

**PUBLIC SERVICE COMMISSION
OF MARYLAND**

UTILITY SERVICE PROTECTION PROGRAM

ANNUAL REPORT

WINTER 2022-2023

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Public Utilities Article,
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EXECUTIVE SUMMARY

The 2022-2023 winter heating season was the third heating season since the onset of the COVID-19 pandemic in 2020. The data showed continued signs of recovery from the circumstances associated with COVID-19, while also indicating structural changes in Universal Service Protection Program (USPP or Program) participation independent of COVID-19. For example, while the number of USPP participants rebounded from the pandemic low back to 2018-2019 levels, the trend for the past decade has been one of steady decrease in USPP participation. Compared to last season, terminations have increased statewide by about 30 percent, but the average supplemental arrearage has been decreasing for the past three winter seasons.

During the 2022-2023 winter heating season, 26,561 customers participated in the USPP, an increase of 8,534, or approximately 47 percent, from the 18,027 USPP participants in the 2021-2022 heating season. The low USPP participation during the 2020-2021 and 2021-2022 heating seasons was the result of the Governor's Executive Order and the Commission's orders, which mandated that utilities not disconnect service even if customers did not pay their bills due to pandemic state of emergency.¹ Under the moratorium, some utilities established their own parallel policies to prevent service disconnections.² When comparing the three most recent heating seasons, the current 26,561 enrollments demonstrates a steady recovery in USPP participation. As seen in *Figure 1*, USPP participation has declined since 2010 by 58,265 enrollments, or 69 percent compared to the highest enrollment of 84,826 USPP participants during winter 2010. It is important to note that Thurmont and Williamsport did not provide

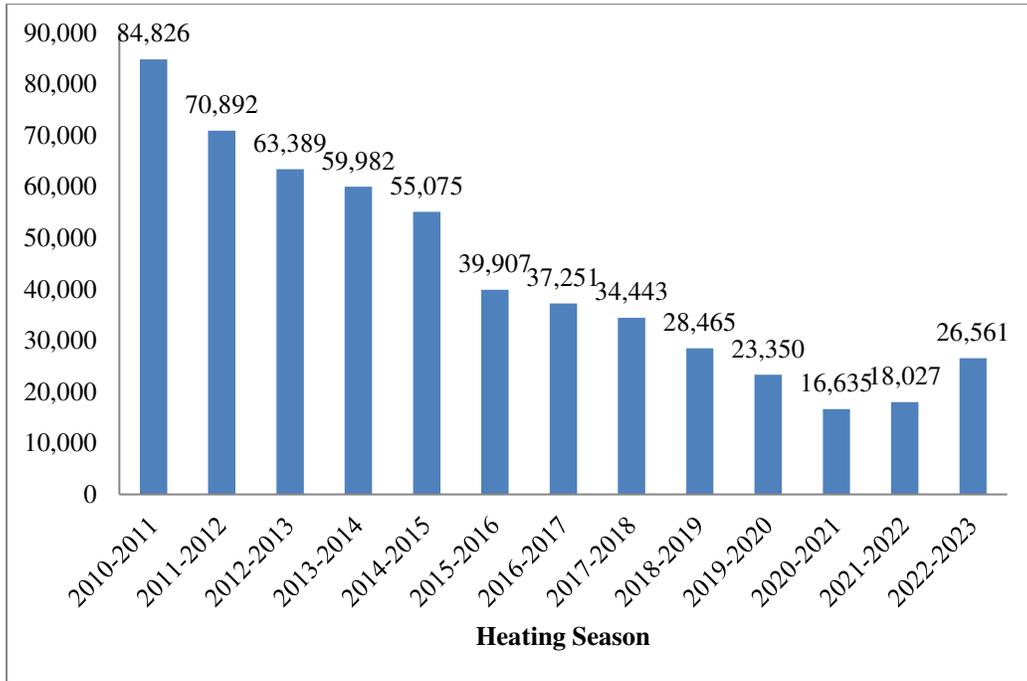
¹ On March 16, 2020, Governor Larry Hogan issued an Executive Order prohibiting the termination of residential utility services and the imposition of late fees during the COVID-19 state of emergency. This prohibition was set to expire on August 1, 2020. On July 31, 2020, Governor Hogan extended the utilities termination restrictions 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 on August 31, 2020 issued five motions in this docket. The motions prohibited the public utilities from terminating service to residential customers through November 15, 2020. The motions required a 45-day notice to customers for the service disconnection.

² Four subsidiaries of the 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.

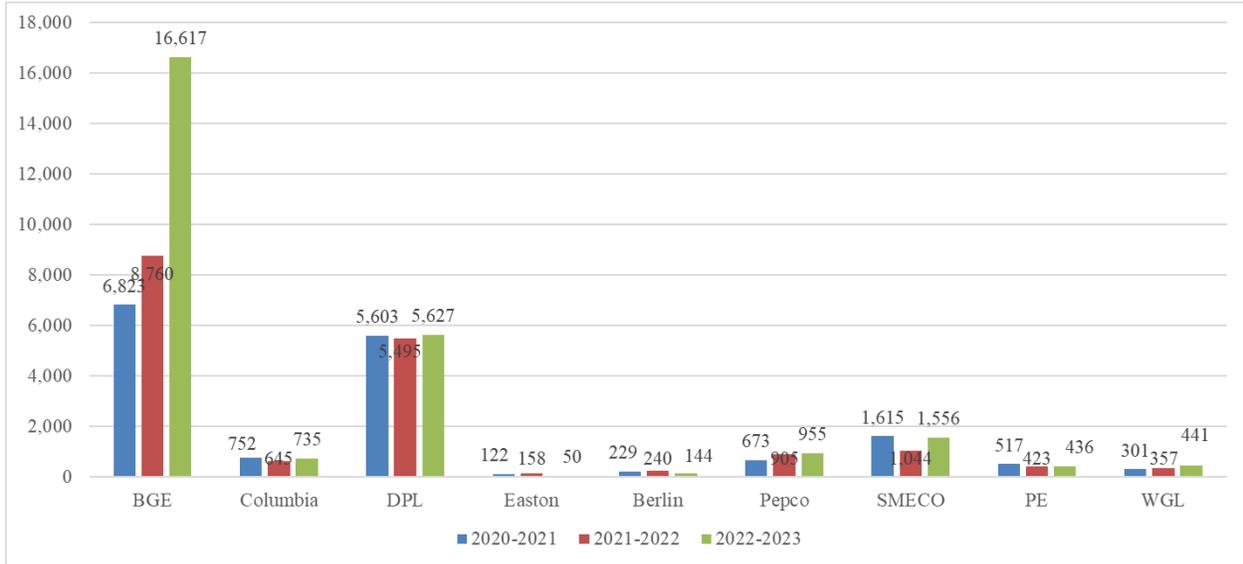
USPP data for this current heating season and were therefore both excluded from the data analysis.

Figure 1: USPP Participants by Heating Season



At the utility level, seven utilities reported a total increase of 8,738 participants in 2022-2023, while two utilities reported a total decrease of 204 USPP participants from the previous heating season. Thus, the net increase in USPP participants was 8,534 from the previous season. *Figure 2* provides a three-year comparison of the USPP enrollment by utility. The changes that occurred during the last three heating seasons varied for each of the reporting utilities, but the trend generally showed an increase. BGE had the highest nominal participation for the third consecutive year with 16,617 USPP customers. BGE also showed the largest increase in participation, up 90 percent from 8,760 enrollments last season. Together, BGE and DPL accounted for 84 percent of the total statewide USPP participants.

Figure 2: USPP Enrollment by Utility for the Past Three Heating Seasons



The USPP enrollment rate in the most recent winter season represented 60 percent of the 44,195 customers statewide who were certified to receive benefits from the Maryland Energy Assistance Program (MEAP) during that time period (approximately 15 percentage points higher than the 45 percent observed during the previous winter season). *Table E1* provides each utility’s USPP participants, MEAP-certified customers, and total customers, as well as each utility’s USPP enrollment as a percentage of MEAP and total residential customers served. Of the utilities listed, BGE, at approximately 95 percent, had the highest USPP enrollment rate among its MEAP customers, followed by Berlin at 84 percent, and Delmarva Power & Light at 74 percent. The rest of the utilities had an enrollment rate below 50 percent. By observing the USPP enrollment as a percentage of total customers, it is shown that half of the utilities (BGE, Columbia, Delmarva, Pepco, SMECO, PE, WGL) reported that their USPP enrollment rate increased while the other half (Cambridge, Citizens, Sandpiper, Easton, Elkton, Berlin, UGI) reported that their USPP enrollment rate decreased compared to the previous heating season.

