STATEMENTS OF POLICY

Title 52—PUBLIC UTILITIES

PENNSYLVANIA PUBLIC UTILITY COMMISSION
[52 PA. CODE CH. 69]

[M-991232]

Customer Assistance Program

The Pennsylvania Public Utility Commission (Commission) on March 31, 1999, adopted a final policy statement intended to encourage the major gas and electric utilities in this Commonwealth to implement pilot customer assistance programs (CAPs) and to provide guidelines for those utilities who voluntarily implement CAPs. The contact persons are Janice Hummel, Bureau of Consumer Services, (717) 783-9088, and Rhonda Daviston, Law Bureau, (717) 787-6166.

Commissioners Present: John M. Quain, Chairperson; Robert K. Bloom, Vice Chairperson; David W. Rolka; Nora Mead Brownell; Aaron Wilson, Jr.

Public Meeting held
March 31, 1999

Order

By the Commission:

On July 2, 1992, the Commission adopted a policy statement that established guidelines for CAPs. On July 25, 1992, the CAP Policy Statement became final upon publication in the *Pennsylvania Bulletin*. CAPs provide an alternative to traditional collection methods for low income, payment troubled customers. Generally, customers enrolled in a CAP agree to make monthly payments based on household family size and gross income.

The purpose of the policy statement is to encourage the major gas and electric utilities in this Commonwealth to implement pilot CAPs and to provide guidelines for those utilities who voluntarily implement CAPs. The guidelines prescribe a model CAP that is designed to be a more cost-effective approach for dealing with issues of customer inability to pay than are traditional collection methods. In these guidelines, the Commission encourages CAP funding that makes maximum use of existing low-income energy assistance programs, most notably LIHEAP. The guidelines also recommend that utilities incorporate a series of control features into their CAPs to limit program costs.

On December 3, 1996, Governor Tom Ridge signed into law, 66 Pa.C.S. §§ 2801—2812 (relating to the Electricity Generation Customer Choice and Competition Act) (act). The act revised 66 Pa.C.S. (relating to the Public Utility Code) by adding Chapter 28 (relating to restructuring of the electric utility industry). The Commission is the agency charged with implementing the act. The act is clear in its intent that utilities are to continue, at a minimum, the protections, policies and services that now assist customers who are low-income to afford electric service. Section 2803 of the act (relating to definitions) defines universal service and energy conservation policies, as including customer assistance programs. Section 2804(9) (relating to standards for restructuring of electric industry) requires the Commission to ensure that universal service and energy conservation policies, activities and services are appropriately funded and available in each electric distribution territory.

In keeping with these provisions, on July 10, 1997, the Commission established guidelines for universal service and energy conservation programs. These guidelines give direction to electric distribution companies (EDCs) to follow when establishing, expanding or maintaining universal service and energy conservation programs. The universal service and conservation guidelines incorporate sections of the CAP Policy Statement.

Because of the experiences learned from the CAP pilots and the results of evaluations, we are revising the CAP Policy Statement. Also, in order for the Universal Service and Conservation Guidelines and the CAP Policy Statement to be consistent, we are revising 52 Chapter 69.

The intent of this order is to revise the CAP Policy Statement and to publish those revisions in the *Pennsylvania Bulletin*.

I. Background

Since the Commission approved the CAP Policy Statement in July 1992, 12 of 15 utilities have voluntarily implemented CAPs. Approximately 50,000 customers are enrolled in CAPs.

The results of CAP impact evaluations show that participants enrolled in a CAP increase the number of payments they make while maintaining the same level of energy usage. Utilities also submit quarterly reports to the Commission that support the finding that CAP participants make regular payments. Reports from 1995, 1996 and 1997 show that on a quarterly average, 80% of CAP participants made their monthly payments.

More importantly, the results of two impact evaluations show that CAPs support the principles found in the CAP Policy Statement, namely that an appropriately designed and well-implemented CAP, as an integrated part of a company's rate structure, is in the public interest. Further, the results show that CAPs can be a more cost effective approach for dealing with issues of customer inability to pay than traditional collection methods.

II. Revisions to the Design of the CAP Policy Statement

Definitions. The Commission is amending this section to delete definitions that are no longer relevant and to add two definitions as a result of the act. Specifically, we are adding definitions of "alternative program designs" and "low-income payment troubled customers."

Development and scope of CAPs. The Commission is amending the scope of CAPs based on three factors: 1) the need exists to expand CAPs to serve the low-income population; 2) the act requires that universal service programs are appropriately funded and available in each EDC's service territory; and 3) evaluations show that CAPs are a cost-effective alternative to traditional collection policies.

