

Mark Kempic
President

November 17, 2016

Chairman Gladys M. Brown
Pennsylvania Public Utility Commission
Commonwealth Keystone Building – 3rd Floor
400 North Street
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission's *Prepare Now* Campaign

Dear Chairman Brown:

Thank you for the October 26, 2016, Joint Commissioner's letter regarding the Public Utility Commission's ("PUC" or "Commission") 14th annual "Prepare Now" campaign. Columbia Gas of Pennsylvania ("Columbia Gas") recognizes the importance of the PUC's annual "Prepare Now" efforts and we continually strive to educate customers about programs to assist in paying winter heating bills, programs to conserve energy and reduce winter heating bills, in addition to information regarding customer choice.

Once again, I am pleased to provide the Commission with the many steps Columbia Gas has taken to assist in the "Prepare Now" campaign. We take seriously our responsibility to reach out and provide our customers with the resources they need to stay safe and warm in their homes during the winter heating season. Customer safety is paramount.

In response to the suggested practices outlined in the "Prepare Now" letter, Columbia Gas of Pennsylvania's various customer assistance programs and efforts are outlined below.

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.

Columbia Gas reaches out to the communities we serve throughout the year so we may connect with our customers. Our universal service employees attend numerous community outreach, legislative, and senior fair events. At senior fair events, we are able to provide information to attendees about all of our assistance programs, including information on the PAPowerSwitch and PAGasSwitch websites as resources for customers to shop for energy suppliers.

We also believe employees who interact with our customers should be resources for them on available assistance programs. In the Fall, all employees who meet with customers on a regular basis receive updated information about assistance programs available to help customers in need.

LIHEAP and Customer Education

As we have done for more than two decades, Columbia Gas proactively promotes the LIHEAP program. Most recently, on November 1, 2016, Columbia Gas and Peoples announced the opening of the LIHEAP program. Columbia Gas promoted the program's opening and the increased \$200 minimum grant on KDKA television's local morning talk shows Pittsburgh Today Live and the Sunday Business Page. On November 14, 2016, we hosted a LIHEAP press conference with former Steelers great and LIHEAP spokesperson Franco Harris to encourage customers to apply now.

Through our annual LIHEAP customer education campaign, which includes radio and television commercials, we continue to advise customers on the availability of LIHEAP grants and encourage them to apply. LIHEAP bill inserts are currently being provided to customers in their monthly bills.

We also operate a LIHEAP hotline to help customers complete their LIHEAP applications. Additional outreach activities include customer emails, social media posts, community events, and news releases distributed throughout the heating season.

To ensure our contact center representatives are referring all eligible customers to LIHEAP, we conduct an internal awareness campaign that includes a kick-off breakfast reminding our representatives of the program guidelines and promotional activities, encouraging appropriate referrals throughout the heating season.

Refer low-income consumers to CAP when they call to make payment arrangements.

In order for customers to get the help they need quickly, Columbia Gas has a specialized group of employees at our call center who are available to handle all Universal Service inquiries and to refer our customers to multiple programs, including the WarmWise Low-Income Usage Reduction Program (LIURP), Customer Assistance Program (CAP), and LIHEAP. To provide easy access to this specialized call group, we created and advertise a separate toll-free number for the Universal Services programs. All customers who declare their income as at or below Federal Poverty Guidelines are automatically handled through this group. The Universal Service Team reviews guidelines, monitors calls, provides on-going training, and updates the knowledge management system on a regular basis to ensure customers who need these programs are appropriately referred.

At the end of October, as the Commission knows, we announced the management of our Smithfield, Pa., call center was transferred from an outside company to NiSource, Columbia's corporate parent. This transition will allow NiSource to own the relationships with our customers through our customer care center so we can be nimble and reactive to improve information provided to our customers and achieve top-tier customer service.

Increase corporate donations to utility Hardship Funds and other local programs that assist consumers who need help paying their utility bills.

