONS³³

UTILITY	Compliance 2021-2022					Compliance 2020-2021				
	Poverty Level					Poverty Level				
	1	2	3	4	Overall	1	2	3	4	Overall
Baltimore Gas and Electric Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Chesapeake Utilities - Sandpiper Energy	N/A	N/A	N/A	N/A	N/A	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	N/A	N/A	N/A	N/A	N/A
Delmarva Power & Light Company	96%	98%	97%	96%	97%	85%	87%	88%	89%	87%
Easton Utilities	81%	87%	86%	89%	85%	77%	86%	86%	85%	84%
Elkton Gas	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mayor & Council of Berlin	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Potomac Electric Power Company	97%	99%	99%	98%	98%	86%	88%	86%	89%	87%
Southern Maryland Electric Cooperative, Inc.	100%	100%	100%	100%	100%	99%	100%	99%	99%	99%
The Potomac Edison Company	99%	89%	89%	96%	93%	98%	85%	84%	88%	90%
Washington Gas Light Company	96%	95%	97%	93%	96%	82%	84%	84%	85%	83%
TOTALS	98%	99%	99%	98%	98%	94%	94%	95%	96%	94%

HEATING SEASON TERMINATIONS

Table 9 shows the number of USPP participants, MEAP-certified non-USPP participants, and non-MEAP customers whose services were terminated during the 2021-2022 winter heating season. Four utilities (BGE, DPL, Pepco, and PE) collectively terminated 959 of 18,027 USPP participants. Comparatively, there were 86 terminations reported in the 2020-2021 winter season, the lowest termination number since the 2010-2011 heating season. This low number of

³³ 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.

terminations reflects the Commission's COVID-19 disconnection moratorium. Compared to 2019-2020, the termination number decreased by 444, or approximately 32 percent from 1,403.³⁴ Figure 11 demonstrates the three most recent heating seasons' terminations by customer poverty level. The highest number of terminations occurred in Poverty Level 1, with the terminations decreasing from poverty levels 2, 3, and 4, respectively. Among the four utilities that reported terminations, BGE terminated 922 of its USPP customers in the 2021-2022 winter season, approximately 96 percent of the state's total reported USPP terminations in the current report. Delmarva and Pepco represented three and one percent of the statewide terminations, respectively, in this report. PE reported one termination in this heating season and no terminations in the 2020-2021 heating season. Per company policy, Columbia and Washington Gas do not disconnect any customers during the heating season. SMECO, Berlin, and Easton did not report any terminations in either the current or previous heating seasons.

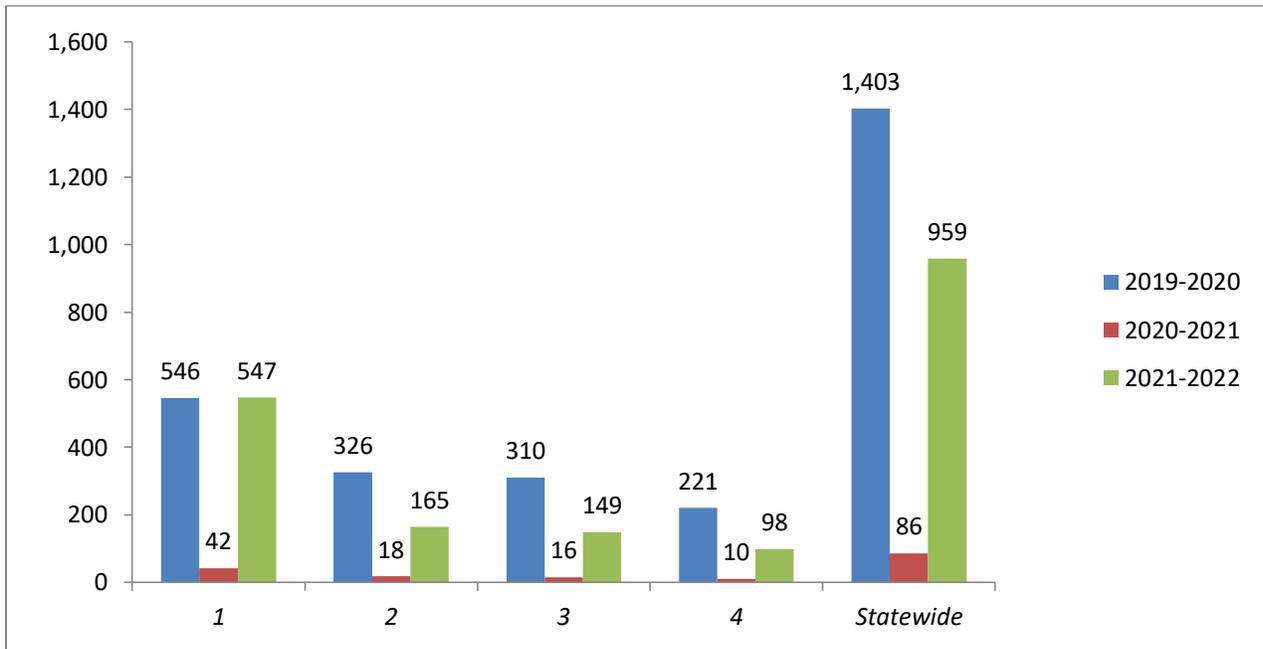
³⁴ The numbers excluded Choptank for both 2019-2020 and 2020-2021 heating seasons on a comparable basis.