The Commission is amending the development of CAP section to provide for Commission review and approval of revisions to a CAP program design.

EDCs are expanding their CAP programs to ensure that CAPs are available in each service territory. Several gas CAP programs are pilots with limited enrollment. The pilot CAPs currently target CAP enrollment to low-income negative ability to pay customers. At a minimum, the gas pilot CAPs enroll 1,000 participants or 2% of low income negative ability to pay customers. Approximately 50,000 participants are currently enrolled in CAPs.

For the following reasons, the Commission believes that the upper limits of households Statewide who may be eligible to enroll in CAP to be around 338,000. The 1990 Census Data shows that 2,170,979 persons in this Commonwealth have incomes below 150% of the poverty level. Assuming a 2.57 average size household, we can estimate that 844,739 households are below 150% of the poverty level. The Commission's Investigation of Uncollectible Balances, at Docket No. I-900002, found that 40% (338,000) of the Commonwealth's low-income households are payment troubled. However, current participation rates for government programs such as food stamps and LIHEAP are around 50%. We would not expect every payment troubled household who is eligible for CAP to apply for enrollment. Using the 50% participation rate, we can estimate that 169,000 households may apply for CAP.

Section 2802(9) of the act (relating to declaration of policy) requires that electric service is essential to the health and well-being of residents, to public safety and to orderly economic development; and electric service should be available to all customers on reasonable terms and conditions. Section 2804(9) of the act also requires the Commission shall ensure that universal service and energy conservation policies, activities and services are appropriately funded and available in each electric distribution territory. Further, the act defines CAPs as a component of universal service.

CAP program funding. The Commission is amending program funding to include a universal service funding mechanism for EDCs. This revision is consistent with section 2804(8) of the act that requires the Commission establish for each electric utility an appropriate cost recovery mechanism which is designed to fully recover the EDC's universal service and energy conservation costs over the life of these programs.

Payment plan proposal. Because utilities implemented pilots rather than full-scale programs, the Commission allowed utilities to test various design elements to determine the most efficient and cost-effective design for a CAP. Generally, these payment plan experiments have been successful. The Commission is amending payment plans to include plans that utilities have implemented successfully. The revisions also allow utilities to implement an alternative payment formula with Commission approval.

The Commission is also amending the payment plans to allow for an increase in the CAP payment amount. These changes allow for flexible payments that are affordable; but in most cases, CAP payments are not less than these customers have paid historically. As utilities and the Commission have gained experience from the CAP pilots, it seems that some CAP participants' payments have been set too low and could be raised without negatively influencing affordability. The Commission does not believe it is appropriate for customers, as participants of CAP, to make payments that are significantly less than what they have historically been paying. One independent evaluation found that CAP participants could afford to pay 8% of their income for gas energy. The evaluation also recommended that CAP participants whose incomes were between 51%—150% of the Federal poverty guidelines could afford to pay 10% of their income for gas energy. These amounts are considerably higher than the current CAP Policy Statement guidelines. Our goal in establishing payment ranges is to maximize customer payments, maintain affordable payments and limit the CAP credits as much as possible.

Control features. The Commission is amending this section to eliminate conservation incentives. The Commission included conservation incentives to limit program costs due to increases in consumption. While evaluators to date indicate that CAP participants do not abuse energy usage, we will retain usage limits to ensure that these results are maintained. The conservation incentive has been complex and burdensome to administer. Evaluators also had difficulty quantifying benefits directly related to conservation incentives. The conservation credits, when applied properly to a participant's bill, have been small. If eligible, participants received conservation credits yearly. However, participants had difficulty understanding the purpose and timing of the credits. The incentive is confusing to CAP participants who see a reduction in 1 month's bill. Because many utilities' payment plans are tied to usage, participants who conserve see a reduction in their bill.

The Commission is also increasing the minimum payments to reflect the changes in payment plans.

The Commission has added a control feature that disallows a CAP participant from subscribing to nonbasic services that would cause an increase in monthly billing and would not contribute to bill reduction. This addition is consistent with the provisions for participants of telephone universal service programs. Telephone universal service participants may not subscribe to telephone nonbasic services such as call waiting and call forwarding. Nonbasic services that help to reduce bills may be allowable. CAP credits should not be used to pay for nonbasic services.

