

## Philadelphia Gas Works

# Universal Service and Energy Conservation Plan 2014-2016

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Philadelphia Gas Works  
800 W. Montgomery Avenue  
Philadelphia, PA 19122

June 1, 2013<sup>1</sup>

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<sup>1</sup> Updated on September 22, 2014 pursuant to Final Order entered August 22, 2014 at Docket No. M-2013-2366301.

## **I. Introduction**

Pursuant to 52 PA Code § 62.4, Philadelphia Gas Works ("PGW") hereby submits its proposed Universal Service and Energy Conservation Plan ("USEC" or "Plan") for the period from January 1, 2014 to December 31, 2016. PGW last submitted a Plan, for 2008-2010, on June 1, 2007. Pursuant to that Plan, as approved, PGW increased the minimum CRP payment from \$18/month to \$25/month and the arrearage forgiveness customer co-pay from \$3/month to \$5/month. A Plan for 2011-2013 was not submitted, for the reasons described below. In addition, impacts and modifications for PGW's Low Income Usage Reduction Program ("LIURP") are addressed in a separate proceeding, as explained below. This Plan was submitted on June 1, 2013 and has been revised to reflect requirements set forth in a Final Order entered August 22, 2014 at Docket No. M-201302366301.

### **i. CRP and LIHEAP Cash Grant Application**

Historically, LIHEAP cash grants were applied collectively to the actual, unpaid usage of all Customer Responsibility Program ("CRP") customers. However, on October 22, 2009, the Public Utility Commission ("PUC") issued an Order at Docket No. M-00072021 approving a settlement agreement ("Settlement") that permitted PGW to amend its 2008-2010 Plan to apply LIHEAP Cash grants to the "asked to pay" bill amount on CRP customers' bills, in compliance with a Pennsylvania Department of Public Welfare ("DPW") directive ("Directive"). Pursuant to the Settlement and related Order, PGW agreed to file a petition to propose any additional changes to its CRP which it believed were necessary in light of the Directive. As CRP is a significant part of PGW's Universal Services, PGW sought a delay in the filing of its 2011-2013 Plan. On November 19, 2010, at Docket No. P-2010-2178610, the Commission granted PGW's request to delay the filing of its 2011-2013 Plan. This Plan was to be filed within thirty (30) days of a final Commission Order approving or rejecting a petition to modify the CRP program.

The petition to modify CRP was filed on June 4, 2010 at Docket No. P-2010-2178610 ("June Petition"). As had been agreed in the Settlement, in the June Petition PGW sought to make modifications to CRP in light of the Directive. However, DPW submitted a letter in the June Petition docket objecting to certain of those modifications and the June Petition proceeding was subsequently stayed. By Order dated June 30, 2011, PGW was directed to file a revised petition within sixty (60) days of obtaining clarification from DPW regarding LIHEAP cash grant application. PGW has not yet received such clarification.

In DPW's fiscal year 2013 LIHEAP State Plan ("State Plan")<sup>12</sup>, at section 601.45, DPW set forth an alternative LIHEAP grant application that would allow public utilities that operate CAPs based on a Percent of Income Payment Plan (PIPP) model, such as CRP, to apply the LIHEAP cash component benefits to the customer's CAP credit based on guidelines set forth in the State Plan. To PGW's knowledge, as of the filing of

<sup>12</sup> This alternative is ~~was~~ also included in the proposed fiscal year 2014 LIHEAP State Plan.

this Plan, DPW has not yet received approval from the Department of Health and Human Services ("HHS") of section 601.45 of the LIHEAP state plan and it is our understanding that HHS has raised some concerns regarding this section. ~~If DPW receives such approval or consent, PGW will implement the alternative application as described in section 601.45. Until an alternative method has been accepted, PGW will continue to apply LIHEAP grants to CRP customers' "asked to pay" bills and if PGW proposes to modify this process, it will file and serve a Plan amendment.~~

ii. LIURP

In accordance with the Joint Petition for Settlement at Docket Nos. R-2009-2139884 and P-2009-2097639 ("Petition for Settlement"), which was approved by the Commission by Order entered July 29, 2010, PGW implemented a Demand Side Management ("DSM") program which is currently approved to run through August 31, 2015. Under the DSM, the Enhanced Low Income Retrofit Program ("ELIRP") replaced and expanded PGW's prior LIURP Conservation Works Program and began providing free energy conservation services for CRP customers on January 1, 2011. PGW is in the process of performing an impact evaluation of ELIRP and will address the performance and continuation of ELIRP at Docket Nos. R-2009-2139884 and P-2009-2097639 in its forthcoming DSM filing or, with respect to continuation, by amendment to this Plan. The ELIRP proposal which will be filed as part of the DSM dockets will be provided to the Bureau of Consumer Services.

iii. Impact Evaluation

In support of this Plan filing, PGW contracted with Apprise, Inc. to perform an impact evaluation ("Evaluation") of the current Universal Services Programs. The evaluation was completed and submitted to the PUC's Bureau of Consumer Services ("BCS") on December 1, 2012 and is attached hereto as ExhibitAppendix "A." Apprise's findings and recommendations from the Evaluation have been incorporated into this Plan. In addition, BCS reviewed the Evaluation and provided feedback, which has been considered in submitting this Plan.

iv. Cost Recovery

Pursuant to its approved Tariff, PGW recovers the costs of the discounts provided to customers pursuant to CRP and the Senior Citizen Discount; the costs of ELIRP; and arrearage forgiveness provided to CRP customers through a Universal Service and Energy Conservation Surcharge.

**II. Summary of Modifications**

Based on program experiences and recommendations in the Evaluation, PGW intends to make enhancements and modifications in its Universal Services programs that will encourage customer responsibility and provide additional incentives and services for low income customers. These modifications are as follows:

1. CRP stay-out provision – PGW will not allow re-enrollment of a customer into the CRP program (for a one-year period unless specifically identified otherwise below), if the customer:
  - i. Has him/herself removed from CRP even though based on household size and income they are still eligible for the program and it is more affordable than the budget billing/payment arrangement.
  - ii. Refuses access to the meter (stay-out until access is granted)
  - iii. Commits two or more incidents of unauthorized usage
  - iv. Submits fraudulent enrollment or re-certification information/documentation
  - v. Refuses free ELIRP weatherization services from PGW (stay-out until services are accepted); this is a current process that is set forth in PGW's Tariff Section 13.1.B.5 and has been provided for clarification only. The process is as follows:
    - i) Cases that are rejected by program contractors due to pre-existing conditions in the home, rather than customer refusal to accept services, are not affected by the stay-out. The following circumstances may result in the contractor not weatherizing a home: health, safety and structural issues identified by contractors in the pre-screening or audit process, such as roof leaks, mold, bed bugs, asbestos; lack of opportunity for cost-effective energy savings due to previous weatherization.
    - ii) If a customer or the contractor informs PGW that they cannot permit work to be done for either of the following reasons, then the customer will not be removed from CRP but may be contacted again in the future for treatment:
      - i. Serious illness of a household member; or
      - ii. Landlord refusal; or
      - iii. Other severe circumstance outside of the customer's control, and deemed as valid by PGW.
    - iii) All other situations involving CRP customers refusing to accept ELIRP services will result in multiple communications to the customer reminding them of their CRP obligations. If services continue to be refused, the customer will be removed from CRP and not allow re-enrollment until the LIURP services have been accepted.
2. Treatment of unauthorized usage charges: – PGW's policy for unauthorized usage will be applied in the same manner to all customers including those enrolled in CRP (i.e. the customer is responsible for the entire unauthorized usage amount and must pay this amount for restoration of service).
3. Conservation incentive credits – In order to stimulate CRP customers to reduce energy consumption, PGW will provide a ~~bill credit of \$100~~ incentive to CRP customers who achieve usage reduction as The initial proposal for the incentive is described below; however, PGW will convene a stakeholder process to ascertain if there are additional steps that can be taken to make the incentive more effective. PGW will develop a means of tracking and verifying the effectiveness of the conservation incentive program as part of these stakeholder

meetings. Any agreed upon modifications resulting from the process would be submitted by amendment to this Plan for consideration and approval by the Commission.