Table 9 NUMBER OF 2021-2022 WINTER HEATING SEASON TERMINATIONS³⁵

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 and Electric Company	526	162	143	91	922	23	6	12	3	44	9,170
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	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Chesapeake Utilities - Sandpiper Energy	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Columbia Gas of Maryland, Inc.	0	0	0	0	0	0	0	0	0	0	0
Delmarva Power & Light Company	15	1	3	6	25	2	0	0	0	2	333
Easton Utilities	0	0	0	0	0	0	0	0	0	0	0
Elkton Gas	N/A	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	22	7	5	8	42	3,070
Potomac Electric Power Company	5	2	3	1	11	22	7	5	8	42	3,070
Southern Maryland Electric Cooperative, Inc.	0	0	0	0	0	0	0	0	0	0	578
The Potomac Edison Company	1	0	0	0	1	0	0	0	0	0	4
Washington Gas Light Company	0	0	0	0	0	0	0	0	0	0	0
TOTALS	547	165	149	98	959	47	13	17	11	88	13,188

³⁵ Note: Columbia Gas and Washington Gas each has a no-termination policy during the heating season.

Figure 11 Service Terminations by Poverty Level for the Three Recent Heating Seasons



HIGH ENERGY CONSUMPTION

Table 10 presents the percentage of USPP participants who consumed more than 135 percent of their utility system’s average usage, by poverty level. Due to increased consumption, these customers will have higher-than-average heating bills, which may tend to generate greater arrearages, create a higher risk of defaulting on payment plans, and lead to a greater risk of termination. The higher-than-average level of energy usage data was not provided by all utilities for several reasons. Utilities do not need to provide the data if they have fewer than 5,000 customers; if utilities refer high usage customers to their local agency for weatherization projects; or utilities do not track customer usage. For the 2021-2022 heating season, six utilities reported the data. Approximately 53 percent of USPP participants consumed more than 135 percent of the utilities’ system average usage, which was 28 percentage points higher than the 25 percent observed in 2020-2021. There was not much variation among poverty levels for the 2021-2022 winter ranging from 51 percent (Poverty Level 1), 54 percent (Poverty Level 3) to 55 percent (Poverty Levels 2 and 4); but they all increased by approximately 26 to 30 percentage points from the 2020-2021 season. Compared to the 2019-2020 heating season, the percentage

of high usage customers among USPP participants in the current report increased by 17 percentage points. The high usage customers in the current heating season had the highest percentage level in the three most recent heating seasons.

Table 10 PERCENTAGE OF USPP PARTICIPANTS WHO CONSUMED MORE THAN 135% OF SYSTEM AVERAGE ENERGY DURING THE MOST RECENT HEATING SEASON³⁶

UTILITY	Poverty Level				
	1	2	3	4	Overall
Baltimore Gas and Electric Company	48%	50%	49%	50%	49%
Chesapeake Utilities - Cambridge Gas Division	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
Columbia Gas of Maryland, Inc.	N/A	N/A	N/A	N/A	N/A
Delmarva Power & Light Company	83%	87%	86%	86%	85%
Easton Utilities	N/A	N/A	N/A	N/A	N/A
Elkton Gas	N/A	N/A	N/A	N/A	N/A
Mayor & Council of Berlin	N/A	N/A	N/A	N/A	N/A
Potomac Electric Power Company	18%	14%	21%	18%	17%
Southern Maryland Electric Cooperative, Inc.	23%	22%	25%	42%	25%
The Potomac Edison Company	33%	33%	39%	30%	35%
Washington Gas Light Company	19%	13%	13%	21%	16%
TOTALS	51%	55%	54%	55%	53%