As the Commission is aware, the Columbia Gas Hardship Fund is administered by the Dollar Energy Fund. Columbia Gas contributes one dollar of shareholder money for every dollar contributed by its customers to Dollar Energy. We continue to assist in the Dollar Energy Fund's fundraising efforts by sponsoring Dollar Energy's annual summer golf outing and the winter

“Warmathon”. These events are designed to educate customers about the Dollar Energy Fund and encourage donations to the Hardship Fund.

As we have done for several years, we are again partnering with the Trans-Siberian Orchestra. Through this partnership, the Trans-Siberian Orchestra contributes a portion of its ticket proceeds to the Dollar Energy Fund, and we directly match those contributions. Last year this generated an additional \$21,000 for the Dollar Energy Fund.

Review all company procedures to ensure that automatic payments and online payments allow for consumer contributions to the Hardship Funds.

We continue to request donations from customers to the Hardship Fund through direct mail and electronic mail, and we will promote the program through social media this heating season. Our electronic mail solicitation includes a link to donate on the e-mail notification received by all electronic billing customers. Those who do not sign up to donate to the Hardship Fund continue to see the option to donate on each payment stub. All bill inserts including the Hardship Fund donation request can be viewed by those making payments online when reviewing their bill.

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.

As part of the 2016 Cold Weather Survey, Columbia Gas continues to focus its efforts to reach customers who are without service. Customer outreach activities include phone calls, letters, and field visits during which we advise customers of available assistance programs to have their service reconnected. In addition, we employ customer outreach coordinators who contact social service agencies throughout the winter to facilitate service restoration for all customers.

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. 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.

In order to assist customers who are without natural gas service, we will again offer our Security Deposit Assistance Program to customers or applicants who are not eligible for Universal Service Programs due to their income level. We will pay the security deposits for those customers between 151% and 250% of the Federal Poverty Level so they may obtain or re-establish gas service.

As in the past, we will limit the combined reconnection fee and security deposit amount to \$150.00 and also incorporate any available energy assistance grants in order to reduce any upfront monies requested. When a customer or applicant is identified as low-income, the customer will be referred to our Customer Assistance Program (“CAP”). If accepted, all security deposits and reconnection fees will be waived. As in previous years, we will continue to accept available energy assistance grants to offset missed CAP payments in order to restore service for those customers who have been removed from CAP.

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 call center representatives to be as lenient as possible. Exercise leniency when establishing payment arrangement plans for all consumers. When assessing whether to grant 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.

Columbia Gas looks for ways to coordinate the referral and intake processes for all assistance programs in order to leverage the value of multiple benefits – a “one-stop-shop approach” to help address all customer concerns with one phone call. We also look for ways to coordinate programs with other utilities in order to provide customer convenience and reach ultimate program efficiencies. An example of this includes the cross checking of income that occurs at the contractor level between utilities to gather income verification data for customers to remain in the CAP. In addition, we partner with First Energy and Duquesne Light to cross refer eligible customers for their LIURP programs.

We are in compliance with Chapter 56 regulations relating to payment plan negotiations, particularly those situations where the household income drops, the household has experienced a change in household size, or the household is impacted by a medical condition. We also allow for additional leniency to these guidelines if deemed appropriate by the CARES representatives.

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.

Columbia Gas continues to make our Emergency Repair Program (ERP) available to provide financial assistance to eligible homeowners for gas line and heating equipment repairs. The Emergency Repair Program is funded at \$600,000 annually.

As we have done for several years, in September, Columbia Gas employee volunteers partnered with local contractors to provide complimentary clean and tune services to 50 pre-selected elderly and disabled low-income customers. Through this initiative, we discovered boilers/furnaces and hot water tanks that needed to be replaced, solved venting problems, and repaired service line leaks at no charge to the customers. These safety repairs were funded through our ERP.

Promote the use of budget billing programs and third-party notification forms.

Columbia Gas is committed to keeping gas service connected and bill payment easy for all of our customers by encouraging the use of the budget billing program, affordable payment plans, and referrals to our network of customer programs. For our more vulnerable and/or senior customers, we strongly recommend the use of the third party notice to provide an extra layer of protection to avoid termination of service.