The Commission is changing the term "billing deficiency limit" to "maximum CAP credits." The term "billing deficiency" suggests that customers are not making their agreed upon payments. Participation in CAP requires that a customer make regular, monthly payments for the full CAP amount billed. The term "CAP credits" is more accurate in describing the difference between the amount that would have been billed at the standard residential rate and the amount billed at the CAP rate.

Eligibility criteria. The Commission is changing eligibility criteria from a negative ability to pay customer to a payment troubled customer. We found that determining negative ability to pay is complex, inefficient and excessively subjective to administer. A utility may choose one of four eligibility priorities for payment troubled.

Administration. The Commission is adding language to the outreach and intake sections that provides additional options for utilities to include in their programs. We have found that automatic referrals to CAP when a customer calls to make a payment arrangement and intake certification by government agencies are simple to administer and cost-effective.

Default provision. The Commission believes that the consequences for nonpayment should be loss of service; therefore, we recommended that utilities return participants who do not make payments to the regular collection cycle. Prior to this revision, a utility would default a customer from the program and issue the next bill at the normal tariffed rate. The utility would not take action until that bill became past due. The changes to this section will allow a utility to immediately start the termination process. The utility will not issue a new bill. We are also adding the steps a utility should follow before defaulting a CAP participant.

We are deleting the provision that failure to apply for LIHEAP should result in dismissal. Because of the changes to LIHEAP eligibility and funding, CAP participants have difficulty meeting this provision.

Reinstatement. The Commission is amending this section to allow the utility the discretion to reinstate a CAP participant. Prior to this change, a utility required that a customer could not reinstate into CAP until 1 year after the dismissal date. The utility may now reinstate the customer at any time. The reinstatement should normally occur when a customer has made its missed CAP payments. If the utility has terminated the customer's service for nonpayment, the utility can reinstate the customer into CAP at the time that the customer makes payment to have service restored. Again, we believe the consequence for failing to comply with CAP payment terms should be loss of service not loss of enrollment in CAP.

Coordination of LIHEAP benefits. The Commission is adding a section to allow the utility flexibility to deal with a participant who fails to apply for a LIHEAP grant. Changes to the LIHEAP eligibility criteria make the provision increasingly difficult to administer. When the Commission approved the CAP Policy Statement, a CAP participant was eligible to receive two LIHEAP benefits in the form of cash and crisis grants. Changes to LIHEAP eligibility restrict CAP participants from receiving LIHEAP crisis benefits. Because of the difficulty a CAP participant has in obtaining LIHEAP benefits, we do not believe that utilities should automatically impose penalties on a CAP participant who does not designate a LIHEAP grant to the CAP sponsoring-utility. However, we do believe that utilities should strongly encourage participants to apply for LIHEAP benefits. This change allows utilities the option of imposing a penalty on a CAP participant who is eligible for LIHEAP benefits but who fails to apply for those benefits.

Evaluations. The Commission is amending this section to allow for routine evaluations of expanded and ongoing CAPs.

Alternative program designs. We are changing this section to include revisions to CAP so that utilities should receive Commission approval before implementing any design changes.

The Commission reviewed and addressed comments relating to the revisions to the CAP Policy Statement as part of its order that issued guidelines for universal service and energy conservation programs. Because many interested parties have been given an opportunity to comment on the substantive revisions in the Commission order at Docket No. M-00960890F0010, we are directing that the revisions to the CAP Policy Statement shall become effective upon publication in the *Pennsylvania Bulletin, Therefore,*

It Is Ordered That:

1. The regulations of the Commission, 52 Pa. Code Chapter 69, are amended by amending §§ 69.261—69.265 and 69.267 to read as set forth in Annex A.

2. The Secretary shall submit this order and Annex A to the Governor's Budget Office for fiscal impact analysis.

3. The Secretary shall certify this order and Annex A and deposit them with the Legislative Reference Bureau for publication in the *Pennsylvania Bulletin.*

4. The Secretary shall serve a copy of this order, and Annex A upon all Class A electric utilities and natural gas utilities with gross intrastate annual operation revenue in excess of $40 million, and the Office of Consumer Advocate, and the Office of Small Businesses Advocate.

5. This Policy Statement shall become effective upon publication in the *Pennsylvania Bulletin.*

JAMES J. MCNULTY,
Secretary

Fiscal Note: 57-206. No fiscal impact; (8) recommends adoption.

Annex A

TITLE 52. PUBLIC UTILITIES

PART I. PENNSYLVANIA PUBLIC UTILITY COMMISSION

Subpart C. FIXED SERVICE UTILITIES

CHAPTER 69. GENERAL ORDERS, POLICY STATEMENTS AND GUIDELINES ON FIXED UTILITIES

CUSTOMER ASSISTANCE PROGRAMS

§ 69.261. General.