Table E1: 2022-2023 USPP Participation by Utility Compared with MEAP and Total ³

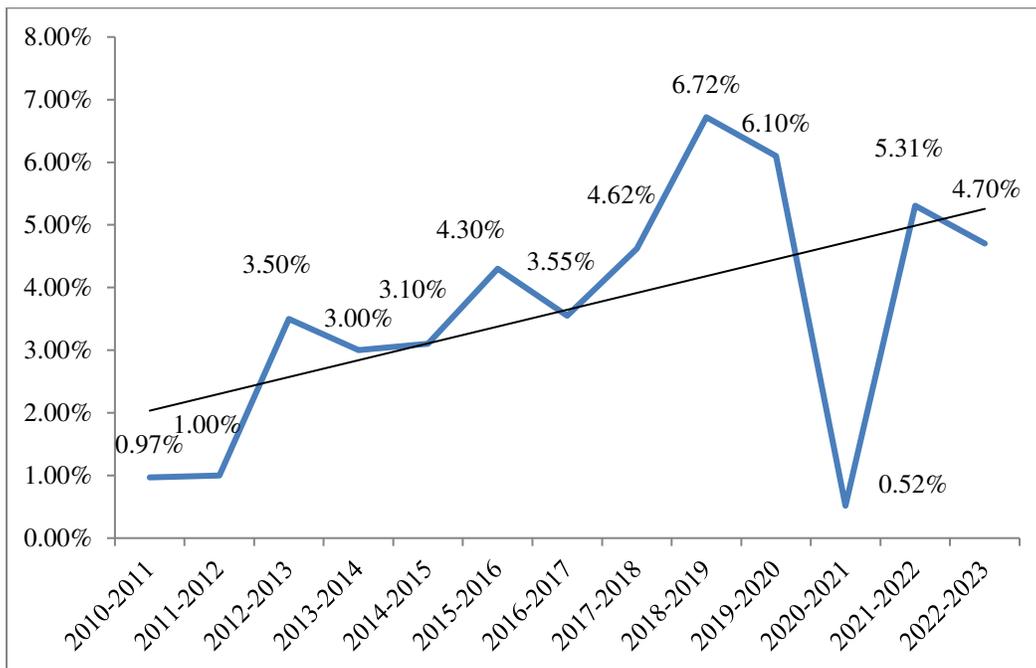
UTILITY	USPP Participants	MEAP Customers	USPP Participants as a Percentage of MEAP Customers	Total Customers	USPP Participants as a Percentage of Total Customers
Baltimore Gas and Electric Company	16,617	17,442	95%	1,859,793	0.89%
Chesapeake Utilities - Cambridge Gas Division	0	301	0%	2,763	0.00%
Chesapeake Utilities - Citizens Gas Division	0	714	0%	9,328	0.00%
Chesapeake Utilities - Sandpiper Energy	0	60	0%	10,202	0.00%
Columbia Gas of Maryland, Inc.	735	1,536	48%	30,789	2.39%
Delmarva Power & Light	5,627	7,642	74%	184,416	3.05%
Easton Utilities	50	507	10%	9,116	0.55%
Elkton Gas	0	393	0%	6,313	0.00%
Hagerstown	N/A	640	N/A	14,960	N/A
Mayor & Council of Berlin	144	171	84%	2,342	6.15%
Potomac Electric Power Company	955	5,710	17%	547,028	0.17%
Southern Maryland Electric Cooperative, Inc.	1556	3,599	43%	154,410	1.01%
The Potomac Edison Company	436	2,054	21%	239,228	0.18%
UGI Utilities, Inc.	0	1	0%	471	0.00%
Washington Gas Light Company	441	3,425	13%	485,278	0.09%
Statewide Total	26,561	44,195	60%	3,556,437	0.75%

As displayed in the last column of *Table E1*, the statewide USPP participants accounted for approximately 0.75 percent of the total customer base for utilities that provide USPP service, higher than the 0.52 percent in the previous 2021-2022 USPP report, and higher than the 0.68 percent observed in the 2019-2020 USPP report. The USPP enrollment rate for each utility, observed as a percentage of total customers, ranged from less than one percent to a high of 6.15 percent for Berlin.

³ Thurmont and Williamsport did not provide USPP data for this current heating season and were therefore excluded from the data analysis.

The primary purpose of the USPP is to minimize service terminations of low-income customers during the winter. *Table E2* provides the termination number and termination rate of USPP participants for each utility. The number of USPP participants who received a service termination this last season was 1,249, a moderate increase of 290 from 959 of the previous year, which itself was a drastic increase from an all-time low of 86 terminations during the 2020-2021 winter season. The number of terminations was comparable to 2019-2020 levels at 1,403 terminations.⁴ This season’s statewide USPP termination rate was approximately 4.70 percent, compared to 5.31 percent in the 2021-2022 heating season, 0.52 percent in 2020-2021, and 6.10 percent in 2019-2020.

Figure 3: USPP Termination Rate by Heating Season



⁴ The 1,403 terminations in the 2019-2020 do not include Choptank’s 39 terminations for a comparable base because, since 2020-2021, Choptank has not had an obligation to report USPP data to the Commission.

The lowest customer terminations in the last decade were seen during the 2020-2021 heating season which reflected the impact of the COVID-19 pandemic and the implementation of the Commission’s termination moratorium policy and motions in the Commission’s Public Conference 53 (“PC53”).⁵ The termination rate for this year’s report shows a decrease from a peak in 2018-2019, but it is comparable to earlier seasons during the time period from 2014 to 2018. If the trendline holds, termination rates may gradually increase in future heating seasons.

Table E2: 2021-2022 USPP Termination by Utility

UTILITY	USPP Participants	Terminations	Termination Rate	Change in Terminations from Previous Heating Season
Baltimore Gas and Electric Company	16,617	1,243	7.5%	34.8%
Chesapeake Utilities - Cambridge Gas Division	-	-	0.0%	0.0%
Chesapeake Utilities - Citizens Gas Division	-	-	0.0%	0.0%
Chesapeake Utilities - Sandpiper Energy	-	-	0.0%	0.0%
Columbia Gas of Maryland, Inc.	735	-	0.0%	0.0%
Delmarva Power & Light	5,627	4	0.1%	-84.0%
Easton Utilities	50	-	0.0%	0.0%
Elkton Gas	-	-	0.0%	0.0%
Hagerstown	N/A	-	0.0%	0.0%
Mayor & Council of Berlin	144	-	0.0%	0.0%
Potomac Electric Power Company	955	2	0.2%	-81.8%
Southern Maryland Electric Cooperative, Inc.	1,556	-	0.0%	0.0%
The Potomac Edison Company	436	-	0.0%	-100.0%
Thurmont	N/A	N/A	N/A	N/A
UGI Utilities, Inc.	-	-	0.0%	0.0%
Washington Gas Light Company	441	-	0.0%	0.0%
Williamsport	N/A	N/A	N/A	N/A
Statewide Total	26,561	1,249	4.7%	30.2%

Table E2 reports the number of terminations for each of the utilities during the 2022-2023 heating season. Of the total 1,249 terminations that occurred within the state, only three of the 17 utilities terminated service to customers. BGE disconnected the most customers at 1,243

⁵ The Commission’s motions in PC53 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.

accounts, while Delmarva terminated four customers and Pepco terminated two. BGE currently serves the largest number of residential customers in the state and its terminations accounted for the largest total amount at 99.5 percent of all terminations across the state. This is an increase from last year, where BGE accounted for 96 percent of all statewide terminations. In the previous heating seasons, some utilities observed no-termination policies, such as municipal utilities, who work closely with their customers to avoid terminations. PE did not report any terminations this season but reported one termination in winter 2021.

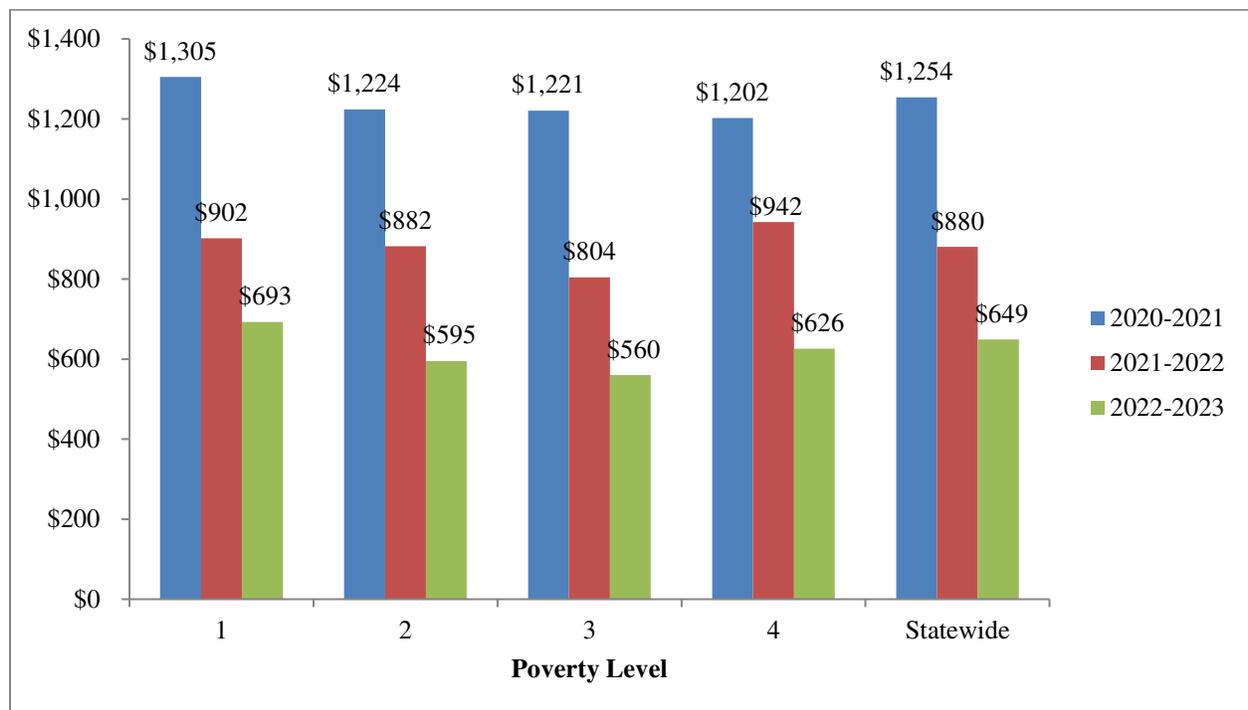
Table E3 summarizes the number of USPP participants shown in *Figure 1* and the USPP terminations shown in *Figure 3* for 12 winter seasons ranging from 2010-2011 to 2022-2023. The number of USPP participants trends downward, while the number of USPP terminations fluctuates but generally trends upward during the same period. The lowest termination rate, which was 0.52 percent during the 2020-2021 winter season, is an outlier due to the COVID-19 pandemic. When compiled, the upward trend in termination rates is correlated with a decline in USPP participation.

Table E3: USPP Participation and Service Terminations

Reporting Season	USPP Participants	USPP Service Terminations	Percentage of USPP Terminations
2010-2011	84,826	819	0.97%
2011-2012	70892	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	5.31%
2022-2023	26,561	1,249	4.70%

Another key metric is the statewide average supplemental arrearage by poverty level. The overall statewide average supplemental arrearage skyrocketed during the 2020-2021 winter season and has been decreasing ever since. During the 2020-2021 heating season, the statewide average supplemental arrearage was \$1,254, which was a radical departure from the \$373 average supplemental arrearage in the pre-pandemic 2019-2020 winter heating season. Analyzing this data across poverty levels, the average supplemental arrearage at each poverty level decreased for the past three consecutive winter seasons, consistent with the overall statewide decrease. *Figure 4* illustrates the average supplemental arrearage in the three consecutive heating seasons by poverty level.