- a. i-CRP customers who did not receive PGW provided weatherization services in the prior two (2) years (using November as the start of the 2 year look back), but reduced their weather normalized usage by ten percent (10%) or more during the current November through April period (compared to the weather normalized usage between the prior November through April period), will receive a One Hundred Dollar (\$100) Incentive credit on their bill.
- b. ii-CRP customers who received PGW provided weatherization services in the prior two (2) years (using November as the start of the 2 year look back), and reduced their weather normalized usage by twenty percent (20%) or more during the current November through April period (compared to the weather normalized usage between the prior November through April period), would receive a One Hundred Dollar (\$100) Incentive credit on their bill.
- c. iii-PGW will run a query each April to compare gas consumption of CRP customers for the November to April period with usage during that time period the previous year. Usage would be weather normalized and only customers who were on CRP for the entire November to April time period would be potentially eligible for the Incentive.

- 4. LIURP Eligibility: Customer Bill Payment Practices - PGW will exclude from its LIURP eligibility determination the CRP customer's bill payment practices.
- 5. 4-Enhancements to employee training, fraud detection, quality control and intake processes – PGW will supplement existing controls for CRP and provide additional fraud detection, quality control, improved intake processes, and training for its employees.
- 6. 5-Targeted outreach activities – For the two populations described below, PGW will provide information about CRP and other assistance programs through expanded outreach efforts that may include outbound calls, direct mail, and community presentations to targeted groups:
  - a. Low-income customers not enrolled in CRP
  - b. Low-income customers who receive the senior citizen discount, but who may benefit from enrollment in CRP
- 7. 6-CARES enhancements – PGW will expand its CARES program by making enhancements that will allow PGW the ability to track and document referrals to external services and organizations.
- 8. Modified Arrearage Forgiveness - By January 2016, PGW will implement a change to allow CRP customers to begin to receive arrearage forgiveness whenever they pay their monthly CRP amount on time and in full regardless of their existing CRP arrearage.

9. Application of Overpayments - By January 2016, all payments made by CRP customers that are in excess of their "asked-to-pay" amount will be applied to any missed monthly CRP charges. Payments in excess of the monthly CRP charges will be credited to future CRP bills.
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### III. Universal Services Programs and Modifications

#### **Customer Responsibility Program**

Description - CRP is a low-income payment assistance program available to any residential customer with gross household income at or below 150% of the Federal Poverty Level (FPL). Participants do not need to demonstrate that they are "payment troubled." There is no restriction on the number of customers on CRP and no usage limitations. Customers may apply for CRP by mail or in person at one of six PGW Customer Service Centers. As of March 31, 2013, there were 76,151 participants enrolled in CRP.

Eligible customers can have more than one active PGW account, but only one account can be enrolled in CRP and it must be the customer's primary residence. CRP customers are required to pay a fixed monthly bill that is based on household size and income, plus \$5 co-pay toward pre-program arrears if there are any.

Participants receive a discount that is the difference between the costs for actual usage, minus the CRP budget amount. For each monthly payment made on time and in full, the customer receives forgiveness of 1/36<sup>th</sup> of the original amount of arrears at the time of enrollment in the program. CRP customers may also receive free conservation services through ELIRP. The subsidy and forgiveness cost of CRP is recovered through the Universal Service Surcharge that is paid by all firm customers, including commercial and industrial.

The goals of CRP are to provide an affordable payment plan for low-income customers, assist low-income customers in avoiding termination of service, improve payment behavior, and reduce collections costs. The objectives of CRP are balanced against the impact of the CRP subsidy and arrearage forgiveness costs paid by non-CRP customers.

The responsibilities of CRP customers include:

- Make timely payments in full
- Apply for LIHEAP each year and assign the grant to PGW
- Report any changes to household size and/or income
- Recertify household size and income each year (customers who receive a LIHEAP grant and assign it to PGW are given a one-year waiver from the recertification requirement, but must recertify the following year)
- Accept ELIRP services if offered by PGW
- Authorize PGW to use external sources (e.g., government records, credit reporting bureaus, and third party income verification sources) to verify household composition and income

CRP/Low-Income Customer Needs Assessment – To assess low-income customer needs, PGW uses internal data to determine the number of identified low-income customers and Census data to estimate the number of low-income customers. Both internal data and Census data show that roughly one-third of PGW's residential customer base is eligible for CRP; that is, they are a residential customer whose gross household income is at or below 150% of the FPL. However, as CRP is a percent-of-income program, it is important to note that not all customers who meet the income eligibility criteria to participate in CRP should enroll in the program because for some the CRP monthly payment would be higher than the average monthly bill (i.e. the budget bill/payment agreement).

A. Number of identified low-income customers and an estimate of low-income customers:

The table below shows the estimated number of PGW residential customers eligible for CRP in the years 2009 through 2012, using internal PGW data.

Households	2009	2010	2011	2012
Average monthly count of residential customers	480,908	479,565	479,284	479,889
Estimated number of CRP-eligible customers <sup>23</sup>	155,130	159,003	163,836	156,747
Percent of residential customers eligible for CRP	32%	33%	34%	33%

The tables below show data from the U.S. Census Bureau that, in terms of percentages, align well with estimates created by using internal PGW data. The U.S. Census Bureau estimates the ratio of income to poverty using the definition of a "family."<sup>34</sup>

Families	2009	2010	2011
Total families	312,138	309,009	305,667
Families at or below 150% FPL	92,821	98,844	100,959
Percent of families at or below 150% FPL	30%	32%	33%

Individuals	2009	2010	2011
Total population	1,499,474	1,487,471	1,492,682
Population at or below 150% FPL	540,056	572,905	589,827
Percent of population at or below 150% FPL	36%	39%	40%

<sup>23</sup> The estimated number of CRP-eligible customers is determined by counting all active CRP customers, all non-CRP customers who receive a utility grant, and all non-CRP customers who have enrolled in a low-income payment arrangement.

<sup>34</sup> The U.S. Census defines "family" as a group of people related by birth, marriage, or adoption.



These data show that the percentages of families in PGW's service area (Philadelphia County) at or below 150% of the FPL are very similar to the percentages of PGW residential customers who are estimated to be at or below 150% of the FPL.

