

**Minutes of the
Pennsylvania Public Utility Commission's
Consumer Advisory Council**

Meeting of January 27, 2015

P.O. Box 3265

www.puc.pa.gov

Harrisburg, PA 17105-3265

Call to Order and Introductions

Chairman Tim Hennessey called the meeting to order at 10 a.m. over the phone for the conference call meeting.

The Council approved the updated November 25, 2014, minutes with Harry Geller's edits.

Attendance

The following members of the Council were present:

Tim Hennessey, Chairman (telephone)	Tina Serafini (telephone)
Harry Geller, Vice Chairman (telephone)	George Silvestri (telephone)
Michael Bannon (telephone)	Lee Tolbert (telephone)
Lillian Carpenter (telephone)	Joe Toner (telephone)
Ralph Douglass (telephone)	

The following members of the Council were unable to be present:

Rick Hick	Bill Sterner
Chad Quinn	Javier Toro

Public Utility Commission Staff Present:

Terri Slocomb, Commissioner Cawley's Office
Tom Charles, Office of Communications
Lori Shumberger, Office of Communications
Colin Scott, Law Bureau
Tom Beene, Legislative Affairs
Dan Mumford, Bureau of Consumer Services
Joseph Magee, Bureau of Consumer Services

Guests Present:

Nicole Grear, Energy Association of Pennsylvania (telephone)
Heather Yoder, Office of Consumer Advocate (telephone)

LIHEAP Update

Joe Magee, from PUC's Bureau of Consumer Services, was asked to give an update on the startup of the Low-Income Home Energy Assistance Program (LIHEAP).

Joe Magee said the next LIHEAP Advisory Committee (LAC) meeting is not until February, but he does receive weekly updates and reports on LIHEAP application processing and spending.

U.S. Congress passed a continuing resolution that should keep LIHEAP at last year's funding level of \$3.42 billion. In October, Pennsylvania received \$186 million federal funding. On Jan. 21, 2015, an additional \$300 million for LIHEAP was released by the federal government. Pennsylvania's allocation from this amount was \$18 million. This brings Pennsylvania's total LIHEAP funding for the 2014-15 heating season to \$204 million.

In the previous CAC meeting, it was reported that the LIHEAP cash grant applications were down some from last year. However, that trend has changed. By the end of last week, LIHEAP applications surpassed the same period last year by about 12,000.

As of Jan. 23, 2015, LIHEAP had received a total of 400,610 applications. More than 287,000 of those applications have been approved. There have been more than 74,000 applications that have been rejected. Almost 38,000 applications still are pending.

The Department of Human Services (DHS) has previously reported that most of the pending applications are due to missing information from the consumer.

The top three fuel types for which LIHEAP cash grants have been issued are natural gas at 46 percent; electric at 26 percent; and fuel oil at 21 percent.

Consumers can get a crisis grant if they have received a gas/electric termination notice or have fewer than 15 days heating fuel remaining. A LIHEAP crisis grant can range from \$25 to \$500. A customer can receive more than one crisis grant, but the total amount of these combined grants cannot exceed the \$500 maximum limit.

Crisis grant applications for 2015 are higher than 2014. At this time, there have been 46,851 crisis grant applications issued, totaling \$20.3 billion.

The top three fuel types for which LIHEAP crisis grants have been issued are fuel oil at 54 percent; natural gas at 14 percent and electric at 13 percent.

For the 38,000 LIHEAP applications still pending, 11,955 applications are over 30 days; there is 73 applications are over 60 days and only 4 applications that are over 90 days.

Joe Magee said, in the November CAC meeting, he was asked which counties had a drop in LIHEAP applications. A comparison of the number of cash grants approved by Jan. 23, 2015 to the same period in 2014, showed that most counties are up or down by a little. The

most significant dip is in Philadelphia, which has approved 4,000 less cash applications than last year.

Chapter 14 Update, Cold Weather Survey, and Terminations & Reconnections Updates

Dan Mumford, from the Bureau of Consumer Services, was asked to give an update on Chapter 14 and the Cold Weather Survey.

The year-to-date for 2014 vs. 2013 gives a full year of what the terminations are for the year.

Dan Mumford said the terminations for December 2014 were up compared to 2013. The electric terminations are up by 6 percent. Natural gas is up by 7 percent. Water terminations are down by 37 percent.

