



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
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Oct. 24, 2014

To: Utility CEO

The purpose of this letter is to enlist your support for the Pennsylvania Public Utility Commission's "Prepare Now" campaign for 2014. Pennsylvania experienced an extremely harsh winter last year and while there is good news for energy consumers as current predictions forecast lower winter energy costs, we recognize that still many families are not prepared to handle the costs associated with winter energy bills.

As the PUC marks the 12th year of the "Prepare Now" campaign, we thank you for your past cooperation with this initiative and ask that you continue to help us urge consumers on limited or fixed incomes to "Call Now" if they need assistance paying their bills. We want people who need payment assistance to call their utility companies about programs available to help heat their homes or pay their energy bills such as Customer Assistance Programs (CAP), Low Income Usage Reduction Programs (LIURP) and budget billing. As part of this campaign, utilities should also educate consumers about conservation and ways to reduce their energy usage.

Unfortunately, many utility consumers who need help are still unaware of the programs available to help them restore or maintain utility service. Just as the Commission will be reminding consumers who call us about the availability of such programs, we urge all utilities to increase their outreach efforts to make sure that consumers receive information about any program for which they may be eligible.

As we commence our "Prepare Now" campaign for 2014, the Commission will focus on increasing consumer awareness of reducing winter heating costs, educating consumers on energy conservation, encouraging consumers to check electric and natural gas bills and supplier contracts and to use PAPowerSwitch.com to shop for service and educating consumers about the availability of low-income programs.

We are hopeful that the "Prepare Now" campaign will continue to help more consumers prepare for the increase in their energy bills associated with heating during cold winter weather. Low-income households may also be eligible for grants under the federal Low Income Home Energy Assistance Program (LIHEAP). We strongly support LIHEAP and are taking an active role in ensuring the viability of this program as a companion to the utility-based programs.

It is important to note that utilities have more flexibility under the law to make allowances for payment troubled consumers than does the Commission. Moreover, in dealing with these situations, utilities are reminded of the provisions under Chapter 56 of the Public Utility Code that impose an obligation of good faith, honesty and fair dealing in their performance and enforcement. With this in mind, we ask that you consider the following actions as we head into the winter heating season:

- 1) Improve efforts to link consumers to programs that are available to help them restore and maintain service such as CAP, LIHEAP and utility or local hardship funds.
- 2) Refer low-income consumers to CAP when they call to make payment arrangements. We expect our utilities to do everything possible to get eligible consumers into CAP, especially if a termination-related problem exists.
- 3) Increase corporate donations to utility Hardship Funds and other local programs that assist consumers who need help paying their utility bills.
- 4) Review company procedures to ensure that automatic payments and online payments allow for consumer contributions to Hardship Funds.
- 5) Restore service to low-income consumers upon enrollment into the company's CAP for the first time.

- 6) Limit the number of terminations of confirmed low-income consumers by scaling back the company's termination program as the cold weather approaches. This includes reviewing termination and reconnection procedures to allow consumers who are making a good faith effort to pay their bills to keep utility service whenever possible.
- 7) Waive or reduce security deposits, reconnection fees and late payment charges if they are a barrier to restoration of service or establishing a payment arrangement. As previously noted, utilities have more discretion in waiving these fees than does the Commission. If a security deposit or reconnection fee is necessary, consider adding it to the consumer's bill instead of making it an initial condition of providing service.
- 8) Accept any combination of LIHEAP grant, crisis grant, and Hardship Fund grant as sufficient funds to initiate or reconnect service for low-income consumers. If a consumer payment is also necessary, we encourage you to be as lenient as possible.
- 9) Exercise leniency when establishing payment arrangement plans for all consumers. Again, utilities have more discretion in making payment arrangements than does the Commission. When assessing whether to grant a payment arrangement, please consider:
 - Changes in circumstances such as lost or reduced income,
 - Extended illness of the ratepayer or a household member, or
 - Increased household size and accompanying expenses.
- 10) Provide customers with information about home heating safety and work to get consumers who have been "red tagged" the assistance or information needed to help in obtaining repairs to furnaces or heating systems. Refer low-income consumers to the LIHEAP crisis program for emergency repairs.
- 11) Promote the use of budget billing programs and third-party notification forms.
- 12) Provide information to consumers regarding how they can reduce their heating costs through conservation including information on weatherization programs as well as cost-effective steps they can do themselves.

Please inform the Commission by Friday, Nov. 21, of any of the above suggested actions your company implements in order to assist in the "Prepare Now" campaign. Also, feel free to offer any additional suggestions you may have that would improve our efforts. Send your comments to Michael Kasputis in the Bureau of Consumer Services at mkasputis@pa.gov. Thank you for your cooperation.

Sincerely,



Robert F.
Powelson Chairman



John F. Coleman Jr.
Vice Chairman



James H. Cawley
Commissioner



Gladys M. Brown
Commissioner



Pamela A. Witmer
Commissioner