**B. Number of identified and estimated payment troubled, low-income customers**

The table below shows the number of identified payment troubled, low-income customers in the years 2009 through 2012, as reported in the Annual Universal Service Programs & Collections Performance Report. The number of identified customers is also the estimated number.

	2009	2010	2011	2012
Average monthly count of residential customers	480,908	479,565	479,284	479,889
Average monthly number of identified payment troubled, low-income customers	26,219	24,727	22,606	22,687
Percent of all residential customers	5.5%	5.2%	4.7%	4.7%

**C. Number of customers who still need LIURP and the cost to serve that number.**

ELIRP is an integral part of CRP because it helps reduce the subsidy cost of CRP. Only CRP customers are eligible for ELIRP services. Assuming that all CRP customers are eligible for ELIRP leads to a substantial ELIRP needs assessment. However, it should be noted that currently additional criteria are used to prioritize ELIRP services, as described in the ELIRP section of this Plan.

As of March 31, 2013, there were 76,151 customers enrolled in CRP. Using data reported in the Annual Universal Service Programs & Collections Performance Report, PGW completed 4,526 ELIRP treatments in 2011 and 2012 at an average cost of \$2,229 each (the average has been calculated using both comprehensive and limited treatments). Assuming that all CRP customers are potentially eligible for ELIRP, the estimated number who still need treatment as of March 31, 2013 is 71,625, which is the difference between the number of customers currently enrolled in CRP and the number who received treatment in the prior two years. At an average cost of \$2,229 per treatment, the estimated cost to serve these 71,625 customers is \$159,652,125.

CRP Outreach and Intake Efforts – The objective of CRP is to provide an affordable utility bill for low-income households. To achieve the CRP objective, PGW employs various outreach methods to inform customers about CRP, including referrals from our customer service representatives, direct mail, community presentations, bill messages, and partnerships with community organizations and social service agencies throughout Philadelphia. In order to reduce the impact of CRP subsidy and arrearage forgiveness costs on non-CRP customers, PGW coordinates ELIRP with CRP to provide free energy conservation services to active participants in CRP. These services are described in more detail in the ELIRP section below.

CRP Eligibility – Eligibility for CRP has two primary components: (1) Household size and income determines if the household is income eligible, and (2) the most affordable payment test determines if CRP offers the most affordable payment.

Any customer whose household income falls at or below 150% of the FPL is income-eligible for participation in CRP. The table below shows the current percentages of income applied. For example, a 2-person household whose gross monthly household income was \$1,200 would fall in the 9% of income category and would have a monthly CRP bill that is 9% of their gross monthly household income, or \$108 per month.

2013 FPL	Maximum gross monthly household income by household size				
Percent of income	1	2	3	4	each addtl
8%	\$479	\$646	\$814	\$981	\$168
9%	\$958	\$1,293	\$1,628	\$1,963	\$335
10%	\$1,436	\$1,939	\$2,441	\$2,944	\$503

However, if the monthly CRP payment is higher than the payment the customer would need to make under the most affordable budget/payment arrangement plan for which they are eligible, then they are not eligible for CRP because the CRP payment would result in a higher monthly bill.

The minimum monthly asked to pay amount for a customer enrolled in CRP is \$25, not including the \$5 co-payment towards the pre-program arrears.

Enrollment in CRP is disallowed for the following reasons, all of which are current practices:

- Already enrolled in the senior citizen discount program
- Single-meter serving a multi-unit property
- Only the customer of record's primary residence can be enrolled in CRP
- Premise in which a business is operating

CRP Projected Enrollment – PGW projects the average monthly enrollment in CRP to be 76,042 in approximately 70,586 by the end of the calendar year 2014

through and increase to approximately 76,008 by 2016. This projection is based on enrollment trends and future outreach for CRP.

#### CRP Components -

- (1) CRP discounted bill – the customer's "asked-to-pay" amount is a percentage of income calculation determined by household size and income in relation to the FPL. The difference between the asked-to-pay amount and the actual bill based on usage is called the CRP subsidy.
- (2) Arrearage forgiveness – At the time of enrollment in CRP, a customer's total arrearage is "frozen," or separated from their asked-to-pay bill, and then forgiven at a fixed rate of 1/36<sup>th</sup> per month for each month that the customer pays ~~the~~their monthly CRP asked-to-pay amount ~~on time and in full regardless of their existing CRP arrearage.~~<sup>5</sup> This forgiveness provides an incentive to make ~~timely payments and develop good payment habits of~~ at least their CRP monthly amount. In addition to the forgiveness offered, the customer is required to pay \$5/month toward the reduction of any frozen arrears. The \$5/month co-payments made by CRP customers are applied towards the customers' pre-program arrearage only and are handled differently by PGW than the 1/36<sup>th</sup> arrearage forgiveness for accounting purposes. The \$5/month co-payment made by CRP customers are directly applied against their pre-program arrearage but is not linked to the same accounting tracking mechanism as the program forgiveness. In contrast, when the 1/36<sup>th</sup> forgiveness is applied to a customer's account, the transaction is linked to a specific general ledger account connected with the company's Universal Service and Energy Conservation surcharge ("USC Surcharge"). This process ensures that the company identifies and recovers only the 1/36<sup>th</sup> arrearage forgiveness through the USC Surcharge.

CRP Intake Process – PGW customers can apply for or re-certify enrollment in CRP by mail or in person at any of our six customer service centers. When a customer applies for CRP, he/she must provide proof of income for the prior 30 days for all household members ~~and~~. PGW also requests a copy of the social security card for each household member listed on the application; when applying in person. If the customer does not have a copy of the social security card, or the customer refuses to provide the social security number, PGW's requirements will differ depending on the age of the household member, as follows:

- (i) for an adult household member, PGW will agree to accept some other form of identification that can be documented, such as a state issued Driver's License number or an Individual Tax Identification

<sup>5</sup> By January 2016.

Number. For fraud prevention purposes, PGW may require documentation supporting this number as part of our periodic review of CRP applications;

(ii) for a non-adult household member, PGW will accept a government/school issued form of identification showing residency, such as a school roster or public assistance benefits letter.

PGW will require a copy of the social security card for each household member as part of our periodic review of CRP applications to prevent fraud (rather than requiring them at the time of application).

When a customer submits an application for CRP by mail, the application is reviewed for completeness and eligibility.

- Incomplete applications are returned to the customer with an explanation of what is needed to complete the application.
- Customers who are ineligible for CRP are sent a letter explaining why they are ineligible.
- Customers who are eligible for CRP are sent a letter describing the monthly CRP payment and their responsibilities for staying in the program.

Customers who report zero income and no other means of financial support are asked to complete an assessment, in addition to the CRP application, to describe how they meet basic expenses for food, housing, and utilities. PGW does not require documentation of these expenses for application; and will require only documentation of housing costs as part of its periodic review of CRP applications to prevent fraud.

If the assessment completed by the customer indicates some form of ongoing, discrete financial support (e.g., a family member pays the rent), then the amount of that support will be counted as income. If the assessment does not indicate any ongoing and discrete financial support, the customer will be placed on the CRP program for the minimum payment of \$25, plus a \$5 co-pay toward pre-program arrears, if any, assuming they are otherwise eligible for CRP. In a form of recertification, the customer will be required by letter to provide an update on their income every 6 months for as long as they report zero-income, to determine if their income or their means of meeting everyday living expenses has changed and their CRP agreement terms should be modified.