Columbia Gas will extend its third party notification program to include all CAP reminder and reverification notices. This will provide relevant information to an authorized third party to assist in maintaining active CAP status.

In addition, we will provide brochures on all programs, including information on third party notifications to community based organizations and encourage the agencies to share the information with their communities.

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.

WarmWise

WarmWise is a series of energy saving programs that help identify where a customer's home is losing energy and provide solutions to start saving energy and money. WarmWise programs include:

- WarmWise LIURP
- WarmWise Audits & Rebates
- WarmWise Energy Efficiency Information

WarmWise Low Income Usage Reduction Program ("LIURP")

Columbia Gas has a long and successful history of providing weatherization programs to our low-income customers. For more than two decades, we have been covering the costs to insulate customers' homes and install high efficiency furnaces to help customers reduce their consumption and lower their bills. We weatherize approximately 530 homes each year through our WarmWise LIURP, and participating customers have seen average annual reductions in gas consumption of 25 percent. LIURP is funded at \$4.75 million annually.

WarmWise Audits & Rebates

For our customers with incomes at or below 250% of the Federal Poverty Level who do not qualify for the LIURP program we provide WarmWise Audits & Rebates to help them use energy more efficiently. Eligible customers can schedule a free home energy audit performed by a Building Performance Institute ("BPI") certified auditor, and the auditor will make recommendations for an energy efficiency plan. Additionally, we provide financial incentives in the form of up-front rebates for energy efficiency measures that the customer chooses to implement. Customers who are home owners may apply up to \$1,800 towards the installation of audit recommended measures, making it more affordable to implement retrofits needed to save money on their energy bills and make their homes more comfortable.

We perform appliance safety checks during the home performance assessment. Many times, red tagged safety items are identified that not only interrupt the audit, but sometimes cause a gas service interruption until the repair can be made. The customers within the program who are slightly over the income guidelines for other low income assistance may be unable to afford the repairs on their own. We understand the position these customers are in, so Columbia Gas provides a \$300 safety rebate to assist customers with the remediation of the safety item. This rebate allows customers to retain gas service and continue to participate in the program that will eventually result in more measures to help reduce their energy consumption and bills.

We are also engaged in direct outreach initiatives to spread program awareness. As an example, we launched a targeted WarmWise billboard, print and social media advertising campaign in York County in October and November. Simultaneously, Columbia performed a letter writing effort to 650 new customers across Columbia's service territory. The letters introduced the program and its guidelines and encouraged the customer to participate in the program. We also launched an email campaign across our service territory to more than 150,000 customers who had an email address on file, educating them on the benefits of

WarmWise Audits & Rebates. Additionally, we provided an incentive for customer participation by offering a contest drawing for those who completed an energy audit within a specific time frame.

We partner with community outreach projects to increase awareness of our WarmWise Audits & Rebates program, help promote the increased program benefits for eligible customers, and in some cases, leverage additional funding for customers. As an example, we participate in the Re-Energize Pittsburgh Coalition, a community-based, grass roots consortium created to increase energy efficiency benefits in Allegheny County.

Likewise, we are partnering with the electric utilities in our service area to coordinate outreach, referrals, and when appropriate, audits to increase participation in both programs and improve the customer's overall experience.

WarmWise Energy Efficiency Information

We offer educational materials to all customers to help them improve their home's energy efficiency and manage their gas bills. Upon request and at no charge, we send customers information on no-cost or low-cost weatherization actions, materials, and resources. We engage the services of Goodwill Industries to perform the fulfillment duties of this program.

In addition, we will continue to issue energy efficiency tips on our website and social media sites as additional resources.

Columbia Gas is pleased to join the Commission in the 14th annual "Prepare Now" campaign to provide important customer information and improve customer awareness of our many programs to help pay winter heating bills and conserve energy.

Should you have any questions, or need additional information, do not hesitate to give me a call at 724-416-6300.

Sincerely,

A handwritten signature in blue ink that reads "Mark Kempic". The signature is written in a cursive, flowing style.

Mark Kempic
President

cc: Michael Kasputis (via e-mail)