

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

Meeting of November 25, 2014

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. in the Executive Chambers of the Public Utility Commission.

The Council approved the September 23, 2014, minutes.

Attendance

The following members of the Council were present:

Tim Hennessey, Chairman
Harry Geller, Vice Chairman
Michael Bannon
Ralph Douglass
Chad Quinn
Tina Serafini (telephone)

George Silvestri (telephone)
Bill Sterner (telephone)
Lee Tolbert (telephone)
Joe Toner (telephone)
Javier Toro

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

Lillian Carpenter

Rick Hick

Public Utility Commission Staff Present:

Brett Rendina, Chairman Powelson's Office
Shelby Linton-Keddie, Commissioner Witmer's Office
Tom Charles, Office of Communications
Lori Shumberger, Office of Communications
Jennifer Kocher, 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

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 biggest news is that the Department of Public Welfare (DPW) is now the Department of Human Services (DHS). This is just a name change. If you go to DPW's website, it will redirect you to the new DHS website. Ralph Douglass asked why the name change. Joe Magee said the change was due to the perceived negative attitude toward the word "welfare."

Both cash and crisis grants opened on Nov. 3, 2014. The crisis exception program was eliminated this year. A household's heat does not need to be off to qualify for a crisis grant before January. Now, a household can qualify for a crisis grant if the gas or electric heat is off or scheduled for termination. Also, if a household has only 15 days of heating fuel left, they can qualify for a crisis grant.

Applications were sent out in September to approximately 398,000 households that applied last year. The pre-season application processing began on Sept. 22, 2014.

LIHEAP is scheduled to close on April 3, 2015.

Cash grants range from \$100 to \$1,000. A cash grant is a onetime grant. The crisis grant ranges from \$25 to \$500. The crisis grant can be applied for until the \$500 is reached.

Congress has passed a continuing resolution that should keep last year's funding level of \$3.42 billion. But at this time, only 90 percent of LIHEAP money has been released to the states. It is uncertain when the last 10 percent will be released.

At this time, the current budget is \$186 million. When the last 10 percent is received, the full budget will be \$203 million.

At the Nov. 12, 2014, LIHEAP Advisory Council (LAC) meeting, it was reported that the applications received are down approximately 25,000 overall from this time last year. DHS believes it is due to warmer weather in November than in the prior years.

DHS has received approximately 7,000 requests for crisis grants during the first week of the program, which is an increase of about 3,000 from last year.

Most of the applications are taking 30 days to process. Most pending applications are due to households are missing information. DHS does monitor all applications closely.

There needs to be more LIHEAP outreach. Many of the press releases about LIHEAP were overshadowed by election news. There was a Pittsburgh kick-off event that the DHS Secretary hosted. The press coverage from this event is expected to increase the number of applications.

There also is a decrease in applications in a few counties. DHS is speaking with those offices to determine the reason behind the lower application numbers. Tim Hennessey asked which counties are lower. Joe Magee said he is not sure, but he would follow up.

Chad Quinn said DollarEnergy opened their program up in October and is up and running at 70 percent statewide and 100 percent in Allegheny County. There is no advertising done, and they still receive applications. DollarEnergy's qualifying guideline for the programs is 200 percent of the poverty level.

The comment was made that DollarEnergy provides help to households that are in need of assistance, but not as much as a crisis grant. Chad Quinn said DollarEnergy crisis grants are determined on a year-to-year base.

Ralph Douglass asked about privacy issues. Joe Magee said the program and utilities have a working relationship. The utility will work with the customer and give a list to LIHEAP of all households that are in need for a crisis grant so the household will not be shut off.

Tina Serafini said there has been a LIHEAP insert in her utility bill since September about the program and start dates. Joe Magee said the utilities do a great job getting the information out.

Ralph Douglass asked if LIHEAP ever ran out of funds. Joe Magee said yes. Harry Geller said, since he has been involved, it has run out of funds once. Normally there is a rollover amount of money used to help start the program for the next year.

Ralph Douglass asked if there is anything the Council could recommend to the Commission to help LIHEAP. Harry Geller said most of the issues are outside the Commission's jurisdiction, because LIHEAP is under DHS. The Council could ask the Commission for a policy across the state to require utilities to accept crisis grants. Tim Hennessey asked if that request would fall under the Commission's jurisdiction or under the legislative side. Harry Geller said the Commission has the ability to require the utilities to accept crisis grants in order to halt termination procedures or reconnect households.

Ralph Douglass asked how many times a person can apply for a crisis grant. Joe Magee said as many times as it takes for them to use the \$500 maximum.

Chad Quinn said there are other avenues for consumers to receive help. The consumer can get on the Customer Assistance Program (CAP) or ask for a payment arrangement.