CRP Control Features – At the time of application or recertification, PGW ensures that enrollment in CRP provides the most affordable payment by comparing the customer's projected monthly CRP amount to a monthly amount for other payment arrangements for which the customer is eligible. If a payment arrangement other than CRP provides a lower monthly payment, the customer should not be enrolled in CRP. Instead, PGW offers the more beneficial payment arrangement. Once enrolled, PGW monitors CRP

customer accounts daily to ensure compliance with the terms of the program (e.g., eligibility, good payment habits, etc.).

PGW randomly selects applications of customers who are already enrolled in CRP for additional review and evaluation to ensure compliance with program policies.

CRP subsidy costs are managed through the provision of ELIRP. In addition, customers receive education and outreach regarding energy assistance grants and energy conservation.

CRP Recertification – CRP participants are required to recertify annually. This requirement is waived for one year for customers who receive a LIHEAP grant and assign it to PGW. However, they must for each customer who is granted a waiver from the recertification requirement, PGW will review their account to ensure that CRP is still the most beneficial payment available to them. The recertification waiver is limited to once every two years, so if the customer receives a LIHEAP grant in successive years, they will need to recertify their CRP agreement in the second year, even if they receive a LIHEAP grant that year.

CRP Provisions for Non-Compliance – CRP customers who do not comply with the program requirements related to eligibility and payments can fall into a status of default, broken, suspended, or inactivated.

- (a) Default status – CRP customers who fall 30 days or more behind in their monthly CRP payment are placed into default status. A customer in default status will continue to be billed the monthly CRP amount and continue to receive the CRP discount, but they will not receive arrearage forgiveness in the months they are in default. Once all past due CRP monthly bills are paid in full, their status will return to active and they will begin receiving arrearage forgiveness.
- (b) Broken status – CRP customers whose service is terminated for non-payment are placed in broken status. At that time, all past due CRP dollars and whatever debt remains in frozen arrears become due. To restore service and re-enroll in CRP, the customer must re-apply for CRP and be determined eligible, and must pay the past due CRP bills in full, plus the reconnection fee, and if applicable a dig fee. No deposit is required. After the customer makes this up-front payment, all other monies, including the prior frozen arrears amount are placed into frozen arrears and then forgiven on a schedule of 1/36<sup>th</sup> per month.
- (c) Suspended status – CRP customers who fail to re-certify their household size and income are placed in suspended status. While

they are in suspended status, they no longer receive the CRP discount and arrearage forgiveness. Also, the remaining balance of frozen arrears becomes due in full. Customers who want to re-enroll in CRP must re-apply. If eligible, they must pay any past due CRP amounts and they will then be re-enrolled. All other dollars that are due at that time are placed in frozen arrears and forgiven at a rate of 1/36<sup>th</sup> per month.

- (d) Inactive status – CRP customers can be placed into inactive status for failing to report all household income, if they voluntarily ask to have their CRP agreement inactivated, or if they are determined at recertification to no longer be eligible.

CRP and Application of LIHEAP Cash Grants - LIHEAP Cash grants ("LIHEAP grants") received on behalf of CRP customers are applied to the customer's asked-to-pay amount. When the LIHEAP grant is applied, if the grant is greater than the current CRP bill amounts due the balance is left as a credit to be applied to future bills. ~~As indicated in Section I above, if DPW's section 601.45 alternative application for LIHEAP grants is approved, PGW will implement this alternative application. Until an alternative method has been accepted, PGW will continue to apply LIHEAP grants to CRP customers' "asked to pay" bills.~~

CRP Modifications – Based on PGW's experiences and the Evaluation, PGW intends to implement the following modifications to CRP:

1. Stay out provisions - PGW will not allow re-enrollment of a customer into the CRP program for a stay-out period (unless specifically identified otherwise below, for a one-year period of time) if the customer:
  - a. Has him/herself removed from CRP even though based on their household size and income they are still eligible for the program and it is more affordable than budget billing/payment arrangement. The purpose of this modification is to prevent customers from exiting CRP in the summer to obtain a lower monthly bill, then re-enrolling in CRP in the winter.
  - b. Refuses access to the meter (stay-out until access is granted). The purpose of this modification is to ensure that PGW has access to the meter as required under regulation.
  - c. Commits two or more incidents of unauthorized use of utility service ("UU"), as defined in 52 Pa. Code § 56.2. The purpose of this modification is the same as described in section 2, "Treatment of UU," below.
  - d. Submits fraudulent enrollment or re-certification information/documentation. The purpose of this modification is to ensure program integrity and that only eligible customers are served.

- e. Refuses free ELIRP weatherization services from PGW (stay-out until services are accepted). The purpose of this modification is to ensure that high users receive conservation services. This requirement is not a modification to CRP – it is currently a requirement of the CRP program and has been described here for clarification purposes only. The process is as follows:
  - i. Cases that are rejected by program contractors due to pre-existing conditions in the home, rather than customer refusal to accept services, are not affected by the stay-out. The following circumstances may result in the contractor not weatherizing a home: health, safety and structural issues identified by contractors in the pre-screening or audit process, such as roof leaks, mold, bed bugs, asbestos; lack of opportunity for cost-effective energy savings due to previous weatherization.
  - ii. If a customer or the contractor informs PGW that they cannot permit work to be done for either of the following reasons, then the customer will not be removed from CRP but may be contacted again in the future for treatment: Serious illness of a household member; landlord refusal; or other severe circumstance outside of the customer's control, and deemed as valid by PGW.
  - iii. All other situations involving CRP customers refusing to accept ELIRP services will result in multiple communications to the customer reminding them of their CRP obligations. If services continue to be refused, the customer will be removed from CRP and not allow re-enrollment until the ELIRP services have been accepted.

2. Treatment of UU – UU, as defined in 52 Pa. Code § 56.2, could present a serious threat to public health and safety. Currently, if UU is discovered in the home of a customer on CRP, PGW calculates the unbilled UU amount and transfers that amount to the customer's frozen arrears. However, this policy does not adequately discourage UU. PGW proposes to terminate service and require full payment of the UU amount prior to service restoration and prior to re-enrollment in CRP, consistent with its practices for non-CRP customers. In 2012, PGW discovered UU on 34 active CRP accounts.

