



PHILADELPHIA GAS WORKS

800 West Montgomery Avenue • Philadelphia, PA 19122

November 17, 2017

VIA FIRST CLASS MAIL

Honorable Gladys M. Brown, Chairman
Honorable Andrew G. Place, Vice Chairman
Honorable David W. Sweet, Commissioner
Honorable John F. Coleman, Jr., Commissioner
Honorable Norman Kennard, Commissioner
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

VIA EMAIL

Sasha Oberheim
Public Utility Commission
Bureau of Consumer Services
soberheim@pa.gov

Dear Commissioners and Ms. Oberheim:

Philadelphia Gas Works (“PGW”) appreciates the Commission’s efforts to educate households in preparation for the cold weather through the Commission’s 15th annual Prepare Now campaign. PGW understands the importance of ensuring that customers are prepared for the upcoming winter, particularly in light of the fact that a significant percentage of PGW’s customers are low income. PGW joins the Commission in its efforts to educate customers on the availability of programs that can assist them in heating their homes and paying their energy bills. As PGW does each year, we will continue to educate consumers about the resources available to assist them in maintaining or restoring their service. In preparation for the upcoming winter, PGW has been taking steps to help customers prepare by ensuring that all of our customer service representatives (“CSRs”) are equipped with resources to refer customers to the appropriate programs, as well as conducting aggressive outreach campaigns about the benefits of programs such as PGW’s CAP, the Customer Responsibility Program (“CRP”), and the availability of LIHEAP grants. As you know, PGW continues to provide CRP to eligible customers without imposing a maximum number of participants.

In addition to educating customers about these programs, PGW also provides weatherization tips, kits, and services in order to assist with reducing energy consumption. This is accomplished through free weatherization workshops provided throughout PGW’s service territory, and a

substantial amount of free LIURP services provided to low income customers. PGW also offers conservation options available through our EnergySense program.

Provided below PGW addresses the twelve recommendations expressed in your November 1, 2017 letter:

1. Recommendation: 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.

Response: As in prior years, PGW strives to educate customers about the availability of various programs that can help them better manage their energy bills or restore service. This is accomplished by having information about these programs prominently displayed throughout the common areas in PGW's six customer service centers located throughout the service territory and having staff available onsite at these centers to assist customers with both the LIHEAP and CRP application process.

In addition to PGW's outreach efforts in our customer service centers, PGW also provides customers with extensive education about these programs through multiple communication methods, such as direct mailings, customer service representatives, brochures, CARES referrals, outbound call campaigns, PGW's website, and in-person information sessions. PGW also performs outreach for both CRP and LIHEAP through the use of mass-market campaigns such as television and radio commercials, print advertisements and social media.

2. Recommendation: Refer low-income consumers to CAP when they call to make payment arrangements, so they may also benefit from arrearage forgiveness if they qualify.

Response: PGW continues to refer low-income consumers to CRP. CRP has been and continues to be a financially beneficial program that has no limit on the maximum number of participants. In addition, PGW also does not require an upfront payment for first time CRP enrollees. In order to ensure that potentially eligible customers are receiving the most up-to-date information, PGW provides extensive CRP refresher training to its staff at least once a year. This training covers vital program components, such as program eligibility and how to effectively educate customers about the many benefits of CRP.

In order to increase CRP enrollment, PGW has continued to increase its CRP outreach efforts through the use of social media, advertisements, brochures, bill inserts, targeted letter campaigns, and the PGW website. Whenever a customer calls to make a payment arrangement, PGW's CSRs strongly encourage eligible customers to apply, and CSRs are equipped with the resources to fully explain all of the benefits that the program has to offer.

3. **Recommendation:** Restore service to low-income customers upon enrollment into the company's Customer Assistance Program (CAP) for the first time.

Response: PGW only requires payment of a reconnection fee for service restoration if the customer is enrolling in CRP for the first time.

4. **Recommendation:** Exercise leniency when establishing payment arrangement plans for all consumers. 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.