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 2021-2022 heating season, 54 percent of USPP customers, 40 percent of MEAP-certified non-USPP participants, and 55 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 slightly by two percentage points compared to 52 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 17

³⁶ N/A indicates either a company is not required to provide data or a company does not track usage data by poverty level.

percent to 100 percent among utilities. Two gas companies, Columbia Gas and WGL, reported that they were the sole heating source for their entire customer base as previously reported. BGE reported 76 percent of USPP customers using BGE as the heating source for the 2021-2022 heating season, which combined its electric and gas services. Pepco and PE reported 77 and 86 percent of their customers using them as the heating source, respectively. DPL, an electric-only utility, reported 17 percent, two percentage points lower than the 19 percent observed in the 2020-2021 winter season, which was the lowest among the reporting utilities in the three recent reporting seasons.

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 LEVEL³⁷

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 and Electric Company	73%	78%	79%	80%	76%	86%	88%	83%	84%	86%	49%
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	N/A	N/A	N/A	N/A	N/A	100%	100%	100%	100%	100%	94%
Chesapeake Utilities - Sandpiper Energy	N/A	N/A	N/A	N/A	N/A	100%	100%	100%	100%	100%	93%
Columbia Gas of Maryland, Inc.	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	96%
Delmarva Power & Light Company	11%	20%	20%	17%	17%	10%	21%	22%	16%	17%	28%
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	N/A	N/A	N/A	N/A	N/A	100%	100%	100%	100%	100%	96%
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	77%	74%	78%	81%	77%	67%	72%	71%	68%	69%	34%
Southern Maryland Electric Cooperative, Inc.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
The Potomac Edison Company	86%	89%	83%	89%	86%	88%	88%	87%	89%	88%	51%
Washington Gas Light Company	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
TOTALS	52%	52%	56%	58%	54%	41%	39%	40%	40%	40%	55%

³⁷ N/A indicates data not available; or small utilities (CUC-Cambridge, Berlin, and Easton) that are not required to report data; Elkton Gas and SMECO did not provide data for USPP, 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. Most USPP participating utilities work closely with OHEP to lower their customers' arrearages and unpaid balances so they may enroll in USPP and be eligible for an alternate payment plan. OHEP provides larger MEAP grants for customers at poverty levels reflecting lower incomes. The data indicates that the overall average benefit was \$650 in the 2021-2022 heating season, higher than the \$432 benefit in 2020-2021, and the \$513 benefit in 2019-2020. The number of Customers receiving MEAP grants at all poverty levels in the 2021-2022 winter season were the highest in the recent three heating seasons. As seen in the previous years, the size of the MEAP benefit awarded to customers decreased as the poverty level increased. In this report, customers in Poverty Level 1 (the lowest household income level), received the highest MEAP benefit, an average of \$662; those in Poverty Levels 2, 3, and 4, received a MEAP grant of \$654, \$636, and \$633, respectively. The grant amount among the four poverty levels has slightly increased from the Poverty Level 1 to the Poverty Level 4 in this report. Customers of Columbia Gas, WGL, and BGE received the largest average grant at \$1,020, \$1,057, and \$737, respectively.

Table 12 AVERAGE MARYLAND ENERGY ASSISTANCE PROGRAM GRANT FOR USPP PARTICIPANTS BY POVERTY LEVEL FOR THE LAST TWO HEATING SEASONS³⁸

UTILITY	Average 2021-2022 Grants (\$)					Average 2020-2021 Grants (\$)				
	Poverty Level					Poverty Level				
	1	2	3	4	Overall	1	2	3	4	Overall
Baltimore Gas and Electric Company	\$734	\$783	\$720	\$666	\$737	\$544	\$519	\$479	\$449	\$510
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	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Chesapeake Utilities - Sandpiper Energy	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Columbia Gas of Maryland, Inc.	\$962	\$1,064	\$1,021	\$1,105	\$1,020	\$656	\$624	\$630	\$637	\$638
Delmarva Power & Light Company	\$560	\$545	\$541	\$541	\$547	\$378	\$343	\$353	\$352	\$355
Easton Utilities	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Elkton Gas	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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	\$543	\$536	\$545	\$534	\$541	\$305	\$303	\$313	\$349	\$311
Southern Maryland Electric Cooperative, Inc.	\$537	\$464	\$491	\$496	\$499	\$463	\$417	\$429	\$424	\$436
The Potomac Edison Company	\$525	\$512	\$519	\$506	\$518	\$335	\$293	\$311	\$316	\$315
Washington Gas Light Company	\$1,139	\$968	\$962	\$1,263	\$1,057	\$565	\$469	\$495	\$475	\$509
TOTALS	\$662	\$654	\$636	\$633	\$650	\$457	\$420	\$419	\$412	\$432