3. Conservation incentive credits – Pursuant to the Petition for Settlement, as approved by PUC Order, PGW agreed to, and did, include in the June Petition a ~~proposal to create a “positive incentive” attempting to encourage conservation by CRP participants. In order to stimulate CRP customers to reduce energy consumption, PGW will provide a bill credit of \$100 to CRP customers who achieve usage reduction as described below: The initial proposal for the incentive is described below; however, PGW will develop a stakeholder group for additional input into implementing an incentive as effectively as possible and expects it likely will have resulting modifications which would be submitted by amendment to this Plan for consideration and approval by the Commission. PGW will develop a means of tracking and verifying the effectiveness of the conservation incentive program as part of these stakeholder meetings.~~
- i. CRP customers who did not receive PGW provided weatherization services in the prior two (2) years (using November as the start of the 2 year look back), but reduced their weather normalized usage by ten percent (10%) or more during the current November through April period (compared to the weather normalized usage between the prior November through April period), will receive a One Hundred Dollar (\$100) Incentive credit on their bill.
  - ii. CRP customers who received PGW provided weatherization services in the prior two (2) years (using November as the start of the 2 year look back), and reduced their weather normalized usage by twenty percent (20%) or more during the current November through April period (compared to the weather normalized usage between the prior November through April period), would receive a One Hundred Dollar (\$100) Incentive credit on their bill.
  - iii. PGW will run a query each April to compare gas consumption of CRP customers for the November to April period with usage during that time period the previous year. Usage would be weather normalized and only customers who were on CRP for the entire November to April time period would be potentially eligible for the Incentive.
4. Enhancements to employee training, fraud detection processes, quality control and intake processes – PGW will supplement and enhance existing controls to identify fraud, and will take samples of CRP applications to review more intensively for potential fraud (e.g. receiving income that has not been reported on the CRP application). PGW will also review current documentation it requires from CRP applicants to ensure that it is utilizing the most appropriate documents and practices and will review recertification timeframes. In addition, PGW will engage in enhanced employee monitoring, training and re-training – all of which will be designed to increase customer participation in CRP and to ensure that customers receive sufficient education regarding CRP and other available



programs – and seek improvements to its intake processes that will lead to more efficient, streamlined enrollment and tracking practices.

5. Targeted outreach activities – For the two populations described below PGW will increase its use internal data, census data, and mapping software to target outreach efforts to specifically target these groups directly to customers who have an indication of eligibility for CRP and to geographic areas that have a higher incidence of poverty. The goal is to provide information about CRP and other assistance programs to the customers who are most likely to be eligible. Outreach may efforts are expected to include outbound calls, direct mail, community presentations to targeted groups and other advertising efforts in low-income communities, referrals from customer service representatives, use of social media, advertising campaigns, and other methods PGW expects to be effective based on discussions with stakeholders and feedback from community presentations.
  - Low-income customers not enrolled in CRP
  - Low income customers who receive the Senior Citizen Discount— this group has been included because some of these customers might receive a more beneficial payment under CRP.

CRP outreach will be an ongoing, year round effort with regard to customers who call PGW or visit one of our customer service centers to seek assistance with paying their bill. At each of these encounters, an assessment is made to determine eligibility for CRP and if enrollment will provide a more affordable payment. This is the most effective form of outreach. Community presentations, website information, and signage in our customer service centers will serve as other channels for ongoing, year round outreach.

PGW will perform a targeted outreach campaign to bring the message about CRP directly to potentially eligible customers and low-income communities, based on internal PGW data and census data. By the end of 2014, PGW expects to identify at least 10,000 customers who are potentially eligible for CRP to include in the campaign and at least 15,000 customers in each year following. Each campaign will be evaluated for effectiveness and lessons learned will be used to improve successive campaigns. PGW's outreach will specifically include customers who have had any indicia of low income status in the prior two years, such as a prior CRP customer, low income PAR, and a LIHEAP recipient who is on a payment agreement or in debt.

6. Modified Arrearage Forgiveness- By January 2016, PGW's CRP customers will begin to receive arrearage forgiveness whenever they pay their monthly CRP amount on time and in full regardless of their existing CRP arrearage. This change, once implemented, is expected to increase

the company's CRP Arrearage Forgiveness budget which is covered through its USC Surcharge by approximately \$4.9 million dollars annually.

7. Application of Overpayments- By January 2016, all payments made by CRP customers that are in excess of their "asked-to-pay" amount will be applied to any missed monthly CRP charges. Payments in excess of the monthly CRP charges will be credited to future CRP bills.

CRP Estimated Budget – As described in Section I of this Plan, CRP discounts and arrearage forgiveness are funded through the Universal Service and Energy Conservation Surcharge that is paid by all firm customers. The table below provides an estimate for 2014-2016 CRP administrative costs, CRP discounts and arrearage forgiveness, and participation levels. The CRP discounts, arrearage forgiveness, and participation levels are projections based on the prior three calendar years of actual data and incorporates future outreach efforts.

Customer Responsibility Program	2014	2015	2016
Administrative costs	\$446,000 <sup>4</sup> 44,000	\$446,000 <sup>4</sup> 54,500	\$446,000 <sup>4</sup> 32,500
CRP Discount	\$59,193.15 759,426.56 7	\$59,193.15 767,885.88 0	\$59,193.15 764,143.14 5
Arrearage Forgiveness	\$6,843,750 6,183,316	\$6,843,750 6,370,700	\$6,843,750 11,344,700
Total costs	\$66,482.90 766,053.88 3	\$66,482.90 774,711.08 0	\$66,482.90 775,920.34 5
Average monthly participation	76,042 <sup>70.5</sup> 86	76,042 <sup>75.8</sup> 42	76,042 <sup>76.0</sup> 08

### **Low-income Usage Reduction Program (ELIRP)**

The LIURP component of PGW's Universal Services Plan is fulfilled through ELIRP. ELIRP was launched in January 2011 and it replaced the function and purpose of the Conservation Works Program (CWP) as PGW's LIURP.

ELIRP Description – ELIRP provides free, in-home weatherization and energy conservation education services for customers enrolled in CRP. ELIRP seeks to make the homes of CRP customers more energy efficient, which improves comfort and reduces the subsidy cost. Currently, ELIRP utilizes three independent conservation service providers (each a "CSP") to provide services and adjusts contract amounts based on performance. This strategy adds a component of competition among the CSPs. Each CSP is evaluated semi-annually for its ability to yield energy reductions and generate cost savings. Work is re-allocated based on performance and is inspected and audited by an independent party for completeness and quality assurance.

The first impact evaluation of ELIRP will be completed in FY13, for the 2011 calendar year.

ELIRP Needs Assessment – The needs assessment set forth in this Plan's description of CRP is incorporated herein.

ELIRP Objectives - ELIRP seeks to provide cost-effective energy savings to low-income customers who participate in CRP. A secondary goal of the program is to reduce the overall long-term subsidy cost of CRP.

ELIRP Eligibility – Customers selected for possible ELIRP services must meet the following criteria:

1. Be enrolled in CRP
- ~~2. Be no more than two months behind on the CRP asked-to-pay amount~~
2. ~~3.~~ Have usage within the top quintile of all CRP customers. PGW has also developed a process so that CRP high users who have had health and safety treatments performed by Healthy Homes or Habitat for Humanity, but were not assigned to ELIRP through the random selection process, may be manually assigned to CSPs.
3. ~~4.~~ Did not receive weatherization services from CWP's pilot program or receive ELIRP services within the prior two years.

Once selected, an in-home audit and feasibility assessment is made to determine what, if any, cost-effective measures can be made.

ELIRP Projected Enrollment – PGW projects to treat approximately 2,000 homes per year between 2014 and August 2015.