Figure 4: USPP Average Supplemental Arrearage by Poverty Level for the Previous Three Winter Seasons



The data presented shows a recovery from the unprecedented effects of the pandemic, while also demonstrating an upward trend in terminations explained by the decreasing participation in USPP. As a result, the average supplemental arrearage is also increasing from pre-pandemic levels, though less acutely than what was experienced during the peak in the 2020-2021 winter season.

BACKGROUND OF THE USPP

On March 1, 1988, the Public Service Commission issued Order No. 67999 in Case No. 8091,⁶ which established the Utility Service Protection Program, as required by Article 78 §54K. This has since been recodified as §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 §20.31.05 of the Code of Maryland Regulations (COMAR).

The USPP is available to utility customers who are eligible and have applied for a grant from the Maryland Energy Assistance Program (MEAP), which is administered by the Office of Home Energy Programs (OHEP), 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 termination) by requiring timely equal monthly utility payments for participants, also known as “budget billing plans.” Budget billing plans are 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. For more information, see COMAR 20.31.05.03C.

PUA §7-307 requires the Commission to submit an annual report to the General Assembly addressing terminations of service during the previous winter heating season. To facilitate the compilation of this report, the Commission directs all gas and electric utilities to collect specific

⁶ *In the Matter of Regulations Governing Terminations of Gas or Electric Service to Low Income Residential Customers During the Heating Season.*

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.⁷ Utilities serving residential customers in Maryland submitted data for this report. The Commission's April 2022 data request for the 2022-2023 heating season was similar to previous USPP data requests.⁸ This report provides an analysis and summary of that information.

DATA COLLECTION AND ANALYSIS

Fifteen companies submitted USPP reports to the Commission for the 2022-2023 winter heating season.⁹ Among these companies, four did not participate in the USPP this year: Hagerstown, Thurmont, Williamsport, and the Chesapeake Utilities Corporation. Hagerstown does not participate in the USPP program but implements a Commission-approved alternate program.¹⁰ Two small municipal companies—Thurmont and Williamsport—did not respond to the data request and are not included in this report. The analysis contained in this report includes 15 companies that provided USPP poverty level data. Despite this, the four subsidiaries of The

⁷ The data request was issued to BGE, CUC-Cambridge, CUC-Citizens, CUC-Sandpiper, Columbia Gas, Delmarva, Easton, Elkton, WGL, Hagerstown Municipal Electric Light Plant, Berlin, Pepco, SMECO, Potomac Edison, Thurmont Municipal Light Company, UGI Utilities, Inc., and Williamsport Municipal Light Plant.

⁸ The USPP Data Request was expanded in 2007 and several small changes were made in 2018 in the interests of clarity.

⁹ Choptank is no longer subject to COMAR 20.31.05.09 and does not provide data responses since the 2020-2021 heating season.

¹⁰ 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.

Chesapeake Utilities Corporation—Cambridge, Citizen, Sandpiper, and Elkton—did not have USPP enrollments. The data provided to the Commission by the nine remaining companies have variations. For example, some utilities indicated that available data was not differentiated by poverty level or was unavailable for various other reasons. The basic information for all responding utilities is contained in Appendix A1, which indicates that utilities should provide all data in the Commission data if they serve more than 5,000 customers and 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, 4, and 5 (PL1, PL2, PL3, PL4, and PL5) as applicable. Customers are 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
Poverty Level 5	Subsidized Housing

Each USPP customer’s poverty level is determined by the Office of Home Energy Programs, following the reception of the customer’s MEAP application. OHEP provides the list of customers’ poverty levels to each utility which serves the approved MEAP customers.

Concerning poverty level 5, this data previously was reported only by Baltimore Gas and Electric Company; however, since the 2015-2016 reporting season, DPL and Pepco have also provided data for poverty level 5.¹¹ Poverty level 5 data is comprised of participants who receive subsidized housing allowances. In the 2022-2023 data responses, almost all utilities had poverty level 5 data, while some utilities did not provide data for this poverty level. Because residents of

¹¹ DPL and Pepco started reporting poverty level 5 as BGE did after those companies merged with Exelon Corporation.

subsidized housing may receive an allowance to defray the cost of utilities, these participants receive a separate and lower MEAP benefit than other USPP participants.¹²

This report presents an analysis of the USPP data provided by the utilities in the order of the tables presented. In the previous USPP reports, the analysis focused 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 2022-2023 and provides a comparison for the three previous consecutive heating seasons: (1) the 2019-2020 heating season—pre-pandemic season; (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 but still during the pandemic. The report also includes some trend analyses.

¹² Energy assistance is available to residents of subsidized housing who are directly responsible for paying their own heating costs and who meet all other eligibility criteria for the MEAP.

PROGRAM PARTICIPATION

Table 1 shows the number of USPP participants and USPP eligible non-participants for each utility by poverty level during the 2022-2023 heating season.¹³ The number of USPP participants was 26,561; the addition of MEAP-certified non-USPP participants of 17,634, results in a total of 44,195 MEAP-certified customers. Compared to the previous 2021-2022 heating season, USPP participants increased by 8,534, or approximately 47 percent; non-USPP MEAP customers decreased by 4,067 or 19 percent; and the total number of MEAP-certified customers increased by 4,467, or 11 percent.¹⁴ When comparing the 2021-2022 heating season to the 2020-2021 heating season, the data has displayed an increase from the 2020-2021 heating season, with an increase in customers of 1,392, 4,472, and 5,864 for USPP, non-USPP MEAP, and total MEAP customers respectively. When compared to the COVID 2020-2021 heating season, the current heating season had 9,926 more USPP participants—indicating a return to pre-pandemic enrollment figures.

USPP experiences varied by utility during the 2022-2023 heating season. Of the reporting utilities, five—DPL, Easton, Berlin, PE, and WGL—reported USPP enrollment decreases and two—BGE and SMECO—reported increases in USPP enrollments during the current heating season as compared to the previous heating season. As for the distribution of statewide USPP participants, BGE reported 16,617 USPP participants, accounting for 63 percent of the state’s total USPP participants. DPL and SMECO followed in top participants with 5,627 customers, or 21 percent, and 1,556 customers, or six percent, respectively. The remaining utilities made up less than four percent of Maryland’s total USPP enrollments.

¹³ The USPP participants are a subset of MEAP certified customers. Another subset of MEAP certified customers are non-USPP participants. The terms “USPP eligible non-Participant,” “MEAP eligible non-USPP Participant,” and “MEAP certified non-USPP customer” are used interchangeably in this report. These persons represent the customers who are eligible to receive a MEAP grant and are, therefore, eligible to enroll in USPP but who do not participate in USPP program.

¹⁴ Since 2020-2021 heating season, Choptank has not reported its USPP data to the Commission, and the USPP report has no longer included Choptank data.

Table 1: Number of USPP Customers and Eligible Non-participating Customers by Poverty Level

UTILITY	USPP Participants						% of USPP Total	USPP Eligible Non-Participants						USPP + MEAP Total
	Poverty Level							Poverty Level						
	1	2	3	4	5	Overall		1	2	3	4	5	Overall	
Baltimore Gas and Electric Company	4,296	2,517	2,792	1,424	5,588	16,617	63%	213	159	159	107	187	825	17,442
Chesapeake Utilities - Cambridge Gas Division	0	0	0	0	0	0	0%	11	288	0	0	2	301	301
Chesapeake Utilities - Citizens Gas Division	0	0	0	0	0	0	0%	108	606	0	0	0	714	714
Chesapeake Utilities - Sandpiper Energy	0	0	0	0	0	0	0%	12	22	13	13	0	60	60
Columbia Gas of Maryland, Inc.	233	208	189	87	18	735	3%	229	235	247	90	0	801	1,536
Delmarva Power & Light	1,958	1,565	1,414	611	79	5,627	21%	577	591	527	228	92	2015	7,642
Easton Utilities	10	16	15	9	0	50	0%	110	141	156	47	3	457	507
Elkton Gas	0	0	0	0	0	0	0%	20	373	0	0	0	393	393
Hagerstown	N/A	N/A	N/A	N/A	N/A	N/A	N/A	206	214	140	77	3	640	N/A
Mayor & Council of Berlin	62	43	39	0	0	144	1%	13	8	6	0	0	27	171
Potomac Electric Power Company	381	213	212	88	61	955	4%	1851	1134	933	463	374	4,755	5,710
Southern Maryland Electric Cooperative, Inc.	570	405	393	188	0	1,556	6%	747	531	521	244	0	2,043	3,599
The Potomac Edison Company	133	125	122	56	0	436	2%	451	514	438	215	0	1,618	2,054
UGI Utilities, Inc.	0	0	0	0	0	0	0%	1	0	0	0	0	1	1
Washington Gas Light Company	178	89	111	50	13	441	2%	1,130	755	693	354	52	2,984	3,425
TOTALS	7,821	5,181	5,287	2,513	5,759	26,561	100%	5,679	5,571	3,833	1,838	713	17,634	44,195

Across all utilities, *Figure 5* illustrates USPP participation by poverty level for the three most recent heating seasons. Note that the lower the poverty level, the greater the percentage of USPP enrollment.

