



PHILADELPHIA GAS WORKS

Craig E. White
President and Chief Executive Officer
800 W. Montgomery Avenue, Philadelphia, PA 19122

November 9, 2012

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 would like to express our support and appreciation for the Commission's 10th annual "Prepare Now" campaign. Here at PGW, we treat the approach of the winter season as a very serious matter and strive to provide our customers, particularly our low and fixed income customers, with the necessary resources available to help aid them in preparation for the winter weather. In doing so, they will be able to obtain access to the appropriate programs needed to assist them in heating their homes and paying their energy bills.

PGW has been and will continue to engage in aggressive outreach to ensure that our low income customers are educated about LIHEAP and how to apply. In addition to our LIHEAP outreach efforts, PGW's CAP, the Customer Responsibility Program ("CRP"), is a robust program which continues to have no limit on the maximum number of participants. Throughout the year, our customer service representatives offer CRP to all eligible customers who would benefit from the

program. PGW also encourages our customers to reduce their energy consumption through conservation. We currently offer multiple energy-efficiency programs and have been performing substantial weatherization services on a significant number of homes that are occupied by our low income customers.

Below we address the specific recommendations expressed in the Commissioners' October 9, 2012 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 strives to continuously educate our customers about the special assistance programs that are available to help them restore and maintain service such as CRP and LIHEAP. Through the use of multiple communication streams such as referrals, letters, brochures, advertisements, outbound calls and LIHEAP messaging, we promote the importance of applying for these programs to all eligible customers who would benefit. PGW also works in the community to encourage application to these low income programs through the use of Customer Affairs Information Sessions. These sessions include the constituent services staff of elected officials and the staff of community organizations who work to help increase awareness and understanding of our various assistance programs. PGW has also been engaged in an outreach campaign on television, the radio and in newspapers. In PGW's District Offices, we have LIHEAP information prominently displayed throughout the common areas as well as in our workstations and we 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: PGW strongly advocates our CRP and continuously educates our customers about the program through the use of brochures, bill inserts and our website. When payment arrangement requests are received, our customer service representatives refer all of our low-income customers who would benefit from CRP to the program to enroll.

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 and matches a UESF grant payment dollar for dollar. In addition, all customers are made aware of the existence of the help that UESF can provide and PGW solicits contributions to the Utility Emergency Services Fund (UESF) in its bill stuffer.

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

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

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: PGW plans to scale back the company's termination program as we approach the cold weather season. In situations where CRP is a means of maintaining or restoring service, we strongly encourage all customers who would qualify and benefit from the program 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. If a customer is no longer eligible for CRP, PGW will provide one additional payment arrangement regardless of their prior payment agreement history. If terminated, PGW waives the collection of a security deposit for all level 1 customers.

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 our customers. We currently exercise leniency in establishing payment agreements by offering two agreements to all of our residential customers. PGW also allows one additional payment arrangement to customers who are no longer eligible for CRP, regardless of their prior payment agreement history. In addition, PGW permits customers who are enrolling in CRP for the first time to enter the program without an upfront payment.

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 our customer service representatives, CARES program, bill stuffers and other advertising and we refer 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 and through our customer service representatives.

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, and neighborhood weatherization workshops. Additionally, PGW is also continuing to voluntarily offer its Demand Side Management (DSM) portfolio of six energy-efficiency programs 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 equipment rebate program, the commercial & industrial retrofit program, the commercial & industrial equipment rebate program, and a high efficiency construction program. The final PGW DSM program will launch this coming

Spring 2013 to offer incentives encouraging comprehensive, whole-home weatherization projects to all PGW residential customers.

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

Yours truly,



Craig E. White
President & CEO