ELIRP Components – ELIRP is composed of weatherization measures, such as air sealing, insulation, equipment repair and replacement, and energy conservation education. After an initial assessment is made in the home to determine the cost-effectiveness and feasibility of various weatherization measures, those measures may include:

- Repairing or replacing older and less energy efficient heating systems
- Providing comprehensive weatherization services
- Educating customers on ways to reduce their energy use along with basic health and safety information
- Raising awareness of energy conservation and encouraging the incorporation of energy saving behavior

ELIRP Modifications – Any proposed changes will be addressed in the DSM docket (Docket Nos. R-2009-2139884 and P-2009-2097639)- through the end of the current program's five-year approval period ending August 31, 2015. Per the Final Order entered August 22, 2014 at Docket No. M-201302366301, LIURP regulation waivers will be filed as necessary and future modifications will be examined within PGW's

forthcoming DSM filing. An ELIRP proposal filed as part of the DSM dockets will be provided to the Bureau of Consumer Services.

ELIRP Estimated Budget – The ELIRP budget is addressed in the DSM docket. See also the CRP/Low Income Customer Needs Assessment above. Below is estimated enrollment and budget for ELIRP for program fiscal years 2015 and 2016. This budget was based on an expectation of a continuation of ELIRP as currently approved at the DSM docket and as described in the most recent fiscal year 2014 Implementation Plan filed on May 7, 2013. This recently filed Implementation Plan included the updated fiscal year 2015 data below within portfolio designs and summary reports. However, these specific figures were not provided by themselves. In future DSM filings, PGW will provide program nominal budgets and enrollment projections for all program years within an implementation period. The fiscal year 2015 DSM Implementation Plan is not yet finalized, but will include updated data when filed.

	<u>FY 2015</u>	<u>FY 2016</u>
<u>Budget</u>	<u>\$7,600,000</u>	<u>\$7,600,000</u>
<u>Enrollment</u>	<u>2,108</u>	<u>2,108</u>

### **Customer Assistance Referral and Evaluation Service Program (CARES)**

CARES Description - CARES assists customers with special needs, such as those who have recently experienced a family emergency, unemployment, or age related issues. CARES provides the customer with referrals to internal and external organizations and assistance programs. In some cases, follow-up and on-going services are provided. Information about CARES is distributed through outreach initiatives and contact with PGW customer service representatives. CARES also includes outreach activities related to LIHEAP and Crisis grants, since those grants target many of the same customers who are low-income and seek assistance with paying their utility bills.

CARES Needs Assessment – The need for CARES assistance is assessed based on the customers' self-reported needs. For example, if a customer notifies PGW that she is having difficulty paying her bill due to difficulty finding employment, the customer service representative will provide PGW options to make the bill more affordable (e.g. CRP) and also will provide a referral to external organizations that provide services to the unemployed. PGW uses internal data and census data to estimate the number of customers who are eligible for CARES assistance. Both internal data and census data show that roughly one-third of PGW's residential customer base may be eligible for some of the services provided by CARES (e.g., referrals and case management). The needs assessment set forth in this Plan's description of CRP is incorporated herein.

Some customers are eligible for CARES regardless of income, such as those with a protection from abuse order ("PFA") or an impending life event that may lead to financial hardship. PGW is currently managing 20 cases of customers who have an active PFA.

Since 2008, there have been 62 PFA cases that required management. Therefore, any PGW residential customer is potentially eligible for CARES, depending on life circumstances.

CARES Objectives – The objectives of CARES is to help customers resolve issues related to and beyond bill payment and energy affordability and to provide follow-up and case management services as needed. The objectives are achieved mainly by referrals to programs and organizations that can address customers' specific needs. Some CARES cases require follow-up and ongoing case management.

CARES Eligibility – CARES services are provided to customers who are at or below 150 percent of the FPL and who are having difficulty paying their bills; those who anticipate difficulty paying their bills due to a personal crisis that is likely to result in a financial hardship; and those who have a valid PFA - in order to ensure that additional protections are provided to them, particularly those under relevant PUC regulations.

CARES Projected Enrollment – In fiscal year 2010 through 2012, PGW handled 281 CARES cases through ongoing case management, which is an average of 8 cases per month. Many more cases are resolved in a "quick-fix" manner by customer service representatives through referrals given to customers. These quick-fix referrals are currently not tracked. We do not project any change in enrollment for CARES case management services, or in the cases resolved through "quick-fix" referrals.

CARES Components – CARES has two components, quick-fix and case management. The quick-fix component is limited to referrals. Each customer service representative has a resource guide which provides a list of external organizations that offer social services and assistance programs beyond the scope and function of any utility assistance offered by PGW. The purpose of these referrals is to provide information that can assist a customer in resolving an issue impacting their ability to pay their gas bill and maintain service. Referrals are made to a number of programs, including LIHEAP. There is no follow-up action taken by PGW after the referral is made by the customer service representative, but there is no limit to the number of times PGW will make a referral for any customer.

The case management component includes ongoing monitoring and follow-up services for the customer. These cases are handled by the Universal Services department. The case referral may come from customer service representatives, other internal PGW sources, or external sources.

CARES Modifications – PGW will enhance its CARES program to enable our customer service representatives to track customers provided with information in a "quick-fix" manner (e.g., referrals to organizations that provide services for the unemployed, recent immigrants, senior citizens, etc.). This improvement will allow us to systematically quantify the number and types of referrals made for customers and to possibly increase the customers referred for case management.

**CARES Estimated Budget** – CARES budgeting is included in the LIHEAP Outreach budget; the bulk of CARES cases are customers who are unable to pay their utility bills because they are low-income and would benefit from third party assistance. The average monthly participation provided below is an estimate of the discrete number of customers for whom PGW customer service representatives provide a (non-LIHEAP) referral as well as case management customers. It does not include the 70,000 to 80,000 customers who are likely to receive a LIHEAP and/or Crisis grant.

CARES	2014	2015	2016
LIHEAP Administration/Outreach	\$827,400	\$827,400	\$827,400
Average monthly participation (CARES only including "quick fix")	250	250	250

### Hardship Funds

**Hardship Funds Description** - PGW provides Hardship Funds by matching grants paid by the Utility Emergency Service Fund (UESF) to customers whose service is terminated or threatened to be terminated. PGW funds are provided in the form of a matching bill credit of up to \$750. Also, PGW receives customer contributions to UESF through the Dollar Plus program throughout the year. Contributions received are forwarded to UESF so that it can provide additional grants.

**Hardship Funds Needs Assessment** – The needs assessment set forth in this Plan's description of CRP is incorporated herein. In addition, PGW determines the need for UESF grants by reviewing the number of grants provided in the prior years and the amount of dollars granted. Since Hardship Funds are matching bill credits, the actual number of grants and the amount of credits provided will depend upon the number of grants and level of funding provided by UESF. Each year for the past three fiscal years, PGW has been able to make available up to \$2,000,000 to match UESF grants. UESF has not obtained sufficient funding to utilize all of the available \$2,000,000 match.

Hardship funds	2010	2011	2012
Clients served	2,257	2,263	1,676
UESF funds	\$1,096,983	\$1,092,327	\$806,608
PGW matching credits	\$1,096,983	\$1,092,327	\$806,608
Client contributions	\$59,020	\$78,999	\$68,002

**Hardship Funds Objectives** – The objective of Hardship Funds is to provide financial assistance to eligible customers whose service is terminated or who are in danger of losing service. The combination of UESF grant dollars and the PGW matching credit are intended to provide the customer with a "fresh start" on their gas bill.