Figure 5: USPP Participation Comparison by Poverty Level for Three Most Recent Heating Seasons

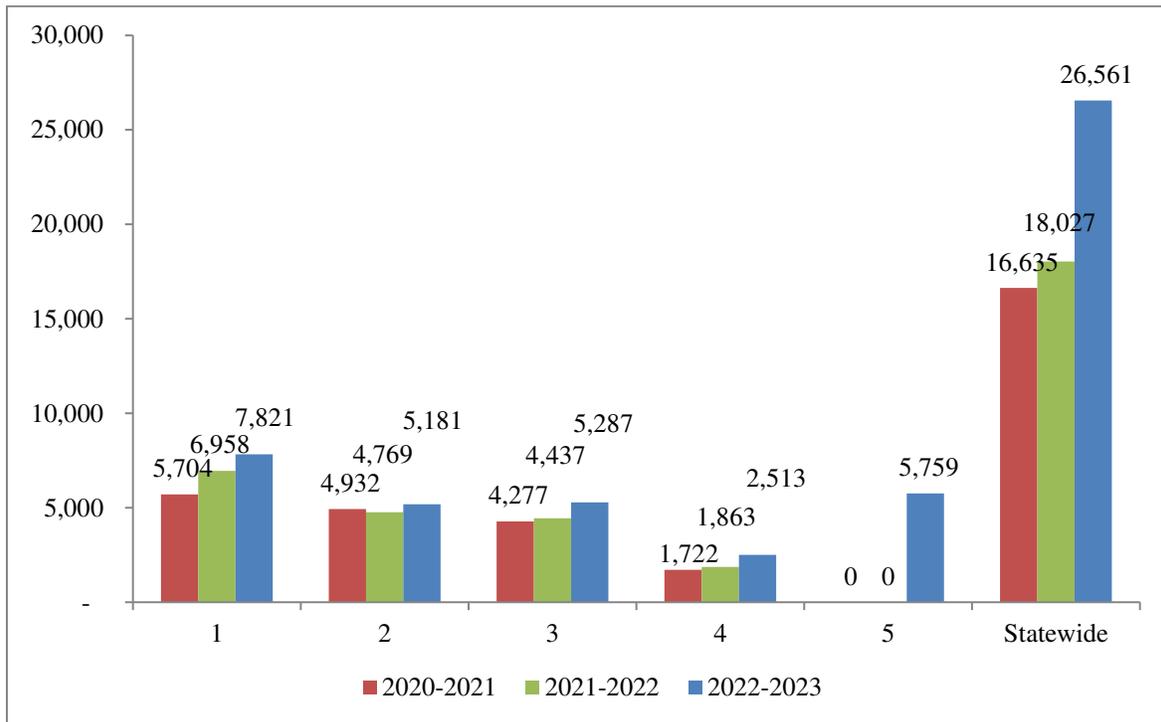


Table 2 presents USPP participation as a percentage of the total number of MEAP-certified customers for the 2021-2022 and 2020-2021 heating seasons by utility and by poverty level. The statewide USPP participation rate of MEAP-certified customers for the 2022-2023 heating season was 60 percent, approximately 15 percentage points higher than the 45 percent observed during the previous season, and approximately 11 percentage points higher than the 49 percent observed in the 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 to avoid service termination. Prior to the pandemic, the USPP participation rate was 64 percent in the 2019-2020 winter season. BGE reported the highest enrollment rates of MEAP customers in USPP at more than 95 percent across all poverty levels. This was followed by Berlin at 84 percent and Delmarva at 74 percent. All enrollments have remained similar to their 2021-2022 season levels.

Table 2: USPP Participation as a percent of Total Eligible for each Poverty Level for each of the last Two Heating Seasons ¹⁵

UTILITY	2022-2023 Participation						2021-2022 Participation				
	Poverty Level						Poverty Level				
	1	2	3	4	5	Overall	1	2	3	4	Overall
Baltimore Gas and Electric Company	95%	94%	95%	93%	97%	95%	91%	91%	91%	89%	91%
Chesapeake Utilities - Cambridge Gas Division	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Chesapeake Utilities - Citizens Gas Division	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Chesapeake Utilities - Sandpiper Energy	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Columbia Gas of Maryland, Inc.	50%	47%	43%	49%	100%	48%	50%	46%	42%	46%	46%
Delmarva Power & Light	77%	73%	73%	73%	46%	74%	76%	77%	74%	75%	76%
Easton Utilities	8%	10%	9%	16%	0%	10%	31%	31%	27%	32%	30%
Elkton Gas	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Hagerstown	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	83%	84%	87%	0%	0%	84%	84%	85%	86%	89%	85%
Potomac Electric Power Company	17%	16%	19%	16%	14%	17%	16%	17%	19%	18%	17%
Southern Maryland Electric Cooperative, Inc.	43%	43%	43%	44%	0%	43%	9%	10%	10%	9%	10%
The Potomac Edison Company	23%	20%	22%	21%	0%	21%	26%	27%	25%	14%	24%
Washington Gas Light Company	14%	11%	14%	12%	20%	13%	14%	14%	12%	15%	13%
Statewide	58%	48%	58%	58%	89%	60%	45%	45%	46%	46%	45%

¹⁵ N/A indicates that a company did not participate in USPP. 0% indicates that the company reported 0% enrollment for USPP data so the calculation for this table resulted in 0% participation.

Table 3 presents the USPP enrollment compared to the USPP-eligible MEAP customers and the total residential customers that each utility serves. During the 2022-2023 heating season, the rate of USPP participants compared to total utility customers statewide was up to 0.75 percent from the previous 0.52 percent in the 2021-2022, and up from 0.48 percent in the 2020-2021 report.

Table 3: USPP Enrollment as a Percentage of MEAP and Total Customers¹⁶

UTILITY	USPP Participants	MEAP Customers	USPP Participants as a Percentage of MEAP Customers	Total Customers	USPP Participants as a Percentage of Total Customers
Baltimore Gas and Electric Company	16,617	17,442	95%	1,859,793	0.89%
Chesapeake Utilities - Cambridge Gas Division	0	301	0%	2,763	0.00%
Chesapeake Utilities - Citizens Gas Division	0	714	0%	9,328	0.00%
Chesapeake Utilities - Sandpiper Energy	0	60	0%	10,202	0.00%
Columbia Gas of Maryland, Inc.	735	1,536	48%	30,789	2.39%
Delmarva Power & Light	5,627	7,642	74%	184,416	3.05%
Easton Utilities	50	507	10%	9,116	0.55%
Elkton Gas	0	393	0%	6,313	0.00%
Hagerstown	N/A	640	N/A	14,960	N/A
Mayor & Council of Berlin	144	171	84%	2,342	6.15%
Potomac Electric Power Company	955	5,710	17%	547,028	0.17%
Southern Maryland Electric Cooperative, Inc.	1556	3,599	43%	154,410	1.01%
The Potomac Edison Company	436	2,054	21%	239,228	0.18%
UGI Utilities, Inc.	0	1	0%	471	0.00%
Washington Gas Light Company	441	3,425	13%	485,278	0.09%
Statewide Total	26,561	44,195	60%	3,556,437	0.75%

At the utility level, DPL reported a 3.05 percent USPP participation rate (the highest USPP participation rate among major utilities) of its total residential customers, followed by Columbia Gas at 2.39 percent, and SMECO at 1.01 percent. Of the municipal utilities, Berlin stands out with 6.15 percent of total customers enrolled in USPP. The remaining utilities each had a participation rate below one percent.

¹⁶ N/A indicates that a company did not participate in USPP. 0% indicates that the company reported 0% enrollment for USPP data so the calculation for this table resulted in 0% participation.

Table 4 shows the percentage of customers who were USPP participants during the 2022-2023 heating season and were also participants in the 2021-2022 heating season. Overall, approximately 28 percent of the USPP customers who participated this year were also enrolled last year.

Table 4: Percentage of 2021-2022 USPP Participants who also participated in the Program during the prior Heating Season ¹⁷

UTILITY	Poverty Level					Overall
	1	2	3	4	5	
Baltimore Gas and Electric Company	19%	28%	26%	20%	32%	26%
Chesapeake Utilities - Cambridge Gas Division	0%	0%	0%	0%	0%	0%
Chesapeake Utilities - Citizens Gas Division	0%	0%	0%	0%	0%	0%
Chesapeake Utilities - Sandpiper Energy	0%	0%	0%	0%	0%	0%
Columbia Gas of Maryland, Inc.	0%	0%	0%	0%	0%	0%
Delmarva Power & Light	40%	54%	49%	38%	33%	46%
Easton Utilities	0%	0%	0%	0%	0%	0%
Elkton Gas	0%	0%	0%	0%	0%	0%
Hagerstown	N/A	N/A	N/A	N/A	N/A	N/A
Mayor & Council of Berlin	0%	0%	0%	0%	0%	0%
Potomac Electric Power Company	12%	16%	15%	5%	20%	14%
Southern Maryland Electric Cooperative, Inc.	18%	25%	21%	15%	0%	20%
The Potomac Edison Company	23%	29%	25%	23%	0%	25%
UGI Utilities, Inc.	0%	0%	0%	0%	0%	0%
Washington Gas Light Company	12%	9%	4%	8%	0%	9%
TOTALS	23%	33%	30%	23%	32%	28%

This winter season’s statewide enrollment rate of 28 percent is lower than the previous season (2021-2022) of 34 percent, and the season before that (2020-2021) of 45 percent. It is also lower than pre-pandemic levels of around 35 and 36 percent repeat enrollment for 2018-2019 and 2019-2020, respectively.

¹⁷ N/A indicates that a company did not participate in USPP. 0% indicates that the company reported 0% enrollment for USPP data so the calculation for this table resulted in 0% participation.

Figure 6 shows the past three years of repeat enrollments by utility. All of the utilities that reported this data show a decreasing trend for repeat enrollments, with Pepco showing the greatest decrease from 40 percent to 14 percent in just two seasons.

