

Mark Kempic

President

November 14, 2013

Chairman Robert F. Powelson  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building – 3<sup>rd</sup> Floor  
400 North Street  
Harrisburg, PA 17120

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

Dear Chairman Powelson,

Columbia Gas of Pennsylvania, Inc. ("Columbia") commends the Commission for its annual "Prepare Now" campaign and for its continuous effort to promote beneficial customer outreach programs. Through this letter, I am providing a response to the Joint Commissioners' letter asking that we inform the Commission of the actions that we plan to take to assist in the "Prepare Now" campaign.

While we are pleased to see that natural gas prices continue to remain low and stable, we understand that at the same time, customers may not be prepared to handle the increased costs associated with winter utility bills. As referenced in Commissioner Brown's statement on October 31, 2013, we are committed to educating our customers, and offering programs that can help our low-income customers pay energy bills and reduce energy usage - including those whose incomes are slightly above the Universal Services Program income guidelines and who are, therefore, ineligible for assistance benefits.

Without question, we echo the Commission's commitment to promote customer outreach programs, and we embrace our responsibility to reach out to all of our customers and connect them with the tools and resources they need to stay safe and warm in their homes during the winter heating season. In response to the suggested practices outlined in the "Prepare Now" letter, Columbia's various customer assistance programs 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.**

A critical step in connecting with customers is to reach out to the communities in which they live. Throughout the year, our universal service employees regularly serve as representatives at numerous community outreach, legislative, and senior fair events, providing both general information and specific program referral information.

As an extra step to increase the awareness of our programs within the communities we serve, we invited more than 100 social service agencies and legislative offices to our regional outreach meetings.

We also see the value in preparing our employees to be ambassadors for customer programs in the communities we serve. Prior to each heating season, all employees who interact with

customers on a regular basis receive updated information on assistance programs to connect customers to the help they need. For example, our service technicians keep available program information and eligibility criteria within their trucks for easy access when responding to customer inquiries.

***LIHEAP and “Partners for Warmth”***

We continue to dedicate resources to promote the LIHEAP program. For more than 20 years, Columbia has collaborated with Equitable Gas and Peoples Natural Gas to promote LIHEAP. In 2010, this collaboration was branded as the “Partners for Warmth” campaign. “Partners for Warmth” kicked off the 2013-14 LIHEAP program through an advertising campaign and scheduled media event that featured former Pittsburgh Steeler and LIHEAP spokesperson Franco Harris.

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

To ensure that our contact center representatives are referring all eligible customers to LIHEAP, we conduct an internal awareness campaign that includes a kick-off breakfast reminding representatives of the program guidelines and promotional activities encouraging appropriate referrals. In addition, and as a continual reminder of the need to refer eligible customers, representatives are given a LIHEAP t-shirt, and are encouraged to wear it throughout the heating season.

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

To expeditiously assist customers with getting the help they need, we have a specialized group of employees at our call center 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 that declare their income as at or below the 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 that customers who need these programs are appropriately referred.

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

We recognize the need for appropriate funding for the Hardship Funds and continue to support fundraising activities. Economic conditions continue to make it difficult for our customers to contribute despite the growing need for additional funds, and we continue to look for creative ways to help fund this important program. For example, we continue to co-sponsor the Dollar Energy Fund’s annual “Warmathon,” designed to encourage the public to donate to the Hardship Funds.

Moreover, we are once 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 \$23,000 for the Dollar Energy Fund.

We have also received Commission approval to apply the proceeds of various pipeline supplier refunds to our Hardship Funds. We recognize the growing need for this funding and appreciate the Commission's support for this and other requests for additional hardship funding.

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

This year, we increased the visibility of the Hardship Fund donation by including 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 will 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.**

We continue to focus our efforts to reach customers without service as part of the 2013 Cold Weather Survey. Our outreach activities include phone calls, letters, and field visits intended to advise customers of available assistance programs to have their service reconnected. In addition, we employ customer outreach coordinators who will contact social service agencies throughout the winter to facilitate service restoration for all customers.

We also responded to the Department of Public Welfare's request this past September to review listings of customers for those that were behind on their bills. We made outbound calls to verify eligibility of these customers and assisted in getting additional funding to reduce arrearages and protect against any termination activity.

**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 an attempt 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 that they can 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 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 you 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.**

We look for ways to coordinate the referral and intake processes for all assistance programs in order to leverage the value of multiple benefits. This one-stop-shop approach helps address all customer concerns with one phone call. Likewise, we 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, 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 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 \$500,000 annually.

In an effort to offer an additional level of support, Columbia employee volunteers recently partnered with local contractors to provide complimentary clean and tune services to 44 pre-selected elderly and disabled customers. Through this initiative, we discovered seven boilers/furnaces and four hot water tanks that needed to be replaced, solved eight venting problems, and repaired one service line leak at no charge to the customer. These safety repairs were funded through our ERP.

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

We are 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 recommend the use of the third party notice to provide that extra layer of protection to avoid termination of service.

**Provide the 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 has a long and successful history providing weatherization programs to our low income customers. For more than two decades, we have been paying the costs to insulate customers' homes and install high efficiency furnaces to help customers reduce their consumption and lower their bills. We weatherize approximately 600 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 \$4.5 million annually.

***WarmWise Audits & Rebates***

For our customers with incomes between 151% and 250% of the Federal Poverty Level, 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. This past year, we modified the program to provide more flexibility in the use of our rebates. Customers 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 modified the program this year to add 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 advertising campaign in Washington and Beaver Counties, and intend to target York County over the next few months. We also launched an email campaign across our service territory to 140,000 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. Additionally, we entered into a partnership in 2013 with the Pennsylvania Housing Finance Agency (PHFA), Allegheny County, Action Housing, and local gas and electric utilities as part of an Energy Efficiency and Foreclosure Prevention Initiative (EEFPI). Together, resources were leveraged to help PHFA's low- to mid-income mortgage holders receive budget counseling and additional energy efficiency benefits to help mitigate the effects of the recession, reduce energy costs, and maintain home ownership.

***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 will send customers information on no-cost or low-cost weatherization actions, materials, and resources. We engage the services of Good Will Industries to perform the fulfillment duties of this program.

In addition, we will continue to issue "Cold Weather Minute" press releases which provide energy efficiency tips. The messages will also be posted on our web site as an additional resource. Samples of "Cold Weather Minute" press releases are attached.

Throughout the winter months we will promote energy efficiency through advertising sponsorship such as Cumulus Media's "Christmas on Us" campaign in Eastern Pennsylvania and Clear Channel's Salvation Army Red Kettle Campaign in Western Pennsylvania. Commercials will air across our service areas to educate customers about ways to save energy and heat their homes safely this winter. Commercials will also direct customers to our web site for more energy saving tips.

Once again, we are pleased to join the Commission in this important outreach effort and are proud to offer our portfolio of assistance programs and outreach initiatives to assist our customers this winter.

Should you have any questions, or need additional information, do not hesitate to give me a call at 724-416-6328.

Sincerely,



Mark Kempic  
President  
Columbia Gas of Pennsylvania, Inc.