³⁸ N/A indicates data are not available or provided. The MEAP grants are calculated as weighted average by participants for each poverty level and for each utility, respectively.

CONCLUSION

The data reported to the Commission from the participating utilities for the 2021-2022 winter heating season shows the USPP was recovering from the 2020-2021 heating season, which was deeply impacted by the COVID-19 pandemic. The total number of USPP participants increased from the 2020-2021 heating season but continues a decreasing trend from pre-COVID-19 heating seasons. The number of statewide USPP participants was 18,027 during the 2021-2022 heating season, increasing by 1,392, or eight percent, of USPP participants from the 16,635 in the 2020-2021 report, but decreasing by 5,289, or approximately 23 percent, from the 2019-2020 USPP report. The USPP enrollment rate decreased to 45 percent, four percentage points lower than the 49 percent in 2020-2021, and 19 percentage points lower than 2019-2020's 64 percent of total MEAP customers. Similarly, the USPP enrollment rate increased 0.52 percent from the 2020-2021's 0.48 percent of the total utility residential customer base in this report. This rate seems to continue to decrease from 0.68 percent in the 2019-2020 - pre-pandemic winter heating season.

Data analysis shows that some USPP indicators declined between the pre-pandemic and the peak COVID-19 heating seasons. The percentage of USPP customers who made supplemental payments in 2021-2022 decreased to eight percent from 2020-2021's 19 percent but was one percentage point higher than the seven percent in the 2019-2020 heating season. The average supplemental payment at the state level decreased from \$56 in the 2020-2021 to \$47 in the current report. However, the average supplemental arrearage for USPP customers reversed what had been previously a downward trend. Before the pandemic, the average supplemental arrearage had declined for four consecutive heating seasons since the 2015-2016 and was the lowest in the 2019-2020 USPP report.³⁹ The average supplemental arrearage increased from \$373 in the 2019-2020 to \$1,245 in the 2020-2021 heating season and to \$880 in the current USPP report. The amount of the average supplemental arrearages was the highest in the 2020-2021 USPP report and second highest in the 2021-2022 USPP among the recent three

³⁹ The conclusion section of the 2019-2020 USPP Report states, "a decrease in so many indicators has been observed as of the last winter season. These changes may be associated with the improved national economic conditions observed in recent years after the 2008 economic crisis."

USPP reports. The current \$880 of the average supplemental arrearage was \$507 higher, or approximately 236 percent more, than the \$373 in 2019-2020. The statewide MEAP grant increased to \$650 from \$432 in 2020-2021 and \$513 in the 2019-2020 heating season. The USPP participants received the highest grant during the 2021-2022 heating season. The higher MEAP grants help USPP participants to pay their unpaid bills and avoid the service disconnection.

During the two most recent winter heating seasons during the COVID-19 pandemic, federal and State entities (including the Commission), local governments, and utilities provided crucial help through public policies and economic assistance. The four utilities reported 959 of USPP customer terminations for the 2021-2022 heating season. The terminations are lower than the 1,403 in the 2019-2020 heating season but higher than the 86 terminations in 2020-2021. The 2020-2021 terminations were the lowest termination number and can be considered as an outlier since the 2010-2011 winter season.

APPENDIX A1 2021-2022 HEATING SEASON REPORTING UTILITIES BASIC INFORMATION

UTILITY	Participated in USPP	Serving Customers	Service Type	Included in Data Analysis
Baltimore Gas and Electric Company	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
Columbia Gas of Maryland, Inc.	Yes	≥ 5,000	Gas	Yes
Delmarva Power and Light Company	Yes	≥ 5,000	Electric	Yes
Easton Utilities Commission ⁴⁰	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, Inc.	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

⁴⁰ Easton Utilities has provided data as a small company although it has more than 5,000 customers.