CAPs are designed as alternatives to traditional collection methods for low income, payment troubled customers. Customers participating in CAPs agree to make monthly payments based on household family size and gross income. Customers make regular monthly payments, which may be for an amount that is less than the current bill for utility service, in exchange for continued provision of the service. Class A electric utilities and natural gas utilities with gross intrastate annual operating revenue in excess of $40 million should adopt the guidelines in §§ 69.263—69.265 (relating to CAP development; scope of CAPs; and CAP design elements) implementing residential CAPs.

§ 69.262. Definitions.

The following words and terms, when used in §§ 69.261, 69.263—69.267 and this section, have the following meanings, unless the context clearly indicates otherwise;

Alternative program designs—Program designs which include traditional utility collection methods, alternative collection approaches that do not include a CAP and CAP designs which substantially deviate from this chapter.

CAP—Customer Assistance Program.

EDC—Electric distribution company—The electric distribution company as defined in 66 Pa.C.S. § 2803 (relating to definitions).

LIHEAP—Low Income Home Energy Assistance Program—A Federally funded program which provides financial assistance grants to needy households for home energy bills.

Low income customers—A residential utility customer whose annual household gross income is at or below 150% of the Federal poverty income guidelines.

Low-income payment troubled customers—Low-income customers who have failed to maintain one or more payment arrangements.

§ 69.263. CAP development.

(a) A utility should develop a CAP consistent with the guidelines provided in §§ 69.261, 69.262, 69.264—69.267 and this section.

(b) The Bureau of Consumer Services will work with the utility in CAP development.

(c) Before implementing, revising or expanding a CAP, a utility should submit its CAP proposal to the Bureau of Consumer Services for review and Commission approval of design elements. This review is not for ratemaking purposes, and the rate consequences of any CAP will be addressed within the context of subsequent Commission rate proceedings as described in § 69.266 (relating to cost recovery).

§ 69.264. Scope of CAPs.

CAPs should be targeted to low-income, payment troubled customers. The participation limit for CAP should reflect a needs assessment, consideration of the estimated number of low-income households in the utility's service territory, the number of participants currently enrolled in the pilot CAP, participation rates for assistance programs and the resources available to meet the needs of the targeted population.

§ 69.265. CAP design elements.

The following design elements should be included in a CAP:

(1) *Program funding.* Program funding should be derived from the following sources:

(i) Payments from CAP participants.

(ii) LIHEAP grants.

(iii) Operations and maintenance expense reductions.

(iv) Universal service funding mechanism for EDCs.

(2) *Payment plan proposal.* Generally, CAP payments for total electric and natural gas home energy should not exceed 17% of the CAP participant's annual income. The minimum payment should not be less than the guidelines in paragraph (3)(v)(A) and (B). Payment plans should be based on one or a combination of the following:

(i) *Percentage of income plan.* Total payment for total electric and natural gas home energy under a percentage of income plan is determined based upon a scheduled percentage of the participant's annual gross income. The participating household's gross income and family size place the family at a particular poverty level based on Federal poverty income guidelines.

(A) Generally, maximum payments for electric nonheating service should be within the following ranges:

(I) Household income between 0—50% of poverty at 2%—5% of income.

(II) Household income between 51—100% of poverty at 4%—6% of income.

(III) Household income between 101—150% of poverty at 6%—7% of income.

(B) Generally, maximum payments for gas heating should be within the following ranges:

(I) Household income between 0—50% of poverty at 5%—8% of income.

(II) Household income between 51—100% of poverty at 7%—10% of income.

(III) Household income between 101—150% of poverty at 9%—10% of income.

(C) Generally, maximum payments for electric heating or gas heating and electric nonheating combined should not exceed the following guidelines:

(I) Household income between 0—50% of poverty at 7%—13% of income.

(II) Household income between 51—100% of poverty at 11%—16% of income.

(III) Household income between 101—150% of poverty at 15%—17% of income.

(ii) *Percentage of bill plan.* The participant's household payment contribution for total electric and natural gas home energy under a percentage of bill plan is determined using variables based on family size and income and the household's energy usage level. A participant's annual payment is calculated as a percentage of income payment and converted to a percentage of the annual bill. When a utility determines subsequent CAP payment amounts, a participant will continue to pay the same percentage of the total bill even if annual usage has changed.