**Hardship Funds Eligibility** – Eligibility is limited to customers whose gross household income is at or below 175% of the FPL. Below is a table showing the income eligibility

at that level for the UESF fiscal year 2010 through 2012 (UESF fiscal year is July 1-June 30).

Maximum annual gross household income			
Household size	FY10	FY11	FY12
1	\$18,953	\$19,058	\$19,548
2	\$25,498	\$25,743	\$26,478
3	\$32,043	\$32,428	\$33,408
4	\$38,588	\$39,113	\$40,338
each additional	\$6,545	\$6,685	\$6,930

Additional eligibility requirements include:

- Service must be off, or threatened to be shut off;
- Has not received assistance from UESF in the past 24 months;
- Has applied for LIHEAP Cash and Crisis grants if those programs are open and grants are available;
- The combination of the UESF grant and the PGW matching credit cannot exceed \$1,500 and must eliminate the total amount due, including frozen arrears if the customer is enrolled in CRP and, if the customer seeks restoration, any written off debt required for restoration. If the total amount due exceeds \$1,500, the customer must pay the difference, either out of pocket or through other utility assistance grants such as LIHEAP. It is a UESF requirement that such debt be paid in order for a grant to be awarded.

Hardship Funds Projected Enrollment – Enrollment projections are based on three completed prior fiscal years. Between fiscal year 2010 and fiscal year 2012, PGW provided matching funds for an average of 2,065 customers per year. PGW projects it could have the ability to serve an average of at least 2,065 customers per year between 2014 and 2016 and possibly a higher amount of customers, dependent on obtaining necessary approvals.

Hardship Funds Components – Hardship funds have at least two, and in some cases, three components: UESF grants, utility contributions, and client contributions. Combined, these components give the customer a fresh start by fully eliminating their total amount due.

Hardship Funds Modifications – None.

Hardship Funds Estimated Budget – The operating support paid to UESF is a fixed amount and is projected to be fully expended. However, the amount expended annually from a projected \$2,000,000 (dependent on obtaining necessary approvals) for matching funds will depend on other sources of funding obtained by UESF. Therefore, the estimated budgeted amount of \$1,000,000 set forth below is a projection based on the average annual amount expended between calendar years 2010 and 2012.

Hardship Funds	2014	2015	2016
Operating support (PGW)	\$220,148	\$220,148	\$220,148
UESF grants	\$1,000,000	\$1,000,000	\$1,000,000
Utility contribution (PGW)	\$1,000,000	\$1,000,000	\$1,000,000
Grant recipient contribution	\$68,674	\$68,674	\$68,674
Customer/employee contributions (PGW)	\$8,000	\$9,000	\$10,000
Total Program costs	\$2,296,822	\$2,297,822	\$2,298,822
Total costs and contributions (PGW)	\$1,228,148	\$1,229,148	\$1,230,148
Average annual participation	2,065	2,065	2,065

### Senior Citizen Discount

Senior Citizen Discount Description – The senior citizen discount provides a 20 percent discount off the monthly bill to eligible senior citizen participants. The program is audited regularly to verify eligibility. As of March 31, 2013, there were 25,895 customers enrolled in the senior citizen discount. This program was grandfathered as of August 31, 2003.

Senior Citizen Discount Needs Assessment – Since the senior discount program is being phased out, a needs assessment has not been done with the purpose of serving this particular group of customers. However, the needs of all senior citizen customers are addressed through other Universal Services programs, such as CRP and CARES.

Senior Citizen Discount Objectives – The objective of the discount is to provide a more affordable bill to senior citizens, who often are on a fixed and limited income.

Senior Citizen Discount Eligibility - To receive the discount, the customer of record must have been 65 or older and enrolled in the program before September 1, 2003. In addition, individuals who were 65 years or older before September 1, 2003 and who lived in a household that was receiving the discount on that date can continue receiving the discount upon the death of the customer of record, provided they agree to take over responsibility for the bill. The program does not have income limits, asset tests, or usage caps. However, customers enrolled in the senior citizen discount program cannot also be enrolled in CRP.

Senior Citizen Discount Projected Enrollment – Based on recent trends, the number of customers enrolled in the senior discount program is expected to decline by approximately 3,000 enrollments per year. Using the average decline and the current enrollment, we project that the average monthly enrollment in the discount program will be 23,000 in 2014, 20,000 in 2015, and 17,000 in 2016.

Senior Citizen Discount Components – The primary component of the senior citizen discount is the 20 percent discount received by those enrolled. The discount is applied



to each monthly bill. In many cases, surviving family members notify PGW that the customer of record is deceased. In those cases, we determine if any surviving household member is eligible to have the discount transferred to them. If so, after *verifying eligibility*, we put the service at the premise into the name of the eligible surviving family member and transfer the discount to them. If no family member is eligible, then we remove the discount and close the account.

For cases in which the customer's death is not reported to PGW by the surviving family members, PGW conducts periodic audits of the Social Security Death Index through a third-party vendor. When the name, address, date of birth, and social security number match a person identified in the Social Security Death Index, PGW initiates contact with the customer of record/current occupant at the premise. The letter gives the person 30 days to verify eligibility for the senior discount. If verification is not provided, a follow-up letter is sent to inform them that within 15 days the senior citizen discount will be removed.

Senior Citizen Discount Modifications – None.

Senior Citizen Discount Estimated Budget – The estimated budget for the Senior Discount program is based on recent trends in enrollment and discounts received. In fiscal year 2013, the projected average discount per customer is \$270 per year. Applying the average discount to the projected enrollment, we expect the program to yield bill discounts of \$6.2 million, \$5.4 million, and \$4.6 million in 2014, 2015, and 2016, respectively. The administrative cost reflects the estimated costs for third-party verification of eligibility and materials and postage related to communications to resolve discrepancies in eligibility.

Senior Citizen Discount	2014	2015	2016
Administration	\$8,000	\$8,000	\$8,000
Discounts	\$6,200,000	\$5,400,000	\$4,600,000
Total	\$6,208,000	\$5,408,000	\$4,608,000
Average monthly participation	23,000	20,000	17,000

**Integration of Universal Services Programs;  
Steps Used to Identify and Enroll Customers in Universal Service Programs;  
Use of Community Based Organizations**

PGW makes a conscious and sustained effort to integrate all Universal Services Programs so that customers receive information and access to all assistance programs for which they may be eligible.

CRP - When CRP customers have trouble paying their bills or have a personal crisis that impacts the ability to pay their bills, they are referred to Hardship Funds and the CARES program, and when they have high usage of gas they are referred to ELIRP. Customers who receive ELIRP services are also provided information about other assistance programs, such as the CARES program and LIHEAP and Crisis grants. As described more fully in the DSM docket, PGW engages in a significant number of partnerships in support of its ELIRP program.

Since enrollment in the senior citizen discount prohibits enrollment in CRP, there is no integration between the two programs. However, customers enrolled in the discount program are permitted to remove themselves from the discount and enroll in CRP if it provides a more affordable bill.