Response: PGW is sensitive to the needs of its customers and exercises leniency with respect to payment arrangements by offering two payment arrangements per set of arrearages for all residential customers. If a customer enrolls in CRP, no up-front payment is required if they are entering into CRP for the first time. If a customer is already enrolled in CRP and it is determined that they are no longer eligible at recertification, PGW will grant one additional payment arrangement regardless of the customer's prior payment agreement history.

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

Response: As in past years, PGW continues to share one-third of the administrative cost for the Utility Emergency Services Fund ("UESF") program in Philadelphia County and also continues to match UESF grant payments dollar for dollar each year. In addition, PGW has continued to perform outreach to all customers through the use of bill inserts, bill messages and the company's website in order to encourage contributions.

6. **Recommendation:** Review company procedures to ensure that automatic payments and online payments allow for consumer contributions to Hardship Funds.

Response: PGW customers are able to make automatic payments and one time contributions to the UESF hardship fund through our customer service representatives and through the company's website.

7. **Recommendation:** Limit the number of terminations of confirmed low-income customers by scaling back the company's termination program as the cold weather and the winter moratorium approach. 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.

Response: Consistent with prior years, PGW began scaling back the number of terminations during the month of November. If a low-income customer contacts PGW seeking to avoid termination or restoration, PGW representatives are trained to provide them with information regarding programs that may be available to assist them, such as CRP, LIHEAP and PGW's hardship fund.

8. Recommendation: 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 customer's bill instead of making it a condition of providing service.

Response: PGW does not require a security deposit from residential customers at or below 150 percent of the federal poverty level. In addition, CRP customers are not assessed late payment charges when actively enrolled in the program.

9. Recommendation: 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.

Response: PGW makes every effort to assist low-income customers in restoring or establishing service. This is accomplished by accepting a combination of all grants, as well as working directly with program administrators for both UESF and LIHEAP to work toward resolving consumer emergencies.

10. Recommendation: Provide customers with information about home heating safety and work to get customers who have been "red tagged" the assistance or information needed to help in obtaining repairs to furnaces or heating systems. Refer low-income customers to the LIHEAP crisis program for emergency repairs.

Response: PGW is committed to home heating safety and strives to educate our customers about the various ways to obtain assistance if they need help with home heating repairs. Our outreach efforts are performed through various methods such as our customer service representatives, CARES program, bill inserts and other advertising. If a customer's gas heater is shut off due to a hazardous condition or because it is inoperative, PGW will leave an informational card which contains material regarding the dangers of carbon monoxide as well as a list of names and phone numbers of agencies and programs where the customer can receive conservation and repair services. In addition to the referrals above, PGW's low-income customers are referred to the LIHEAP crisis program and to the City of Philadelphia's Heater Hotline for emergency repairs. PGW also actively promotes our EnergySense program to customers in need of heating equipment replacement. Finally, pursuant to its most recent rate case settlement terms, PGW will implement a hazardous heating remediation pilot for at least two years.

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

Response: PGW actively promotes enrollment in both the budget billing and third-party notification programs through the use of bill inserts, brochures, and the company's website. The company also provides annual refresher training to its CSRs so that they actively promote both programs when reviewing an account with a customer.

12. Recommendation: 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.

Response: PGW provides information on reducing heating costs through a number of communication methods, including bill inserts and free neighborhood weatherization workshops. Additionally, PGW continues to voluntarily offer its EnergySense conservation portfolio, which provides grants and rebates to customers for installing high efficiency equipment to conserve natural gas. PGW's current portfolio of EnergySense programs includes a residential heating equipment rebate program, a commercial and industrial building retrofit grant program, a commercial and industrial equipment rebate program, and a high efficiency construction grant program. PGW builds awareness about these programs through mass-market advertising campaigns in online, print and radio channels, trade allies who influence customer purchase decisions, neighborhood outreach and community group presentations, and through bill inserts.

In closing, PGW again thanks you for the opportunity to support your Prepare Now campaign. Please feel free to contact me if you have any questions or concerns.

Sincerely,



Craig E. White
President and Chief Executive Officer

cc: Denise Adamucci, PGW Vice President Regulatory Compliance & Customer Programs