For the cold weather survey, the utilities are directed to contact all households that have been terminated throughout the year and where service is still off, and try to get their service back on. On Dec. 15, 2014, the utilities must send the PUC information on how many households are still without service. The PUC put out a press release on Dec. 22, 2014, on the number of households without service is about 23,213. This is an increase from 2013.

This survey received a good amount of media attention in Philadelphia, Pittsburgh and Harrisburg.

At this time, the utilities are back out trying again to help households to restore service. The utilities must report back with their numbers by Feb. 1, 2015.

Ralph Douglass asked how the utility helps them get their service back on. Dan Mumford said the utilities must try four times to contact the household, and the fourth time must attempt a face-to-face meeting. The utility could offer the customer a payment agreement, waive the security deposit, and give the customer information about LIHEAP or Customer Assistant Programs (CAP) or hardship programs.

There is some confusion around the cold weather report. The company is not required to automatically turn a household back on but to work with the customer.

Harry Geller asked about the PECO smart meter meeting. PECO has some terminations due to not being able to read their meters. Dan Mumford said there should be a press release on this issue next week. Apparently, PECO overlooked some accounts and then went out to read them later. The PUC is looking into this issue and cannot comment on it at this time.

Ralph Douglass asked why PECO could not access some of the meters to change them out with a smart meter. Dan Mumford said that some refused PECO access, and some were vacation homes and no one was available.

The question was asked if the PUC will follow up with all the electric companies to make sure other customers have not been missed like PECO's customers. Dan Mumford said, at this time, the PUC is looking at the big picture. The regulation is very clear on what are grounds for terminations. There should be no confusion.

Lee Tolbert asked if there is some way the utilities can determine if the property is vacant. Dan Mumford said the utility should see if other utilities are being used, such as the water or gas meters and to look in the mail box to see if there is recent delivered mail.

Lee Tolbert asked what programs are terminated customers are being referred to. Dan Mumford said they are suggesting the LIHEAP program, CAPs, hardship programs and other privately funded programs.

Lee Tolbert asked if there is a list for all the agencies that have assistant programs. Dan Mumford said he did not know of a master list.

Ralph Douglass asked, if a customer refused to allow a new meter installed, can they have their service terminated. Dan Mumford said yes, but this should be the last resort.

Dan Mumford said the biannual report on Chapter 14 that is issued every two years was released on Dec. 14, 2014. This report goes in-depth on collections, arrearages, and how many customers are terminated or reconnected. This report is now on the PUC's website. The report is 70 pages, but if you read the executive summary, it will give you most of the information that you need.

Dan Mumford said Chapter 14 has been reauthorized by legislation and will have some changes.

Chapter 14 deals with termination of service, applications and credit, security deposits, PUC payment arrangements, and the basis of the PUC regulations.

Dan Mumford said the Commission has put out an Order and is seeking comment on some issues that have been updated. One of the issues is the new law about medical certificates. On who is eligible to sign a medical certificate, a physician's assistant is now included with physicians and nurse practitioners.

Another issue is a reporting requirement for utilities. The utility must report all accounts that are over \$10,000 in arrears. Lee Tolbert asked why not lower the arrear amount to \$5,000. Dan Mumford said the amount is in the legislation. It will be interesting to see how many accounts are out there.

Dan Mumford said this Order should be published in the PA Bulletin on Jan. 31, 2015, and there is a 30-day comment window.

Ralph Douglass asked if the subcommittee should look into sending comments. Harry Geller said yes.

Dan Mumford said, at the Nov. 13, 2014, Public Meeting, the Commissioners voted on an informal investigation against ResCom for allegations of slamming and related unauthorized electric generation supplier marketing practices within PA. The PUC adopt the proposed Opinion and Order that ResCom will pay a civil penalty of \$59,000. ResCom must train their customer service better. A whistle blower helped the PUC with this case.

The PUC directed its Office of Competitive Market Oversight (OCMO) to move forward with an investigation into Pennsylvania's retail gas market as well as seek comments on issues related to its investigation and to enhance retail gas competition.

Ralph Douglass asked about PGW and holding funds. Dan Mumford said he is not sure about that.

Lee Tolbert said he would like more information on PGW's activities especially since PGW does not have competition in their territory.