Figure 6: USPP Customers that Repeated Enrollment in Two Consecutive Heating Seasons by Utility for Three Years (2020 – 2023)

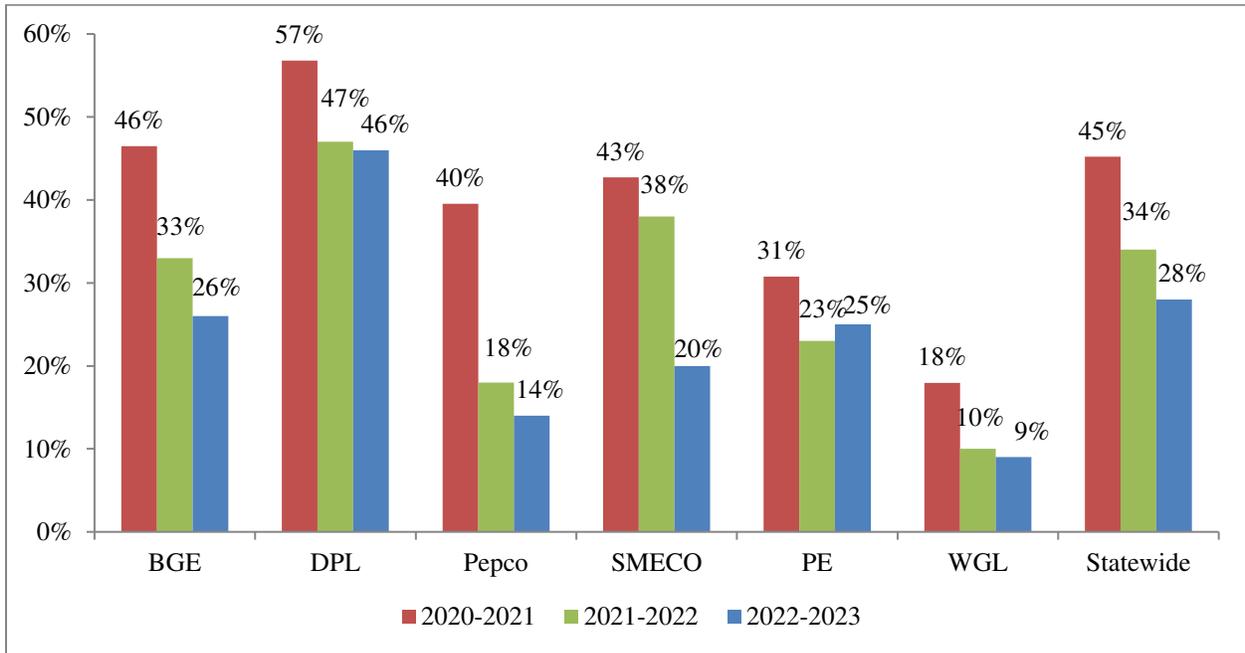
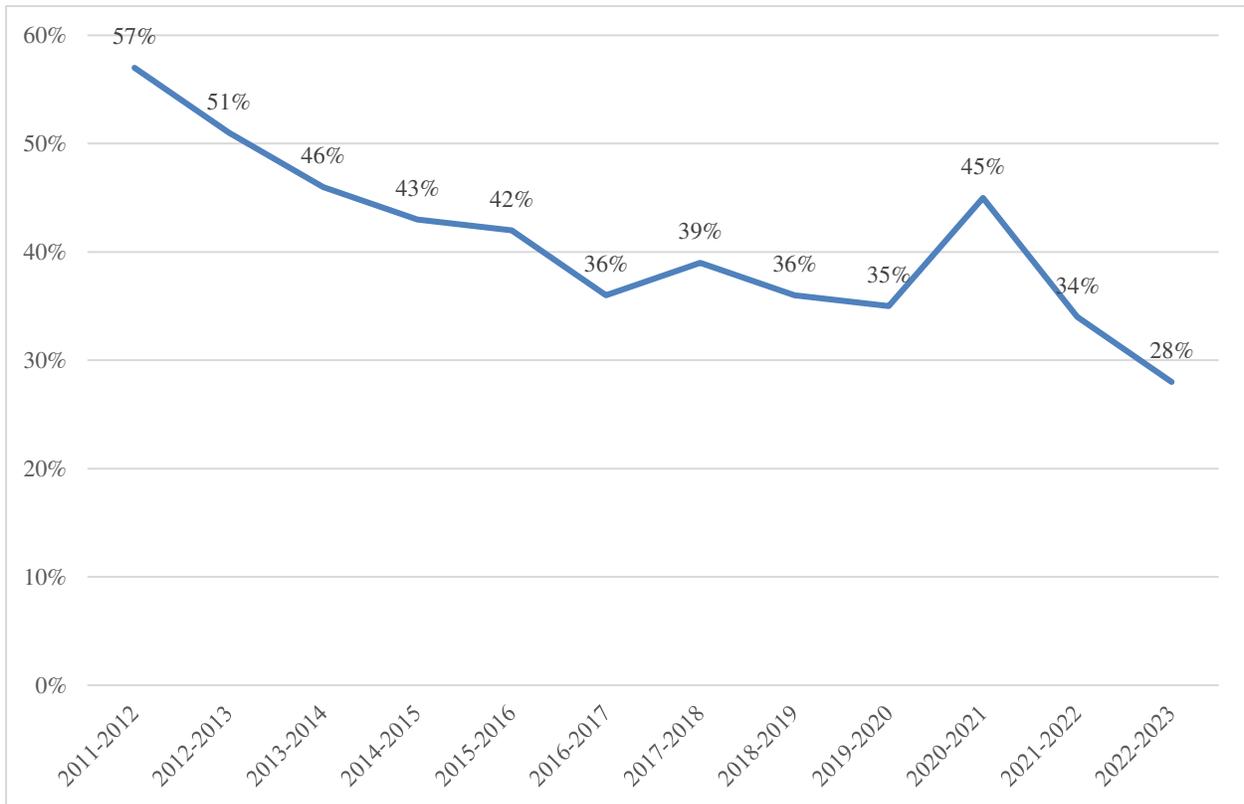


Figure 7 illustrates a trend line for the repeat participation rates from 2011 to the instant heating season. Repeat participation has been steadily decreasing, with the exception of the pandemic year in 2020 where the repeat USPP enrollments increased slightly.

Figure 7: Statewide Rate of USPP Customers Enrolled in Two-Consecutive Heating Seasons Since 2011-2012 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 into a special agreement to be paid off over an extended period. Although the deferred payment arrangements vary, all of the utilities provide for the ability to enroll 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 into special agreements allows customers to enroll in USPP and be considered current in their utility payments as long as they continue to make their USPP equal monthly payments and their supplemental payments in a timely fashion. During the previous heating season, the Commission required the utilities to enter into payment arrangements on customers' unpaid bills for a minimum payment plan period of 12 months, or 24 months for the customers receiving energy assistance from OHEP¹⁸

The number of customers who were participants in USPP and made supplemental payments in the 2022-2023 heating season was 2,236, compared to 1,486 in 2021-2022; 3,139 in the 2020-2021; and 1,769 in the 2019-2020. The percentage of USPP participants making supplemental payments was approximately eight percent of the total USPP participants, which was the same as the last season, and was three percentage points less than the 2020-2021 season. The statewide average monthly supplemental payment during the 2021-2022 heating season was \$47, compared to the current amount of \$52.

A comparison by poverty level for the recent three heating seasons reveals that the average monthly supplemental payments in the 2020-2021 heating season were the highest for all poverty levels. When compared to the 2020-2021 heating season, the average supplemental payments in the current report are generally lower than those in the 2020-2021 heating season, but generally higher than those in the 2021-2022 heating season. Despite this, the differences between payment amounts are relatively comparable, lying somewhere between \$45–\$55. The supplemental payment comparison by poverty level for three consecutive heating seasons is more clearly illustrated in *Figure 8*.

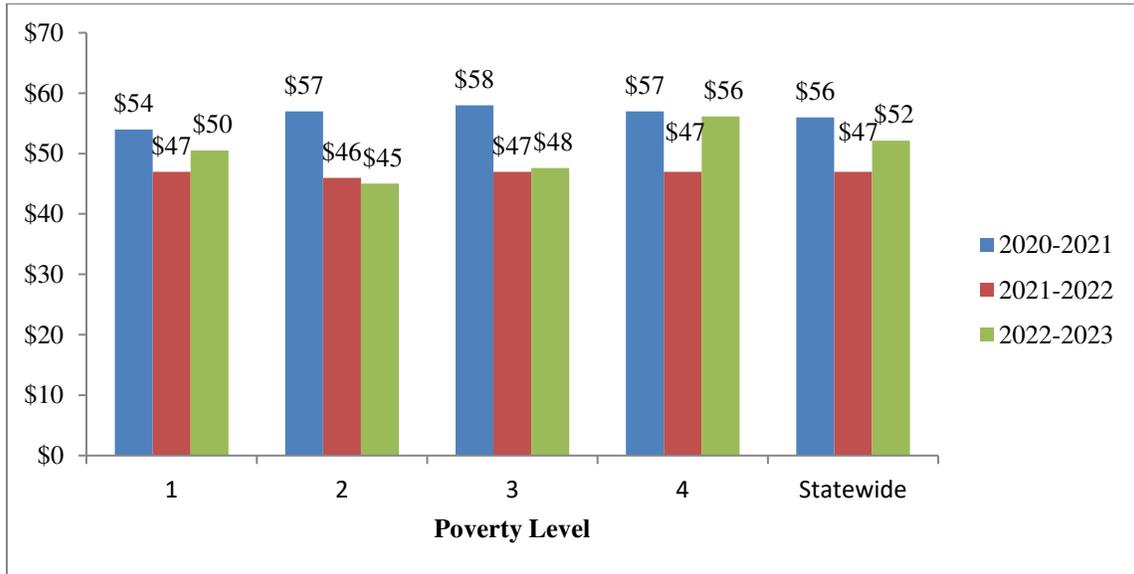
¹⁸ Refers to the motions of August 31, 2020 in PC 53.