Ralph Douglass asked what the maximum amount of money consumers can receive from DollarEnergy. Chad Quinn said the maximum amount is \$500.

Ride Sharing (Uber/Lyft) Update

Jennifer Kocher, from the Office of Communications, was asked to give an update on the ride-sharing companies or Transportation Network Companies (TNC). Copies of the PUC's

press release for the conditional license for Uber to operate are in the packets with all statements and motion.

Jennifer Kocher said the PUC approved with conditions the application for Uber's affiliate Rasier-PA to offer experimental service for two years throughout Pennsylvania except in Philadelphia. At this time, neither company has met these conditions. Both companies have said they would try to meet most of the conditions.

The PUC is stressing the conditions for the insurance policies. When would the ride-sharing company's insurance company handle an incident and when would the driver's insurance company handle the incident. Some accidents would go straight back to the driver's personal insurance.

Ralph Douglass asked if all taxi companies must buy a medallion to work in Pennsylvania. Jennifer Kocher said no. Only the city of Philadelphia uses medallions.

The PUC's Bureau of Investigation and Enforcement (I&E) did a sting operation and cited 30 TNC drivers in Allegheny County. Each violation was about \$1,000, and the drivers had their licenses revoked.

Ralph Douglass asked about the list of violations. Jennifer Kocher said, at this time, there is a criminal case pending before the District Judges, and the rest are pending before the PUC for not having a license with the PUC. The TNC's must have an experimental license from the PUC, and a criminal background check done, and must be available to the PUC to do vehicle and driver check at any time.

Chad Quinn said taxis must have approval to work at airports. Do the TNCs have approval and does the PUC deal with this? Jennifer Kocher said the PUC does not have authority at airports. They would have to receive permission from the Airport Authority.

If a new taxi or limousine company wants to start in a certain area, the company must prove to the PUC there is a need in that area for their services and all vehicles must pass. The TNCs must follow this requirement to be able to operate in Pennsylvania. Shelby Linton-Keddie said the PUC's regulations for taxis and limousines vehicle age is an eight-year limit, but that regulation has just changed to 10 years and increased the mileage for each vehicle. Jennifer Kocher said the companies also can file exemptions to go past the 10-year mark.

The Uber application has been approved with conditions for two years, and Lyft is still pending but may be on the Dec. 4, 2014, Public Meeting agenda for an experimental license.

Chad Quinn said he has heard only good comments about Uber and Lyft. The vehicles are cleaner, with a faster respond time and better prices.

Michael Bannon asked if the TNC driver can set their own price. Jennifer Kocher said no, the price is listed prior to the service. But the TNCs have done a surge pricing for certain events or times. The surge pricing will be posted on the app prior to you using them.

Shelby Linton-Keddie said taxi prices stay the same, no matter the event or time of day.

Tim Hennessey said most people that used Uber and Lyft say it is a convenience issue. Plus they can rate the ride and driver. If the driver's rating is bad, they can be dropped. Chad Quinn said a picture of the driver will be sent to the rider prior to the ride, so you know who is picking you up.

Ralph Douglass asked if the cars are marked. Jennifer Kocher said no, most are not. But the PUC has told them that they need to.

PGW En Banc Hearing Update

Jennifer Kocher was asked to give an update on the PGW En Banc Hearing.

PGW is the natural gas service for Philadelphia and came under the authority of the PUC in 2002. The Commission has been concerned for a number of years due to the age of the cast iron pipe, the cost of gas to the low-income consumers that are over the 150 percent of poverty.

When the sale of PGW came up, the Commission took a step back. The Commission did not want to jeopardize the sale.

Commissioner Cawley did state PGW needs to be sold or removed from the PUC's jurisdiction since PGW is overseen by the City of Philadelphia. Chairman Powelson agreed with Commissioner Cawley's comment.

When Philadelphia City Council and the Gas Commission would not take up any legislation to help move the sale forward, the Commission decided it was time to hold a hearing on issues that needed to be handled due to safety. The cast-iron pipes are in serious need to be replaced, and the cost to do this will come out of consumer's pockets.

The Commission has established a docket number where interested parties can file written comments for consideration. The Commission will review the comments to see what the best way to move forward is.

The comment was made that PGW's low-income program is four times higher than any other natural gas company. Their program helps only those customers that are 150 percent and below the poverty level. Customers that are 151 percent and above the poverty level are the ones who must pay the cost to support PGW's Universal Service plan and other low-income programs. This creates a hardship to those who do pay their bills because they must pay for these programs that are four times higher than other utilities.

Shelby Linton-Keddie said PGW's write-off for unpaid bills is 56 percent compare to other utilities. Most customers are waiting too long to get help, and their bills are too high.