(iii) *Rate discount.* The participant's energy usage is billed at a reduced rate.

(iv) *Minimum monthly payment.* The participant's payment contribution is calculated by taking the participant's estimated monthly budget billing amount and subtracting the maximum, monthly CAP credit (previously called billing deficiency).

(v) *Annualized, average payment.* The participant's payment contribution is calculated by determining the total amount the participant paid over the last 12 months and dividing by 12 months to determine a monthly budget.

(vi) *An alternative payment formula.* An alternative payment formula must be reviewed by the Bureau of Consumer Services and approved by the Commission.

(3) *Control features.* The utility should include the following control features to limit program costs:

(i) *Minimum payment terms.*

(A) A CAP participant payment for a gas heating account should be at least $18—$25 a month.

(B) A CAP participant payment for a nonheating account should be at least $12—$15 a month.

(C) A CAP participant payment for an electric heating account should be at least $30—$40 a month.

(ii) *Nonbasic services.* A CAP participant may not subscribe to nonbasic services that would cause an increase in monthly billing and would not contribute to bill reduction. Nonbasic services that help to reduce bills may be allowable. CAP credits should not be used to pay for nonbasic services.

(iii) *Consumption limits.* Limits on consumption should be set at a percentage of a participant's historical average usage. A level of 110% is recommended. Adjustments in consumption should be made for extreme weather conditions through the use of weather normalization techniques.

(iv) *High usage treatment.* Utilities should target for special treatment those participants who historically use high amounts of energy.

(v) *Maximum CAP credits.* The annual maximum CAP credits should not exceed a total of $1,400 per participant.

(A) The annual maximum CAP credits per gas heating participant should not exceed $840.

(B) The annual maximum CAP credits per nonheating customer should not exceed $560.

(C) The annual maximum CAP credits per electric heating participant should not exceed $1,400.

(vi) *Exemptions.* A utility may exempt a household from a CAP control feature if one or more of the following conditions exist:

(A) The household experienced the addition of a family member.

(B) A member of the household experienced a serious illness.

(C) Energy consumption was beyond the household's ability to control.

(D) The household is located in housing that is or has been condemned or has housing code violations that negatively affect energy consumption.

(E) Energy consumption estimates have been based on consumption of a previous occupant.

(4) *Eligibility criteria.* The CAP applicant should meet the following criteria for eligibility:

(i) Status as a utility ratepayer or new applicant for service is verified.

(ii) Household income is verified at or below 150% of the Federal poverty income guidelines.

(iii) The applicant is a low income, payment troubled customer. When determining if a CAP applicant is payment troubled, a utility should select one of the following four options to prioritize the enrollment of eligible, payment troubled customers:

(A) A household whose housing and utility costs exceed 45% of the household's total income. Housing and utility costs are defined as rent or mortgage/taxes and gas, electric, water, oil, telephone and sewage.

(B) A household who has $100 or less disposable income after subtracting all household expenses from all household income.

(C) A household who has an arrearage. The utility may define the amount of the arrearage.

(D) A household who has received a termination notice or who has failed to maintain one payment arrangement.

(5) *Appeal process.* The utility should establish the following appeal process for program denial:

(i) If the CAP applicant is not satisfied with the utility's initial eligibility determination, the utility should use utility company dispute procedures in §§ 56.151 and 56.152 (relating to general rule; and contents of the utility company report).

(ii) The CAP applicant may appeal the denial of eligibility to the Bureau of Consumer Services in accordance with §§ 56.161—56.165 (relating to informal complaint procedures).

(6) *Administration.* If feasible, the utility should include nonprofit community based organizations in the operation of the CAP. The utility should incorporate the following components into the CAP administration:

(i) *Outreach.* Outreach may be conducted by nonprofit, community-based organizations and should be targeted to low income payment troubled customers. The utility should make automatic referrals to CAP when a low-income customer calls to make payment arrangements.

(ii) *Intake and verification.* Income verification may be completed through a certification process that is satisfactory to the utility or certification through a government agency. Intake may also be conducted by those organizations and should include verification of the following:

(A) Identification of the CAP applicant.

(B) The annual household income.

(C) The family size.

(D) The ratepayer status.

(E) The class of service—heating or nonheating.

(iii) *Calculation of payment.* Calculation of the monthly CAP payment should be the responsibility of the utility. The utility may develop a payment chart so that the assisting community-based organizations may determine payment amounts during the intake interview.

(iv) *Explanation of CAP.* A complete and thorough explanation of the CAP components should be provided to participants.

