



PHILADELPHIA GAS WORKS
Craig E. White, President & Chief Executive Officer
800 West Montgomery Avenue • Philadelphia, PA 19122



November 30, 2011

VIA FIRST CLASS MAIL

Honorable Robert J. Powelson, Chairman
Honorable John F. Coleman, Jr., Vice Chairman
Honorable James H. Cawley, Commissioner
Honorable Wayne E. Gardner, Commissioner
Honorable Pamela A. Witmer, Commissioner
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

VIA EMAIL

Grace McGovern
Pennsylvania Public Utility Commission
Bureau of Consumer Services
gmcgovern@state.pa.us

Dear Commissioners and Ms. McGovern:

PGW appreciates and supports the Commission's 9th annual "Prepare Now" campaign. The arrival of winter is a very serious matter for all of our customers, and we join the Commission in its efforts to educate customers, particularly low and fixed income customers, on the availability of programs to help heat their homes and pay their energy bills.

As evidence of our dedication to assisting customers in preparing for winter, PGW's CAP, the Customer Responsibility Program ("CRP"), is a robust program which continues to have no limit on the maximum number of participants. In every season, our customer service representatives offer CRP to all eligible customers who would benefit from the program. Also, PGW has been and will continue to engage in aggressive outreach to ensure that our low income customers know about and apply for LIHEAP. Finally, through PGW's energy conservation program, EnergySense, we have been performing substantial weatherization services on a significant number of homes of our low income customers.

Below we address the specific recommendations expressed in the Commissioners' November 3, 2011 letter:

1. Recommendation: Redoubling 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: PGW is an advocate for its CRP and engages in ongoing education of our customers about the program, and about LIHEAP and other grants which may be available to help them restore and maintain service. We offer CRP to all eligible customers who would benefit from the program and work in the community to encourage usage of low income programs. PGW recently sponsored two Customer Affairs Information Sessions and invited approximately 1,000 invitees, including the constituent services staff of elected officials and organizations that work to help consumers, to increase awareness and understanding of our various assistance programs. PGW mailed a letter about LIHEAP to, and called all of its customers whom we believed could be eligible for a grant, and has been engaged in an outreach campaign on television and the radio and in newspapers. PGW's District Offices have LIHEAP information prominently displayed throughout the common areas and workstations and offer application assistance to any customer who walks in. We also mail a LIHEAP application to any customer who calls in and requests one. We maintain a hotline number with recorded information and a webpage, which contains LIHEAP FAQs and the ability to print an application in English or Spanish.

2. Recommendation: Referring low-income customers to CAP when they call to make payment arrangements. We expect the company to do everything possible to get these customers into CAP, especially if it is a termination-related problem.

Response: When customers call to make a payment arrangement, PGW refers low-income customers to CRP. If the customer would benefit from CRP, we endeavor to get them enrolled. Through the use of brochures, bill inserts, our website and our customer service representatives, PGW actively promotes CRP.

3. Recommendation: Giving consideration to significantly increasing corporate donations to utility Hardship Funds and increasing corporation donations to other local programs that assist consumers who need help paying their utility bills. In addition, review company procedures to ensure that automatic payments and on-line payments allow for customer contributions to Hardship Funds.

Response: PGW shares one third of the administrative cost for the UESF program in Philadelphia County. In addition, PGW matches a UESF grant payment dollar for dollar. PGW solicits contributions to the Utility Emergency Services Fund (UESF) in its bill stuffer. All customers are made aware of the existence of the help that UESF can provide.

4. Recommendation: Restoring service to low-income customers upon enrollment into the company's Customer Assistance program (CAP) for the first time.

Response: Upon a consumer's enrollment into CRP for the first time, PGW requires only that the consumer pay a restoration fee in the amount of \$123.23 if service is off.

5. Recommendation: Limiting the number of terminations of confirmed low-income customers by scaling back the company's termination program as the cold weather approaches. We ask for all utilities to review their termination and reconnection procedures to allow customers, who may appear to be making a good faith effort to pay their bills to keep utility service whenever possible.