Tim Hennessey said the cost to replace PGW's pipes will be in the millions. Jennifer Kocher said yes. All the pipes are buried along with other utility companies' wires and lines. PGW

cannot move the other utility's lines so this will add additional work during the pipe replacement. This will be an added expense to the city and customers.

Harry Geller asked if the PUC has a schedule or timeframe due to the pending sale of PGW. Jennifer Kocher said a copy of the press release about the hearing is in the packets. The Commission is not looking at the sale of PGW, but rather concerns about customer costs, the low-income programs and aging pipes. In the press release are some of the issues that the PUC is concern about. The Commission has established a docket number where interested parties can comment on the concerns. The comments are due by Dec. 1, 2014.

Lee Tolbert said no one is getting answers to the major questions. It would be very helpful to look at the comments. PGW cannot continue to do what they have been doing. Lee Tolbert said he would be willing to help with any process. Jennifer Kocher said all comments are on the record and can be viewed by anyone. Just go onto the PUC's website and search for the docket number M-2014-2450704.

Harry Geller said comments for PGW are due by Dec. 1, 2014. Jennifer Kocher said yes, but they are accepting late comments due to the short timeframe. If the PUC decides to hold other hearings, there will be press releases sent out prior to the hearings.

Chapter 14, Variable Rate Complaints, Cold Weather Survey, Prepare Now Letter and Terminations & Reconnections Updates

Dan Mumford, from the Bureau of Consumer Services, was asked to give an update on Chapter 14, Variable Rate Complaints, Cold Weather Survey and the Prepare Now letter.

Dan Mumford said the terminations for October 2014 are about the same as 2013. The terminations are up about 2 percent for 2014.

The end of the regular termination season will end on Nov. 30. After Dec. 1, the winter termination rules will be in effect until March 31. The utility companies cannot terminate anyone below the 150 percent of poverty.

The utility companies are doing the cold weather survey. The company must make four attempts to contact households that were terminated during the year and see what can be done to get their service turned back on for the winter. The first three attempts can be done by a letter or a phone call. If no contact has been made, the fourth attempt must be done in person. The utility companies must send a report to the PUC by Dec. 13. The report must list how many households are still without service. The company is not required to automatically turn a household back on but to work with the customer.

On Dec. 15, the utility must supply the PUC with a list of how many households are without utility service. Shortly after that, the PUC will release those numbers in a press release.

Michael Bannon questioned why Pennsylvania American's termination numbers have dropped by 47 percent. Dan Mumford said he was not sure. There has been some concern

with those numbers and he is not sure if they are correct. There has been a call made to verify the numbers.

Harry Geller asked if the numbers could be lower due to a system change. Dan Mumford said nothing has been said. But Duquesne is going through a billing system change at this time. Normally, this does not go smooth. Duquesne could have the winter season to work all bugs out of their new system. Harry Geller asked if Duquesne mentioned what they will be doing about their terminations. Dan Mumford said Duquesne gave the PUC a waiver stating the new billing system may not show the correct balances due when the new system is activated.

Ralph Douglass said the subcommittee group has discussed terminations. How long do the terminations last? Are there deaths from the terminations? Dan Mumford said the report gives the PUC a number of consumers without service. It will list how many households are vacant, if there is another heating source and if it is an unsafe heating source. The report would list what the heat source is, such as a kitchen stove or some other heating source.

Harry Geller said he believes Ralph Douglass was referring to the length of time off, how long the household is without service. Does the PUC collect this information at all? Dan Mumford said no, that is not given. The household would have been shut off during this calendar year. Whether the collection of more data will change, the PUC is not sure.

Chad Quinn asked if a household is not reconnected during this year, there could be more households from previous years that are not listed. Dan Mumford said correct, the report is only for this calendar year.

Dan Mumford said the Commissioners have sent the Prepare Now letter to the utility company CEOs asking them to join the PUC in reaching out and educating consumers; to help get customer back on or put the customers onto the hardship funds; to do fewer terminations; to restore customer using the LIHEAP grants; and to help them get in touch with other low-income services. The utilities responded back to the Commissioners and those letters are on the website. Most of the utilities responded in a positive way. Ralph Douglass asked if the utilities volunteered anything. Dan Mumford said no, they did not.

Dan Mumford said he has a PowerPoint on the Chapter 14 updates. A copy of the presentation is in the packets.

Chapter 14 is the statutory law that is the foundation to many of the Commission's residential utility regulations. This law is adopted by the General Assembly and signed by the Governor.

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

Chapter 14 went into effect in December 2004 and will sunset in December 2014. The General Assembly did authorize Chapter 14 to continue and Gov. Corbett did sign the bill in October 2014.