Table 5: Percentage of USPP Customers making Supplemental Payments, the Average Dollar Amount of those Payments, and the Average Arrearage Requiring Payments by Poverty Level ¹⁹

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	5	Overall	1	2	3	4	5	Overall	1	2	3	4	5	Overall
Baltimore Gas & Electric	7%	7%	7%	8%	7%	7%	67.00	60.00	68.00	70.00	55.00	\$ 64.00	1301.00	1201.00	1314.00	1307.00	1025.00	\$ 1,229.60
Chesapeake Utilities - Cambridge Gas	0	0	0	0	0	0	0	0	0	0	0	\$ -	0	0	0	0	0	\$ -
Chesapeake Utilities - Citizens Gas Division	0	0	0	0	0	0	0	0	0	0	0	\$ -	0	0	0	0	0	\$ -
Chesapeake Utilities - Sandpiper Energy	0	0	0	0	0	0	0	0	0	0	0	\$ -	0	0	0	0	0	\$ -
Columbia Gas of Maryland, Inc.	27%	19%	12%	8%	11%	18%	20.83	24.95	41.40	29.57	21.50	\$ 27.65	575.35	434.80	206.85	270.13	31.84	\$ 303.79
Delmarva Power & Light	4%	3%	4%	5%	9%	4%	140.00	124.00	136.00	136.00	157.00	\$ 138.60	1773.00	1441.00	1526.00	1518.00	1883.00	\$ 1,628.20
Easton Utilities	0	0	0	0	0	0	0	0	0	0	0	\$ -	0	0	0	0	0	\$ -
Elkton Gas	0	0	0	0	0	0	0	0	0	0	0	\$ -	0	0	0	0	0	\$ -
Hagerstown	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	N/A	N/A	N/A
Mayor & Council of Berlin	0	0	0	0	0	0	0	0	0	0	0	\$ -	0	0	0	0	0	\$ -
Potomac Electric Power Company	32%	27%	27%	34%	18%	29%	58.00	67.00	51.00	79.00	68.00	\$ 64.60	1014.00	1155.00	776.00	952.00	895.00	\$ 958.40
Southern Maryland Electric Cooperative	24%	17%	21%	29%	0%	22%	127.33	92.76	70.68	118.56	0.00	\$ 102.33	1246.51	875.43	647.51	1221.12	0.00	\$ 997.64
The Potomac Edison Company	11%	13%	14%	20%	0%	14%	48.00	48.00	62.00	73.00	0.00	\$ 57.75	439.00	398.00	551.00	432.00	0.00	\$ 455.00
UGI Utilities	0%	0%	0%	0%	0%	0%	0	0	0	0	0	\$ -	0	0	0	0	0	\$ -
Washington Gas Light Company	15%	17%	22%	10%	0%	16%	43.80	33.47	46.85	55.26	0.00	\$ 44.85	580.98	448.82	579.07	556.46	0.00	\$ 541.33
TOTALS	9%	8%	9%	10%	7%	8%	50.50	45.02	47.59	56.14	75.38	\$ 52.14	692.98	595.41	560.04	625.67	958.71	\$ 649.45

¹⁹ N/A indicates that a company did not participate in USPP. 0% indicates that the company reported 0% enrollment for USPP data so the calculation for this table resulted in 0% participation.

Figure 8: Average Monthly Supplemental Payment by USPP Participants by Poverty Level for 2020-2021, 2021-2022, and 2022-2023



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 \$649, a decrease from \$880 in 2021-2022, which continues the descent from a high of \$1,254 in 2020-2021. This trend is illustrated by *Figure 9*.

Figure 9: Average Supplemental Arrearage by Poverty Level for 2020 – 2023



The high arrearage amounts seen since 2019 are likely due to the effects of the COVID-19 pandemic. This is because unpaid bills were deferred into the supplemental arrearages which were larger than the pre-pandemic heating season. When compared with pre-pandemic heating seasons such as 2019-2020, the current season's average supplemental arrearage is almost double what it was in 2019—\$373. Prior to the pandemic, there had been a decreasing trend since 2015, and supplemental arrearages reached their lowest point in 2019, but this trend was interrupted by COVID-19's effect on the wider economy. If the previous decline in average supplemental arrearages from 2015-2016 to 2019-2020 indicated an improvement of the national economic conditions after the 2008 economic recession, then the current decline in average supplemental arrearages indicates that the ongoing pandemic recovery is slowly but surely mitigating the hardships being borne by low-income customers for the past three years.

PARTICIPANT ARREARAGES AND PROGRAM COMPLIANCE

Table 6 presents 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, 2023, which is a snapshot scenario. As was the pattern experienced over the previous heating seasons, USPP participants were more likely to be in arrears than either MEAP-certified non-USPP participants or non-MEAP customers of the utility in the winter heating season. For all data-reporting utilities, the percentage of customers in arrears was 35 percent for USPP participants, 18 percent for MEAP-certified non-USPP participants, and 15 percent for non-MEAP-eligible customers as of March 31, 2023. Non-MEAP eligible customers were likewise the lowest percentage of customers in arrears in the previous reports. The proportion of USPP participants who were in arrears was about 3 percentage points higher than the 32 percent observed in the previous period.

Table 6: Percentage of USPP Participants, MEAP-Eligible Customers, and Non-MEAP Customers in Arrears by Poverty Level ²⁰

UTILITY	USPP Participants						MEAP-Eligible Non-Participants						Non-MEAP Customer
	Poverty Level						Poverty Level						
	1	2	3	4	5	Overall	1	2	3	4	5	Overall	
Baltimore Gas & Electric	49%	41%	42%	45%	42%	44%	44%	38%	33%	32%	21%	34%	15%
Chesapeake Utilities – Cambridge Gas Division	0%	0%	0%	0%	0%	0%	27%	16%	0%	0%	0%	17%	20%
Chesapeake Utilities – Citizens Gas Division	0%	0%	0%	0%	0%	0%	9%	15%	0%	0%	0%	14%	15%
Chesapeake Utilities – Sandpiper Energy	0%	0%	0%	0%	0%	0%	8%	18%	8%	15%	0%	13%	6%
Columbia Gas of Maryland, Inc.	53%	31%	35%	36%	6%	39%	17%	17%	9%	7%	0%	13%	19%
Delmarva Power & Light	14%	9%	9%	13%	11%	11%	7%	5%	4%	7%	11%	6%	16%
Easton Utilities	60%	19%	7%	44%	0%	28%	26%	17%	13%	21%	33%	19%	16%
Elkton Gas	0%	0%	0%	0%	0%	0%	25%	13%	0%	0%	0%	14%	23%
Hagerstown	N/A	N/A	N/A	N/A	N/A	N/A	8%	2%	11%	9%	33%	7%	26%
Mayor & Council of Berlin	0%	0%	0%	0%	0%	0%	15%	100%	83%	0%	0%	56%	0%
Potomac Electric Power Company	16%	10%	14%	15%	10%	14%	10%	5%	7%	10%	10%	8%	18%
Southern Maryland Electric Cooperative	51%	40%	46%	51%	0%	47%	53%	41%	69%	56%	0%	55%	22%
The Potomac Edison Company	35%	19%	19%	16%	0%	23%	18%	9%	12%	17%	0%	13%	14%
UGI Utilities	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	17%
Washington Gas Light Company	15%	18%	18%	20%	8%	17%	20%	14%	17%	24%	23%	18%	13%
Statewide	37%	28%	31%	35%	41%	35%	20%	14%	19%	21%	14%	18%	15%

²⁰ A USPP customer is considered in arrears if some monthly billing is past due on March 31, 2023.

Table 7 presents the average dollar amount of arrearages for USPP participants, MEAP-certified non-USPP participants, and non-MEAP customers. In a similar pattern to other USPP metrics, the current heating season has shown a decreasing trend from a pandemic spike but still remains above pre-pandemic levels. Currently, the USPP participants have a lower average arrearage than MEAP customers, at \$510; the MEAP-certified non-USPP participants have an average of \$522 in arrearages; and non-MEAP customers have the lowest average arrearage amount of \$388. This is slightly less than the previous year’s average arrearages of \$585, \$519, and \$410 for each category of participants respectively, and even less than the year prior which was the pandemic peak of \$758 in average USPP arrears. Compared to the 2019-2020 data, the average arrearage balances for both USPP customers and MEAP-certified non-USPP participants have remained elevated.

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

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

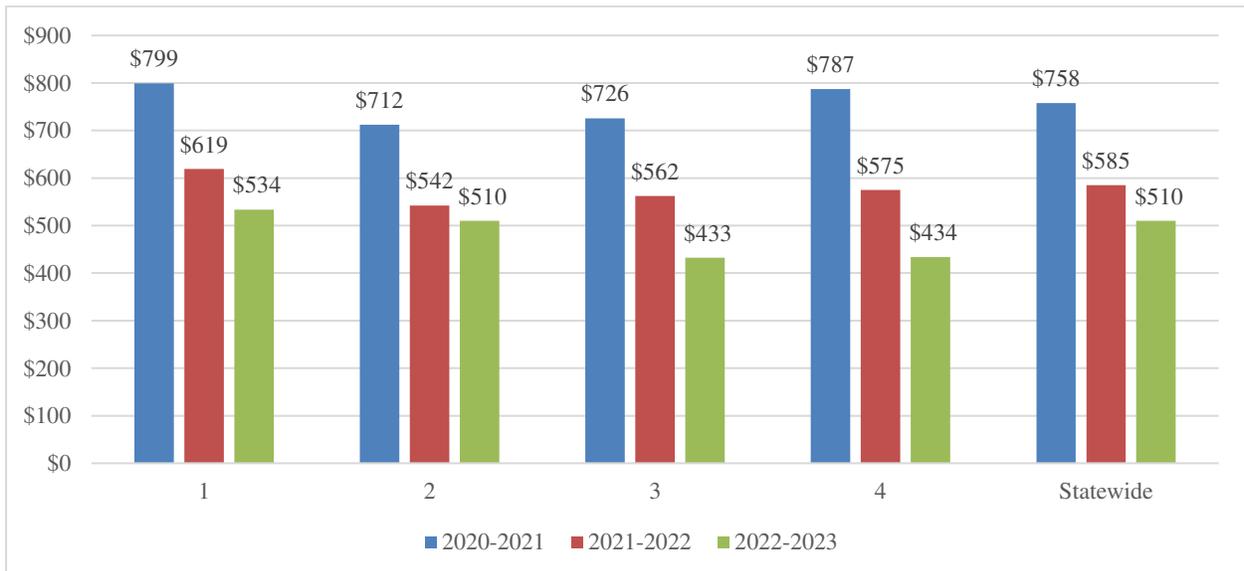


Table 7: Average Arrearage Amounts for USPP Participants, MEAP-Certified Non-USPP Participants, and Non-MEAP Customers in Arrears by Poverty Level ²¹