Dan Mumford said since last winter the PUC reformed the supplier switching timeframe. Consumers now can be switched in a three-day time period. This change went into effect in December, 2014. PECO said they can implement the three-day switch. FirstEnergy companies and PPL can offer a one-time three-day switch per meter read. Duquesne said at this time they cannot offer a three-day switching.

Harry Geller made one comment about PECO being fully compliant. PECO's CAP customers still cannot shop. Dan Mumford said correct. At this time, it is a matter with the Commonwealth Court.

Dan Mumford said Duquesne started a new billing system in late November. There are some billing issues at this time. There may be some comments made on this at the next Public Meeting. There are some issues with reporting requirements. At this time, Duquesne is not terminating customers.

Harry Geller asked when the Proposed Rulemaking for paperless billing will be published in the PA Bulletin. Dan Mumford said he would look into this and let the Council know.

Legislative Update

Tom Beene, from the Office of Legislative Affairs, was asked to give an update on legislative activities.

The House and Senate just started back into session.

The Commission plans to request a change to the budget cap that has been in place the last couple of years.

The Commission is working with the General Assembly on bills related to the Transportation Network Companies (TNCs) such as Uber and Lyft. Last year, the TNC legislation did not get passed.

Tom Beene said the General Assembly has legislation on One Call to give the Commission authority over the program. Rep. Baker has legislation to support this change.

Tom Beene said the Commission is trying to get the authority to take over the small troubled utilities and have a larger utility company step in. The Commission has this authority with water and wastewater companies.

Tom Beene said Commissioner Cawley's term will be up this year. Commissioner Cawley is seeking to be renominated, but the Governor has not selected a nominee as of yet.

Tom Beene said the Governor will need to make an appointment for the Chair now within 120 days. If the Governor does not appoint a new Chairman by that time, then Chairman Powelson will stay in that seat.

On Feb. 10, the House Consumer Affairs Information meeting will be held. The Commission, the Office of Consumer Advocate (OCA) and the Office of Small Business Advocate (OSBA) will be presenting.

The Commission will have its budget hearing on March 11, with the House Appropriations Committee. And on March 23, the Commission will have its budget hearing with the Senate Appropriations Committee.

Electronic Utility Billing Letter

Ralph Douglass said he emailed the draft comment letter around earlier this month and also for the meeting. The issue is the utilities want to charge customers that receive their monthly bill as a printed bill.

Ralph Douglass wanted to thank everyone that helped on the Councils' draft letter and would like to receive approval from the Council to submit the comment letter to the Commission.

Harry Geller thanked everyone and said he supported the letter, but would like to update the 2014 poverty level with the new 2015 low-income levels. Tim Hennessey said the Council would make those changes.

Tim Hennessey made a motion to approve the letter with the updates to be submitted to the Commission. The motion passed after Tina Serafini seconded the motion.

Tom Charles said, once the letter has been updated and signed by Tim Hennessey, please send to Lori Shumberger to be submitted.

Council's Subgroup Report on Future Agenda Recommendations

Ralph Douglass stated he is concerned with TNC vehicles not having identification on them. How would consumers identify the vehicles? Tim Hennessey asked what would be the best way to mark the vehicles. Ralph Douglass said he would do some research on this issue.

Lee Tolbert would like an ongoing discussion on Marcellus Shale energy and the usage of this new energy in Pennsylvania. Lee Tolbert asked to have experts give some presentations on Marcellus Shale. George Silvestri said Marcellus Shale has caused an upheaval with the other fuel types.

Tim Hennessey said the Council would like an update on Marcellus Shale and natural gas. Michael Bannon asked if anything has happened with the AG's MOU on variable rates. Tom Charles said, at this time, nothing has happened due pending cases involving both agencies.

Harry Geller said the Chapter 14 Order is seeking comments on medical certificates and arrears. If the Council wants to comment on Chapter 14 changes, it will need to get moving. The Order should be in the PA Bulletin after Jan. 31. There is only a 30-day comment period. Would like to discuss this before the end of the month and circulate a letter to the Council prior to the next meeting. Ralph Douglass said that sounds great. When would this need to be submitted? Harry Geller said the comment period is 30 days and would need to be submitted by Monday, March 2.

Tim Hennessey said Jennifer Kocher, who worked with Tom Charles, is now working for the state Senate Majority Leader.

The next meeting for the CAC will be held at 10 a.m. March 24, 2015, in the Executive Chambers of the Commonwealth Keystone Building.

###