(v) *Application for LIHEAP grants.* An application for LIHEAP grants, to the extent that is available, should be completed during the intake interview.

(vi) *Consumer education and referral.* CAP consumer education programs should include information on benefits and responsibilities of CAP participation and the importance of energy conservation. Referrals to other appropriate support services should also be a part of consumer education.

(vii) *Account monitoring.* Account monitoring should include both payment and energy consumption monitoring.

(viii) *Annual reapplication.* An annual process that reestablishes a participant's eligibility for CAP benefits should be required.

(ix) *Arrearage forgiveness.* Arrearage forgiveness should occur over a 2- to 3-year period contingent upon receipt of regular monthly payments by the CAP participant.

(x) *Routine management program progress reports.* Progress reports that may be used to monitor CAP administration should be prepared at regular intervals. These reports should include basic information related to the number of participants, payments and account status.

(7) *Default provisions.* The failure of a participant to comply with one of the following should result in dismissal from CAP participation:

(i) Failure to make payments will result in the utility returning the participant to the regular collection cycle and may lead to termination of service. By returning the customer to the regular collection cycle, the utility does not need to enter into a new payment arrangement but may begin the termination process. At a minimum, the utility should inform the participant of the consequences of defaulting from the CAP. To avoid termination of service, the CAP participant must pay the amount set forth in the termination notice prior to the scheduled termination date. This amount should generally be no more than two CAP bills.

(ii) Failure to abide by established consumption limits.

(iii) Failure to allow access or to provide customer meter readings in 4 consecutive months.

(iv) Failure to report changes in income or family size.

(v) Failure to accept budget counseling, weatherization/usage reduction or consumer education services.

(vi) Failure to annually verify eligibility.

(8) *Reinstatement policy.* A customer may be reinstated into CAP at the utility's discretion.

(9) *Coordination of energy assistance benefits.* In a CAP, the utility should include the following to coordinate a participant's energy assistance benefits between it and other utilities:

(i) A LIHEAP grant should be designated by the participant to the utility sponsoring the CAP.

(ii) A LIHEAP or other energy assistance grant may not be substituted for a participant's monthly payment. If the utility determines that a participant's minimum payment exceeds 17% of the household's income, additional energy assistance grants may be used to reduce the amount of the participant's monthly payment. The participant is still responsible for making the remainder of the regular monthly payment.

(iii) The LIHEAP grant should be applied to reduce the amount of CAP credits.

(iv) A utility may impose a penalty on a CAP participant who is eligible for LIHEAP benefits but who fails to apply for those benefits. A utility should use this option carefully and the penalty should not exceed the amount of an average LIHEAP cash benefit. If a customer applies for a LIHEAP benefit but directs it to another utility or energy provider, the CAP provider should not assess a penalty.

(10) *Evaluation.* The utility should thoroughly and objectively evaluate its CAP in accordance with the following unless otherwise modified in § 54.76 (relating to evaluation reporting requirements).

(i) *Content.* The evaluation should include both process and impact components. The process evaluation should focus on whether CAP implementation conforms to the program design and should assess the degree to which the program operates efficiently. The impact evaluation should focus on the degree to which the program achieves the continuation of utility service to CAP participants at reasonable cost levels. The impact evaluation should include an analysis of the following:

(A) Customer payment behavior.

(B) Energy assistance participation.

(C) Energy consumption.

(D) Administrative costs.

(E) Program costs.

(ii) *Time frame.* Unless otherwise modified by § 54.76, the time frame for evaluations should be as follows:

(A) Following the expansion of a CAP or subsequent to substantial revision of an existing CAP or alternate program design, a one-time process evaluation completed by an independent third-party should be undertaken during the middle of the second year.

(B) Program impacts should be evaluated by an independent third-party at no more than 6 year intervals and submitted to the Commission.

(iii) *Evaluation plan approval.* The utility should submit the impact evaluation plan to the Bureau of Consumer Services for review and approval.

§ 69.267. Alternative program designs.

Alternative program designs that differ from §§ 69.261—69.266 and this section may reduce uncollectible balances and may provide low income, payment troubled customers with needed assistance. These programs may be acceptable if the utility can provide support for design deviations. Before implementing an alternative program design, the utility should submit its proposal including an evaluation plan as described in § 69.265(10) (relating to CAP design elements) to the Bureau of Consumer Services for review and Commission approval.

[Pa.B. Doc. No. 99-753. Filed for public inspection May 7, 1999, 9:00 a.m.]