As the sunset was approaching, the PUC formed an internal working group to review Chapter 14 and develop a list of possible revisions to recommend or what to do if Chapter 14 did not get reapproved.

The PUC started having meeting and hearings with the House in 2013 and had meetings with the Senate in 2014. The House acted on the bill on June 28, 2013, and the Senate made some big changes to the bill and they passed it on Oct. 8, 2014. The bill went back to the House for concurrence and was passed on Oct. 14, 2014. The Governor signed the bill on Oct. 22, 2014. The bill will go in effect after 60 days.

Dan Mumford said there are a few big changes, but most changes are relatively minor. Some of the changes are the definitions of an applicant and a customer, the public utility and a medical certificate.

On who is eligible to sign a medical certificate, a physician's assistant is now included with physicians and nurse practitioners.

Chad Quinn asked if the length of time for the medical certificate has been changed. Dan Mumford said no, it is good for 30 days and can be renewed twice, as long as the customer is paying their bill.

The wording on what a medical certificate is has been changed. The security deposit is now done in three installments in a 90-day timeframe.

The most important news is Friday terminations now are prohibited.

Utilities must report annually to the PUC on accounts that exceed \$10,000 in arrears and demonstrate what they have done to collect them. They also must report annually on the number of medical certificates and renewals submitted and accepted.

Dan Mumford said there is new language on protection from abuse orders.

The PUC's reporting requirements are every five years instead of every two years. And the new sunset date is Dec. 31, 2024. Ralph Douglass asked why the new change of years for the reporting requirements. Dan Mumford said the change is not that great. The PUC will continue to collect the information yearly and still will post the data on our website.

The revised law goes into effect on Dec. 22, 2014. There will be Secretarial Letters, rulemakings, and changes and revisions to Chapter 56.

Harry Geller asked if the Commission will ask for comments on Chapter 14 and will the Council have time to participate in the comments. Dan Mumford said it may be next year for the comments and would think the Council has time.

Michael Bannon asked if the three payments for a deposit are for new customers only. Dan Mumford said no, it is for any customer that needs to make a deposit for service.

Michael Bannon asked if the EGS and NGS are going to help cover expenses now. Dan Mumford said the PUC now can assess them to help pay for our budget. The EGS and NGS have been exempt for the last 10 years but not anymore.

Dan Mumford said the PUC is keeping a close eye on the suppliers and variable rates. The numbers of complaints that are coming into BCS are back to the normal level.

The accelerated switching will be going into effect in December. Most of the utilities have filed a waiver on the accelerated switching. PPL asked in their waiver that a customer can only switch one time for each payment period. FirstEnergy has a similar waiver. Duquesne must still get their new billing system up and running.

Legislative Update

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

House Bill 939 is Chapter 14 and has been successfully voted out of session. The Friday terminations are no longer allowed.

Tom Beene said that Dan Mumford was the Commission's lead person handling the Chapter 14 legislation.

The TNC legislation will not get through this year. This is a priority when the General Assembly returns. They did not want to rush through this and miss important information.

The One Call bill, House Bill 1607 was voted out of the House Consumer Affairs Committee and has stalled in the Senate. This bill will sunset soon, and the General Assembly must do something with it. Tom Beene said he is not sure if One Call will continue to be under the Labor and Industry control or not. Tim Hennessey asked what One Call is. Tom Beene said it is the 811 Call Before You Dig program. One Call will come out and mark the lines and pipes prior to someone digging.

Harry Geller asked about the telecommunications and variable rates bills. Tom Beene said he believes there may still be something, but is unsure in what form it will be.

Tom Beene said Fran Cleaver will be leaving and it looks like her replacement will be Travis Gery, who is currently the Commissioner of Professional and Occupational Affairs.

Tom Beene said as far as the new Governor, it will interesting to see what happens in the new year.

Council's Subgroup Report on Future Agenda Recommendations

Ralph Douglass said he sent out the notes for the Oct. 28, 2014, subcommittee conference call. Everyone can see what the subcommittee has addressed.

The one item that Harry Geller has requested is if the regular meeting minutes could be provided prior to the subcommittee meeting. This is not a requirement only a request. Tom Charles said we would see what we can do.

The next subcommittee conference call will be held on Dec. 23, 2014. There was some concern about the holidays, but everyone agreed to continue with the December date.

All Council members are welcome to join the subcommittee conference calls.

Future Meeting Topics

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 to the upcoming court cases. Tom Charles said as soon as something does happen, he would let the Council know.

The next meeting for the CAC will be held at 10 a.m. Jan. 27, 2015, in the Executive Chambers of the Commonwealth Keystone Building.

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