UTILITY	USPP Participants						MEAP-Eligible Non-Participants						Non-MEAP Customers
	Poverty Level						Poverty Level						
	1	2	3	4	5	Overall	1	2	3	4	5	Overall	
Baltimore Gas & Electric	\$ 694	\$ 696	\$ 622	\$ 741	\$ 633	\$ 677	\$1,087	\$ 692	\$ 588	\$ 514	\$ 613	\$ 699	\$ 463
Chesapeake Utilities – Cambridge Gas Division	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Chesapeake Utilities – Citizens Gas Division	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 259	\$ 185	\$ -	\$ -	\$ -	\$ 89	\$ 195
Chesapeake Utilities – Sandpiper Energy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67	\$ 680	\$ 193	\$ 188	\$ -	\$ 282	\$ 448
Columbia Gas of Maryland, Inc.	\$ 341	\$ 305	\$ 378	\$ 361	\$ 504	\$ 378	\$ 589	\$ 534	\$ 760	\$ 555	\$ -	\$ 610	\$ 569
Delmarva Power & Light	\$ 1,341	\$1,052	\$1,180	\$ 911	\$1,128	\$ 1,122	\$1,360	\$1,561	\$1,865	\$ 243	\$ 919	\$ 1,190	\$ 671
Easton Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Elkton Gas	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 342	\$ 104	\$ -	\$ -	\$ -	\$ 89	\$ 257
Hagerstown	N/A	N/A	N/A	N/A	N/A	N/A	\$ 413	\$ 487	\$ 457	\$ 274	\$ 562	\$ 438	\$ 73
Mayor & Council of Berlin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Potomac Electric Power Company	\$ 884	\$ 989	\$ 584	\$ 771	\$1,450	\$ 936	\$ 804	\$ 897	\$ 570	\$1,044	\$2,001	\$ 1,063	\$ 539
Southern Maryland Electric Cooperative	\$ 1,204	\$ 984	\$ 966	\$1,008	\$ -	\$ 1,041	\$ 202	\$ 208	\$ 212	\$ 199	\$ -	\$ 205	\$ 320
The Potomac Edison Company	\$ 443	\$ 748	\$ 406	\$ 166	\$ -	\$ 441	\$ 506	\$ 390	\$ 561	\$ 496	\$ -	\$ 488	\$ 329
UGI Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Washington Gas Light Company	\$ 431	\$ 327	\$ 191	\$ 378	\$ 127	\$ 291	\$ 535	\$ 481	\$ 483	\$ 543	\$ 399	\$ 488	\$ 403
Statewide	\$ 534	\$ 510	\$ 433	\$ 434	\$ 768	\$ 510	\$ 560	\$ 565	\$ 517	\$ 369	\$ 642	\$ 522	\$ 388

²¹ N/A indicates that a company did not participate in USPP. 0% indicates that the company reported 0% enrollment for USPP data so the calculation for this table resulted in 0% participation.

Table 8 presents the percentage of USPP participants who complied with the payment provisions of the program for the 2022-2023 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. 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 2022-2023 heating season. The CUC-Cambridge, CUC-Citizens, CUC-Sandpiper and Elkton did not report any USPP participants, therefore, the compliance data for these utilities is not available. Some municipal companies do not track the percentage of customers who complied with the program rules. The statewide compliance percentage of approximately 97 percent shown in *Table 8* may overstate the proportion of customers that comply with the USPP payment provisions because it indicates that three percent of USPP participants were removed from the program. When compared with the previous heating seasons, the statewide compliance rate decreased by one percentage point, from a 98 percent compliance rate in the 2021-2022 winter heating season but increased by approximately three percentage points from a 94 percent compliance rate in the 2020-2021 winter heating season. Among major utilities, BGE, Columbia, SMECO, and PE reported 100% compliance rates. Lower compliance rates were reported by Delmarva at 90 percent and Pepco at 86. The municipal utilities, Berlin and Easton, reported a compliance rate of 100 and 86 percent, respectively. The compliance rates across all poverty levels showed compliance rates by poverty level from 96, 97, 97, and 96 percent for poverty levels 1, 2, 3, and 4, respectively in 2022-2023.

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²² The percentage numbers are rounded up to the nearest integer.

Table 8: Percentage of USPP Participants who complied with Program Payment Provisions by Poverty Level during the Last Two Heating Seasons ²³

UTILITY	Compliance 2022-2023						Compliance 2021-2022					
	Poverty Level					Overall	Poverty Level					Overall
	1	2	3	4	5		1	2	3	4	5	
Baltimore Gas & Electric	100%	100%	100%	100%	100%	100%	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	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, Inc.	100%	100%	100%	100%	100%	100%	N/A	N/A	N/A	N/A	N/A	N/A
Delmarva Power & Light	87%	92%	91%	88%	94%	90%	96%	98%	97%	96%	N/A	97%
Easton Utilities	50%	94%	100%	89%	0%	86%	81%	87%	86%	89%	N/A	85%
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
Hagerstown	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	100%	100%	100%	0%	0%	100%	100%	100%	100%	100%	N/A	100%
Potomac Electric Power Company	83%	92%	87%	82%	87%	86%	97%	99%	99%	98%	N/A	98%
Southern Maryland Electric Cooperative	100%	100%	100%	100%	0%	100%	100%	100%	100%	100%	N/A	100%
The Potomac Edison Company	96%	96%	94%	91%	0%	95%	99%	89%	89%	96%	N/A	93%
UGI 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
Washington Gas Light Company	100%	100%	100%	100%	100%	100%	96%	95%	97%	93%	N/A	96%
TOTALS	96%	97%	97%	96%	100%	97%	98%	99%	99%	98%	N/A	98%

²³ 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 that a company did not participate in USPP or reported 0% so the calculation for this table resulted in not applicable.

HEATING SEASON TERMINATIONS

Table 9 presents the number of USPP participants, MEAP-certified non-USPP participants, and non-MEAP customers whose services were terminated during the winter heating season. Of the 26,561 USPP participants, BGE terminated the vast majority of USPP participants at 1,243 or 99 percent of the statewide total. As with other metrics, this represents a recovery from the unusual pandemic conditions back to the pre-pandemic levels. While terminations in 2019 were approximately 1,403, the pandemic saw just 86 terminations, followed by an uptick to 959 terminations last year, and back to 1,243 terminations this year. The low terminations in the 2020-2021 heating season reflected the utilities’ implementation of the Commission’s actions regarding the disconnection moratorium. When compared to 2019-2020, the current termination number decreased by 160, or approximately 11 percent, from 1,403 in 2019-2020.

Figure 11 illustrates the previous four heating seasons’ terminations mentioned above by poverty level. For the recent four heating seasons, the highest termination number occurred in poverty level 1, and the termination number decreases as the poverty levels move to 2, 3, and 4, respectively.

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

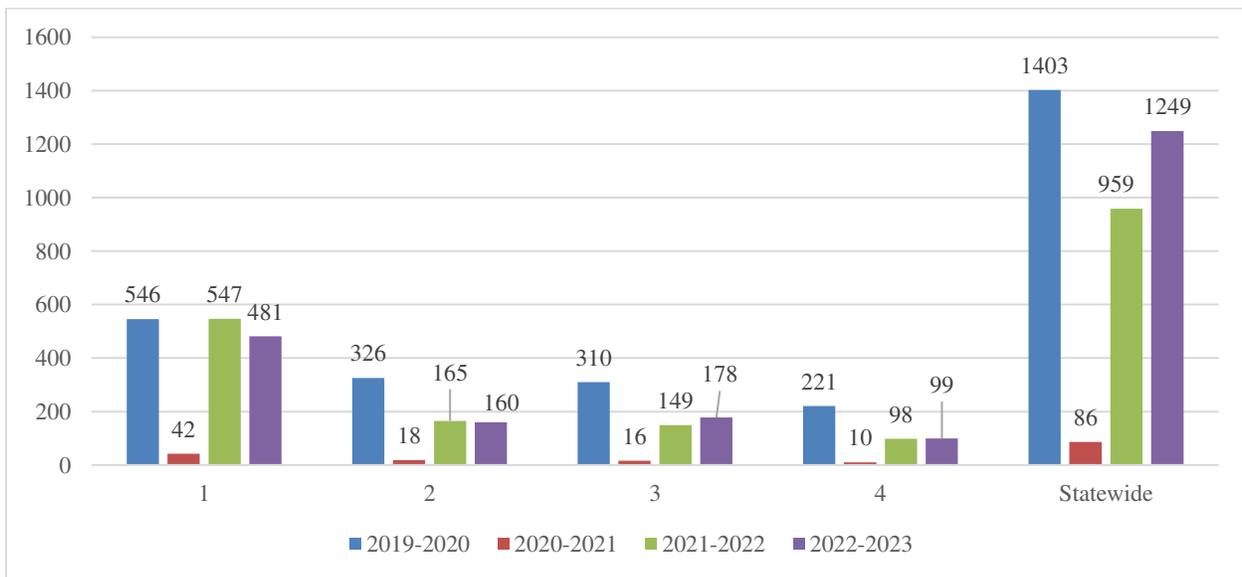


Table 9: Number of Winter Heating Season Terminations ²⁴

UTILITY	USPP Participants						MEAP-Certified Non-USPP Participants						Non-MEAP Customers
	Poverty Level						Poverty Level						
	1	2	3	4	5	Overall	1	2	3	4	5	Overall	
Baltimore Gas & Electric	478	160	175	99	331	1,243	18	3	5	3	7	36	10,462
Chesapeake Utilities - Cambridge Gas	-	-	-	-	-	-	-	-	-	-	-	-	-
Chesapeake Utilities - Citizens Gas Division	-	-	-	-	-	-	-	-	-	-	-	-	-
Chesapeake Utilities - Sandpiper Energy	-	-	-	-	-	-	-	-	-	-	-	-	-
Columbia Gas of Maryland, Inc.	-	-	-	-	-	-	-	-	-	-	-	-	-
Delmarva Power & Light	2	-	2	-	-	4	-	-	-	-	-	-	4
Easton Utilities	-	-	-	-	-	-	2	-	2	-	-	4	23
Elkton Gas	-	-	-	-	-	-	-	-	-	-	-	-	-
Hagerstown	-	-	-	-	-	-	-	-	-	-	-	-	-
Mayor & Council of Berlin	-	-	-	-	-	-	-	-	-	-	-	-	-
Potomac Electric Power Company	1	-	1	-	-	2	-	-	-	-	-	-	1
Southern Maryland Electric Cooperative	-	-	-	-	-	-	-	-	-	-	-	-	76
The Potomac Edison Company	-	-	-	-	-	-	-	-	-	-	-	-	1
UGI Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Washington Gas Light Company	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTALS	481	160	178	99	331	1,249	20	3	7	3	7	40	10,567

²⁴ Note: Columbia Gas and Washington Gas each has a no-termination policy during the heating season.

