



## PHILADELPHIA GAS WORKS

Craig E. White • President & Chief Executive Officer

800 West Montgomery Avenue • Philadelphia, PA 19122

Phone: 215-684-6051 • Fax: 215-684-6997

Email: [Craig.White@pgworks.com](mailto:Craig.White@pgworks.com)

---

November 15, 2013

### **VIA FIRST CLASS MAIL**

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

### **VIA EMAIL**

Sasha Oberheim  
Pennsylvania Public Utility Commission  
Bureau of Consumer Services  
[soberheim@pa.gov](mailto:soberheim@pa.gov)

Dear Commissioners and Ms. Oberheim:

PGW would like to thank you for your letter regarding the Commission's 11<sup>th</sup> annual "Prepare Now" campaign and extend our support for your 11<sup>th</sup> annual initiative in helping customers heat their homes and pay their energy bills. PGW understands the importance of ensuring that customers are prepared for the upcoming winter and we will continue to provide our customers, especially our low and fixed income customers, with information regarding the resources available to them so that they can be prepared. Through the use of aggressive outreach campaigns, PGW has been actively involved in educating our customers about the benefits and application processes for LIHEAP and PGW's CAP, the Customer Responsibility Program ("CRP"). CRP is a robust program which continues to have no limit on the maximum number of participants and is available to all eligible customers who would benefit from the program.

In addition to our extensive low-income outreach and education efforts, PGW also encourages all of our customers to reduce their energy consumption through conservation. Towards that goal, PGW currently offers our customers six conservation program options through our EnergySense program. As one part of this program, PGW has provided a substantial amount of weatherization services for our CRP customers.

Below we address the specific recommendations made in your October 15, 2013 letter:

1. Recommendation: 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.

Response: PGW actively promotes special assistance programs such as CRP and LIHEAP as we strive to provide our customers with the necessary resources to help them restore and maintain service. Our outreach efforts include the use of multiple communication streams, such as referrals, letters, brochures, advertisements, outbound calls, and in-person information sessions which include the staff of local community organizations and elected officials. PGW performs outreach on television and radio, and in newspapers. In PGW's District Offices, we have LIHEAP information prominently displayed throughout the common areas as well as in our representatives' workstations and we offer personal application assistance to any customer. For our customers who wish to have an application mailed to them, PGW has multiple methods through which a customer can request that either a CRP or LIHEAP application be mailed to them. We also 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: Refer low-income consumers to CAP when they call to make payment arrangements. We expect our utilities to do everything possible to get eligible consumers into CAP, especially if a termination-related problem exists.

Response: PGW continuously educates our customers about CRP and encourages enrollment through the use of our customer service representatives, brochures, bill inserts and our website. All low-income customers who contact PGW and request a payment arrangement are referred to CRP if it is determined that they will benefit from the program and are provided with information as to how to apply.

3. Recommendation: Increase corporate donations to utility Hardship Funds and other local programs that assist consumers who need help paying their utility bills. Review company procedures to ensure that automatic payments and online payments allow for consumer contributions to Hardship Funds.

Response: PGW shares one third of the administrative cost for the Utility Emergency Services Fund (UESF) program in Philadelphia County and has continued to match UESF grant payments dollar for dollar each year. In 2013, PGW contributed over \$1 million dollars to the UESF program to assist our customers in paying their energy bills. In addition, PGW has continued to perform outreach through its bill stuffer to all customers in order to ensure that they are aware of the help that UESF can provide and to encourage contributions.

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

Response: PGW customers are required to pay only a restoration fee in order to restore service upon enrollment into CRP for the first time if their service was previously terminated for non-payment.

5. Recommendation: Limit the number of terminations of confirmed low-income customers by scaling back the company's termination program as the cold weather approaches. This includes reviewing termination and reconnection procedures to allow customers who are making a good faith effort to pay their bills to keep utility service whenever possible.

Response: With the winter season approaching, PGW has begun scaling back the company's termination program. In situations where CRP is an option, our customer service representatives have been trained to encourage customers who would qualify and benefit from the program to enroll, especially in circumstances where it could assist them in maintaining or restoring service.

6. Recommendation: 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. As previously noted, 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: PGW customers do not incur late payment charges when they are actively enrolled in CRP. If a customer becomes ineligible for CRP, PGW will provide them with one additional payment arrangement regardless of their past payment agreement history. Further, in the event a low-income customer is terminated, PGW does not require a security deposit as part of their terms for restoration.

7. Recommendation: Accept 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 combine grants and coordinates regularly with both USEF and LIHEAP program administrators in order to restore service to low-income customers.

8. Recommendation: Exercise leniency when establishing payment arrangement plans for all consumers. Again, utilities have more discretion in making payment arrangements than does the Commission. When assessing whether to grant a 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.

Response: PGW is sensitive to the needs of our customers and exercises leniency when establishing payment agreements. Currently, all residential customers have the ability to enroll in two payment arrangements. If a customer is eligible for CRP, PGW does not require an up-front payment if they are applying for the program for the first time. If a CRP customer is no longer eligible for the program, PGW will grant one additional payment arrangement regardless of their past payment agreement history.

9. Recommendation: Provide customers with information about home heating safety and work to get customers who have been “red tagged” the assistance or information needed to help in obtaining repairs to furnaces or heating systems. Refer low-income customers to the LIHEAP crisis program for emergency repairs.

Response: PGW continues to provide home heating safety information to our customers through various methods, such as our customer service representatives, CARES program, bill stuffers and other advertising. If a customer’s gas heater is shut off due to a hazardous condition or because it is inoperative, PGW provides an informational card which lists the names and phone numbers of agencies and programs where they can receive conservation and repair services, as well as information regarding the dangers of carbon monoxide. In addition, when an emergency repair is needed, our low-income customers are referred to the LIHEAP crisis program or to the City of Philadelphia’s Heater Hotline.

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

Response: PGW is constantly striving to promote the use of our budget billing and to educate customers about the benefits of a more even monthly bill. In regards to third-party notification, our customers are notified of the third-party option through the use of our bill inserts, website and customer service representatives.

11. Recommendation: Provide information to consumers 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 a number of media sources, including bill stuffers and neighborhood weatherization workshops. Additionally, PGW continues to voluntarily offer its EnergySense conservation portfolio, which provides six conservation programs to help the company’s residential and business customers save money and conserve energy. As of this summer 2013, PGW has fully launched its entire portfolio of conservation programs - an expanded low-income weatherization program, a residential heating equipment rebate program, a commercial & industrial retrofit program, a commercial & industrial equipment rebate program, a high efficiency construction program, and, most recently, a home rebates program which provides incentives to encourage comprehensive, whole-home weatherization projects to all PGW residential customers.

We appreciate the opportunity to support your Prepare Now campaign. Please do not hesitate to contact me concerning the above if you have any questions or concerns.

Sincerely,



Craig E. White  
President & Chief Executive Officer