CARES - PGW utilizes many internal and external assistance programs in the implementation of CARES in order to provide referrals to a variety of programs suited to resolve the customer's particular personal crisis or issue. For example, if the issue is job loss, PGW provides the customer with information regarding external grant programs and internal assistance programs that can help them pay their gas bill in the immediate term and makes referrals to employment centers and job services. PGW has long standing relationships with a network of external organizations that provide many types of assistance for individuals and families in need. In Philadelphia, the Neighborhood Energy Centers and UESF intake sites are two networks in which PGW coordinates UESF grants and provides information to caseworkers who are helping PGW customers obtain an affordable bill. We refer customers to these organizations in the course of providing CARES assistance; the services provided by these organizations include budget counseling, housing counseling, job placement services, senior services, after-school programs, homelessness prevention, and other health and human services. Additionally, these organizations often provide the outreach and venue for energy conservation workshops which are sponsored annually by PGW and administered by a third party.

PGW also partially funds production and printing of The Energy Directory, which is produced each year by the Energy Coordinating Agency. This directory is an important resource guide used by social service agencies throughout the City of Philadelphia. Information about PGW's Universal Service Programs is included in the directory.

PGW does not limit itself to the network of organizations with which it already has established relationships. For example, in recent years we have partnered with Philabundance, which is an organization that provides food to needy families, by providing outreach at their Fresh for All food distribution events. At those events, we provide information to local residents about CRP, LIHEAP, Crisis, and UESF grants, as well as other assistance programs at PGW. PGW also implements an aggressive and comprehensive outreach campaign to inform all of our low-income customers about

LIHEAP and Crisis grants and provides direct assistance to customers in applying for grants.

Hardship Funds– In addition to the other efforts described in this section, PGW maintains relationships with the network of UESF intake sites that assist our customers. Senior Citizen Discount– PGW integrates the senior citizen discount with LIHEAP and Crisis outreach, as well as CARES and Hardship Funds when appropriate. For LIHEAP and Crisis outreach, PGW has specifically targeted outreach to senior citizen discount customers. When a senior citizen contacts us regarding a CARES issue, we make referrals as appropriate to organizations that provide services to senior citizens, such as Philadelphia Corporation for Aging and Center in the Park. Externally, PGW does many community presentations about its programs at venues that serve senior citizens.

Outreach Efforts and Campaigns – PGW engages in significant efforts throughout the year to provide information and referrals to our customers who may benefit from Universal Service Programs. Below are the general practices PGW utilizes:

Inbound calls – PGW provides training and updated information to all customer service representatives regarding Universal Service programs. When customers call in to our Call Center or visit our District Offices, our representatives are able to provide them with effective assistance. Representatives also have the ability to mail a CRP and LIHEAP application to customers.

District offices – PGW's District Offices provide a physical location for customers to address issues related to customer service and utilization of Universal Services. At our offices, customers can apply in person for CRP and LIHEAP, and through the CARES and Hardship Funds programs they can obtain referrals to organizations that provide other forms of assistance.

Mailings – PGW does multiple annual mailings to customers who are identified as low-income in order to provide information about LIHEAP and Crisis grants. These mailings are targeted to all low-income customers and provide an opportunity to obtain additional information and assistance about all of our customer assistance programs because they may cause the customer to contact PGW.

Outbound message calls – Like mailings, periodic outbound calls provide information about customer assistance programs, particularly LIHEAP, Crisis, and UESF grants.

Community presentations - Each year, PGW attends and presents at more than 100 gatherings of community groups in venues such as neighborhood meetings and fairs. Each appearance has a specific purpose and often includes making a 10-minute presentation about PGW's customer assistance programs, answering questions, and distributing information and applications for our programs.

Advertisements – PGW advertises its assistance programs on radio, TV, mass transit, and in community newspapers. Much of our advertising is targeted to communities that have the highest density of customers who can benefit from our programs.

Bill inserts – PGW dedicates space in our monthly newsletter, The Good Gas News, prior to and near the end of the winter shut-off period which is used to provide information about our assistance programs.

### **Organizational Structure and Staff Responsibilities**

#### **Staff with direct responsibilities in Universal Services**

- Director, Regulatory Compliance
  - Directs policy development and implementation
  - Ensures compliance with PUC regulations and guidance
- Manager, Universal Services
  - Ensures that activities related to CRP, CARES, LIHEAP, Senior Citizen Discount and UESF programs are run effectively, efficiently and in compliance with legislative guidelines.
  - Supervises a support staff responsible for ensuring the achievement of specific corporate goals through performing the unit's day-to-day activities.
- Supervisor, Universal Services
  - Provides guidance and direction, setting job standards and providing technical support to the representative team.
  - Responsible for the overall quality of work for the group.
- Universal Services representatives

#### **Additional support**

- District Office representatives
- Call center representatives
- ELIRP program

### **Community Partners**

Utility Emergency Services Fund – PGW partners with the Utility Emergency Services Fund (UESF) to implement and administer Hardship Funds. UESF has a network of intake sites that perform the primary outreach duties for Hardship Funds and the completion of grant applications.

See Appendix B for an address list of UESF intake sites and the main office.

Neighborhood Energy Centers – Neighborhood Energy Centers provide a coordinated and comprehensive approach to energy and related problems for low and moderate income households. They provide budget counseling, energy counseling, energy

conservation education, and grant application assistance for the communities they serve. They are also a means of outreach for PGW assistance programs. Since the Neighborhood Energy Centers are housed in community organizations that serve a broad mission and many needs in their community, PGW uses them often as a resource when making referrals in our CARES program.

See Appendix C for an address list of the Neighborhood Energy Centers.

Philadelphia County Assistance Office (LIHEAP District) – PGW maintains a partnership with the LIHEAP District of the Philadelphia County Assistance Office that is vital to the efficient and effective coordination of LIHEAP and Crisis grants for our low-income customers. Even though LIHEAP and Crisis grants are administered independently of our Universal Service programs, these grants serve as an important channel of outreach and referral. Also, LIHEAP grants serve as a proxy for verifying eligibility in CRP on a bi-annual basis.

An important and useful change in this partnership in recent years has been the coordination of LIHEAP, Crisis, and Hardship Funds. Prior to 2011, there was no process to coordinate these grants, although doing so would provide a tremendous benefit for low-income households who faced a heating emergency that could not be resolved by LIHEAP and Crisis alone or UESF alone. PGW helped lead the effort, along with UESF, PECO, and the Philadelphia County Assistance Office, to establish this process. Since that time, more than 300 PGW customers have been served through this process.

The address for the Philadelphia County Assistance Office is:

PCAO – LIHEAP District  
1348 W. Sedgley Avenue  
Philadelphia PA 19132  
(215) 560-4733

### **Conclusion**

PGW serves a customer base with the highest proportion of poverty in the Commonwealth. Approximately 1 in 3 customers are eligible for assistance from one or more of our Universal Service programs. PGW makes an aggressive effort to ensure that these needy customers have available robust assistance programs to help them pay their bills and maintain service. The cost of these programs and the participation levels in them are evidence of our aggressive efforts.

We are pleased to submit this Plan and look forward to its implementation. We believe it presents a balanced approach to addressing the needs of our low-income customers.

### **Appendices**

- A. PGW Universal Service Program and Evaluation Report, by Apprise, Inc.
- B. UESF Intake Sites
- C. Neighborhood Energy Center location