HIGH ENERGY CONSUMPTION

Table 10 presents the percentage of USPP participants who consumed more than 135 percent of their utility system's average usage. Data in this table shows the proportion of USPP customers who consume higher-than-average levels of energy by poverty level. Due to this increased consumption, these customers will have higher-than-average heating bills. These higher bills may tend to generate greater arrearages, thereby creating a higher risk of defaulting on payment plans and a greater risk of termination. The higher-than-average level of energy usage data was not provided by all utilities, as shown in *Table 10*, for several reasons. Utilities are not required to provide the data if: 1) they have fewer than 5,000 customers; 2) they refer high usage customers to their local agency for weatherization projects; or 3) they do not track customer usage.

For the 2022-2023 heating season, six utilities reported the high energy consumption data mentioned above. Approximately 53 percent of USPP participants consumed more than 135 percent of the utilities' system average usage, which was the same as what was observed in 2021-2022, but higher than the 25 percent observed in the season prior. The variation among poverty levels for the 2022-2023 winter season ranges from a low of 34 percent for poverty level 5, to between 57 percent and 61 percent for poverty levels 1, 2, 3, and 4. Despite this, all poverty levels increased by approximately 26 to 30 percentage points from the previous percentage reported in the 2020-2021 season. When 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 most recent three heating seasons.

Table 10: Percentage of USPP Participants who consumed more than 135% of System Average Energy during the Most Recent Heating Season ²⁵

UTILITY	Poverty Level					Overall
	1	2	3	4	5	
Baltimore Gas and Electric Company	47%	53%	49%	48%	33%	43%
Chesapeake Utilities - Cambridge Gas Division	0%	0%	0%	0%	0%	0%
Chesapeake Utilities - Citizens Gas Division	0%	0%	0%	0%	0%	0%
Chesapeake Utilities - Sandpiper Energy	0%	0%	0%	0%	0%	0%
Columbia Gas of Maryland, Inc.	0%	0%	0%	0%	0%	0%
Delmarva Power & Light	93%	94%	94%	92%	87%	94%
Easton Utilities	0%	0%	0%	0%	0%	0%
Elkton Gas	0%	0%	0%	0%	0%	0%
Hagerstown	0%	0%	0%	0%	0%	0%
Mayor & Council of Berlin	0%	0%	0%	0%	0%	0%
Potomac Electric Power Company	91%	91%	91%	89%	90%	90%
Southern Maryland Electric Cooperative, Inc.	38%	32%	33%	45%	0%	36%
The Potomac Edison Company	21%	23%	24%	30%	0%	24%
UGI Utilities, Inc.	0%	0%	0%	0%	0%	0%
Washington Gas Light Company	15%	16%	21%	17%	25%	17%
Statewide	57%	61%	58%	57%	34%	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 2022-2023 heating season, 63 percent of USPP customers, 64 percent of MEAP-certified non-USPP participants, and 52 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 by nine percentage points compared to 54 percent in the previous heating season. The data applicable to the primary heating source varies across the utilities. Out of the applicable respondents, the percentage of USPP customers whose primary heating source was provided by the reporting utilities ranged from a low of 12 percent in the case of Pepco, to 100 percent for Columbia and WGL, as

²⁵ N/A indicates that a company did not participate in USPP. 0% indicates that the company reported 0% enrollment for USPP data so the calculation for this table resulted in 0% participation.

previously reported. BGE reported that 75 percent of USPP customers use BGE service as the main heating source for the 2022-2023 heating season, which combined both its electric and gas services. Pepco and PE reported 12 and 86 percent of their customers using them as the heating source, respectively. DPL, an electric-only utility, reported 48 percent.

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 Level ²⁶

UTILITY	USPP Participants						MEAP-Certified Non-USPP Participants						Non-MEAP Customers
	Poverty Level						Poverty Level						
	1	2	3	4	5	Overall	1	2	3	4	5	Overall	
Baltimore Gas & Electric	71%	76%	76%	78%	77%	75%	67%	72%	79%	83%	78%	75%	49%
Chesapeake Utilities - Can	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 - Citi	N/A	N/A	N/A	N/A	N/A	N/A	100%	100%	0%	0%	0%	100%	94%
Chesapeake Utilities - San	N/A	N/A	N/A	N/A	N/A	N/A	100%	100%	100%	100%	0%	100%	92%
Columbia Gas of Maryland	100%	100%	100%	100%	100%	100%	100%	98%	99%	99%	0%	99%	96%
Delmarva Power & Light	46%	51%	48%	46%	47%	48%	52%	57%	52%	49%	47%	53%	22%
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
Elkton Gas	N/A	N/A	N/A	N/A	N/A	N/A	100%	100%	0%	0%	0%	100%	96%
Hagerstown	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%
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	0%
Potomac Electric Power C	10%	15%	13%	3%	15%	12%	69%	73%	72%	68%	74%	71%	41%
Southern Maryland Electri	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
The Potomac Edison Comp	86%	81%	89%	88%	0%	86%	83%	88%	86%	87%	0%	86%	51%
UGI Utilities, Inc.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%
Washington Gas Light Con	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
TOTALS	58%	61%	61%	63%	76%	63%	63%	67%	62%	63%	73%	64%	52%

²⁶ N/A indicates that a company did not participate in USPP. 0% indicates that the company reported 0% enrollment for USPP data so the calculation for this table resulted in 0% participation.

MEAP GRANTS

Table 12 presents the average MEAP grant payable to the utility at the time of the customer's enrollment in the USPP program. Most USPP participating utilities work closely with OHEP to lower their customers' arrearages and unpaid balances so that they may enroll in USPP and be eligible for an alternate payment plan. OHEP's benefit calculation methodology provides larger MEAP grants at poverty levels reflecting lower incomes. The data indicates that the overall average benefit was \$566 in the 2022-2023 heating season, \$650 in the 2021-2022 heating season, \$432 in the 2020-2021 hearing season, and \$513 in 2019-2020 heating season. This pattern mirrors the post-pandemic recovery toward the baseline of other metrics in this report. As seen in 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, at the lowest household income level, received the highest MEAP benefit, an average of \$542; those in poverty levels 2, 3, and 4, received MEAP grants of \$526, \$539, and \$525, respectively. Customers of CGM, WGL, and BGE received the largest average grant at \$1,071, \$1,058, and \$812, respectively.

**Table 12: Average Maryland Energy Assistance Program Grant for USPP
Participants by Poverty Level for the Last Two Heating Seasons ²⁷**

UTILITY	Average 2022-2023 Grants (\$)					Average 2021-2022 Grants (\$)				
	Poverty Level					Poverty Level				
	1	2	3	4	Overall	1	2	3	4	Overall
Baltimore Gas & Electric	\$925	\$913	\$858	\$799	\$812	\$734	\$783	\$720	\$666	\$737
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.	\$992	\$1,009	\$1,068	\$1,028	\$1,071	\$962	\$1,064	\$1,021	\$1,105	\$1,020
Delmarva Power & Light	\$625	\$593	\$600	\$600	\$596	\$560	\$545	\$541	\$541	\$547
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
Hagerstown	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	\$592	\$571	\$582	\$566	\$580	\$543	\$536	\$545	\$534	\$541
Southern Maryland Electric Cooperative	\$711	\$655	\$668	\$679	\$678	\$537	\$464	\$491	\$496	\$499
The Potomac Edison Company	\$550	\$552	\$547	\$548	\$549	\$525	\$512	\$519	\$506	\$518
UGI Utilities	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Washington Gas Light Company	\$1,023	\$972	\$1,070	\$1,030	\$1,058	\$1,139	\$968	\$962	\$1,263	\$1,057
TOTALS	\$542	\$526	\$539	\$525	\$566	\$662	\$654	\$636	\$633	\$650

²⁷ N/A indicates that a company did not participate in USPP. 0% indicates that the company reported 0% enrollment for USPP data so the calculation for this table resulted in 0% participation.

CONCLUSION

The data reported to the Commission from the participating utilities for the 2022-2023 winter heating season indicates that the Universal Service Protection Program was still 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 2021-2022 heating season but continues along a general decreasing trend from the pre-COVID-19 heating seasons. The number of statewide USPP participants was 26,561 during the 2022-2023 heating season, increasing by 8,534, or 47 percent, of USPP participants from the 18,027 in the 2021-2022 report, itself increasing by 1,392 or eight percent of USPP participants from the 16,635 in the 2020-2021 report, but increasing by only 3,211 or approximately 14 percent from the 2019-2020 USPP report. The USPP repeat enrollment rate decreased since the COVID-19 pandemic from 45 percent to its current rate of 28 percent. The USPP enrollment rate as a percentage of total customers has increased steadily from the 2020-2021 season's 0.48 percent. This rate continues to increase from 0.68 percent in the 2019-2020 pre-pandemic winter heating season. The data analysis provided in this report shows some indication that the USPP program fell in participation during the range between the pre-pandemic and the peak COVID-19 heating seasons. The average supplemental arrearage at the state level decreased from a peak of \$1,254 during 2020-2021 to \$649 in the current report. Prior to this, there had previously been a downward trend, where the average supplemental arrearage declined for four consecutive heating seasons since the 2015-2016 season and was the lowest in the 2019-2020 USPP report. The statewide MEAP grant ranged between \$650 last season and \$432 in the previous season. Higher MEAP grants tend to help USPP participants pay their unpaid bills and avoid service disconnection.

During the two recent winter heating seasons that were under the influence of the COVID-19 pandemic, the federal, State (including the Commission), and local governments and utilities provided much-needed help through public policy and economic assistance. The upward trajectory of terminations in the past decade was dampened by the COVID-19 moratoriums whereby terminations in 2020-2021 were at the lowest number in any recent period. This number can be considered an outlier when looking at the period from the 2010-2011 winter to

the present time. Overall, this current winter season has been impacted by a combination of the effects of the COVID-19 recovery and the declining USPP participation, which have resulted in an increase in service terminations.

APPENDIX A1: 2022-2023 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	Yes	≥ 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 ²⁸	Yes	≥ 5,000	Gas and Electric	Yes
Elkton Gas Company	Yes	≥ 5,000	Gas	Yes
Hagerstown Light Department	No	≥ 5,000	Electric	Yes
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.	Yes	< 5,000	Gas	Yes
Washington Gas Light Company	Yes	≥ 5,000	Gas	Yes
Williamsport Municipal Electric Light Plant	No	< 5,000	Electric	No