Response: As we did last season, PGW scaled back the company's termination program during the month of November. Where CRP is a means of maintaining service and avoiding shut off, or to restore service, we strongly encourage the customer to enroll.

6. Recommendation: Waiving or reducing security deposits, reconnection fees and late payment charges if they are a barrier to restoration of service or establishing a payment arrangement. Utilities have more discretion in waiving these fees than does the Commission. 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: Active CRP customers who are in default on their CRP agreement do not incur late payment charges. PGW currently waives reconnection fees for those who pay their balance in full within 30 days of termination and customers whose household income is at or below 150% of the federal poverty guidelines who pay the entire balance in full. PGW also waives the collection of a security deposit from level 1 customers, and provides one additional payment arrangement to applicants and customers who are no longer eligible for CRP, regardless of their prior payment agreement history.

7. Recommendation: Accepting any combination of LIHEAP grant, crisis grant, and Hardship Fund grant as sufficient funds to turn on or reconnect service for low-income customers. If a customer payment is also necessary, we encourage you to be as lenient as possible.

Response: PGW makes every effort to utilize grants in combination in order to restore services to low-income customers and to coordinate with UESF and LIHEAP administrators to assist with restoring low-income customers. Last winter, PGW worked with the Department of Public Welfare's county assistance office and UESF to better coordinate such grant combinations.

8. Recommendation: Exercising more leniency in establishing payment arrangement plans for all customers. Again, utilities have more discretion in making payment arrangements than does the PUC. We ask for more responsiveness to the needs of all customers.

Response: PGW is sensitive to the needs of all of its customers and, when relevant, attempts to exercise leniency in establishing payment agreements. PGW currently offers one additional payment arrangement to an applicant or customer who is no longer eligible for CRP, regardless of their prior payment agreement history.

9. Recommendation: Providing information about home heating safety and working to get customers who have been “red tagged” the assistance or information needed to help in obtaining repairs to furnaces or heating systems. Low-income customers may be referred to the LIHEAP crisis program for emergency repairs.

Response: PGW provides home heating safety information through its bill stuffers and other advertising and refers low-income customers to the LIHEAP crisis program or to the City’s “Heater Hotline” for emergency repairs. PGW continues to provide an informational card to any customer whose gas heater is shut off due to an unsafe condition or who has an inoperative heater. This card lists names and phone numbers of agencies and programs for conservation and repair services as well as grant information and information on the dangers of carbon monoxide.

10. Recommendation: Continue to promote the use of budget billing programs and third-party notification forms.

Response: PGW actively promotes the use of budget billing, and includes participation in budget billing when providing a payment agreement. Customers are educated about third-party notification through bill inserts.

11. Recommendation: Providing information to customers on how they can reduce their heating costs through conservation including information on weatherization programs available as well as cost-effective steps they can do themselves.

Response: PGW provides information on reducing heating costs through media advertising, bill stuffers, neighborhood weatherization workshops, and its own EnergySense program. EnergySense consists of six programs which have been designed to help the company’s residential and business customers save money and conserve energy. Thus far, PGW has implemented the low income weatherization program, the residential heating rebate program, and the commercial and industrial retrofit program. EnergySense’s low-income weatherization program provides free whole-home weatherization treatments to high usage customers enrolled in CRP. This new program has allowed PGW to install more significant retrofits than previously provided in every home treated, thereby conserving much more energy on a per home average basis and, in turn, increasing the reduction of the home’s

heating costs which are subsidized by the company's other firm rate-paying customers. We expect to increase the number of homes treated in this upcoming year as the program continues to ramp-up.

If you have any questions, please do not hesitate to contact me or others at PGW concerning these matters.

Very truly yours,

A handwritten signature in blue ink that reads "Craig E. White". The signature is fluid and cursive, with the first name "Craig" being the most prominent.

Craig E. White