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August 12, 2015

Via E-Filing

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

**Re: Columbia Gas of Pennsylvania, Inc.
Revised 2015-2018 Universal Service and Energy Conservation Plan
Docket No. M-2014-2424462**

Dear Ms. Chiavetta:

Enclosed for filing, please find Columbia Gas of Pennsylvania, Inc.'s ("Columbia"), further revised Universal Service and Energy Conservation Plan ("USECP"). This filing is in response to a request from the Bureau of Consumer Services to make clarifications to the revised plan filed on August 7, 2015.

Please direct any questions with regard to this filing to the undersigned by calling 717-238-0463.

Sincerely,

Andrew S. Tubbs

Enclosure

cc: Joseph Magee, Bureau of Consumer Services (jimagee@pa.gov)
Sarah Dewey, Bureau of Consumer Services (sdewey@pa.gov)
Louise Fink Smith, Law Bureau (finksmith@pa.gov)

Columbia Gas of Pennsylvania, Inc.

Universal Service

And

Energy Conservation Plan

2015 - 2018

Columbia Gas of Pennsylvania, Inc. Universal Service and Energy Conservation Plan

Plan Submission

Section 62.4 of the Pennsylvania Public Utility Commission's ("Commission") regulations requires natural gas distribution companies to file updated universal service and energy conservation plans every three years. 52 Pa. Code § 62.4. On June 1, 2011 Columbia Gas of Pennsylvania, Inc. ("Columbia" or the "Company") submitted its updated plan for 2012 – 2014. To date, the Commission has not acted on Columbia's 2012-2014 Plan. However, consistent with the Commission's regulations, Columbia hereby submits for the approval its proposed plan for years 2015 through 2017. In addition, Columbia requests that the Commission permit it to implement the updated plan components contained herein, upon Commission approval, for any remaining period in 2014 in lieu of the changes proposed in the 2012 – 2014 updated plan.

As Universal Service includes energy efficiency programs such as the Low Income Usage Reduction Program, individual universal service and energy conservation programs referenced herein will be referred to as "Universal Service," and the Universal Service and Energy Conservation Plan will be referenced as the "Plan" or the "Universal Service and Energy Conservation Plan."

Historic Overview

Columbia submitted its first Universal Service and Energy Conservation Plan in August 1999, as part of its Restructuring Filing as required by the Natural Gas CHOICE and Competition Act in Case No. R-00994781. The Commission approved the Plan as part of settlement agreements in October and December of 1999. Provisions within those settlements included an enrollment target for the Customer Assistance Program ("CAP") and a funding level for Low Income Usage Reduction Program ("LIURP"). Additionally, the approved settlements provided for a temporary funding source for Columbia's Universal Service Program with the expectation that a permanent funding mechanism would be developed later. The Commission approved modifications to the CAP funding mechanism in 2001 and 2002.

Columbia submitted its second Universal Service and Energy Conservation Plan in November 2002, which was approved by the Commission in January 2003. In October 2003, Columbia received Commission approval for a permanent funding mechanism, which allowed for recovery of projected shortfall and application costs, based upon the current and estimated customers in the program and the cost of gas. The mechanism is part of the pass-through charge on customer bills and is adjusted at the same time as the quarterly gas cost adjustment.

In 2005, Columbia submitted its third Universal Service and Energy Conservation Plan which was approved in January 2006. It included the establishment of a remedial conservation education program for high consumption CAP customers who had already received weatherization services, along with an external evaluation of its LIURP program. Funding and enrollment remained consistent with the Plan approved in 2003.

In 2008, Columbia filed its Universal Service and Energy Conservation Plan for 2009-2011 as part of its base rate case at R-2008-2011621. The Plan was approved as part of the settlement of that case. The approved plan featured an increase in LIURP spending from \$1,300,000 to \$3,000,000.

In September 2010, Columbia filed a Petition to Modify its 2009-2011 Plan at Docket No. P-2010-2195759 in order to implement the "CAP Plus" program. The Commission approved Columbia's Petition in October 2010, and Columbia implemented CAP Plus in November 2010. Under CAP Plus, CAP participants are billed their applicable asked to pay amount, as well as an additional "Plus" amount that is intended to balance affordability for CAP customers and cost responsibility for non-CAP customers. The Plus amount is currently calculated as follows: (total Low Income Home Energy Assistance Program ("LIHEAP") receivables from the prior heating season divided by the number of active CAP participants at the start of the current LIHEAP season divided by 12. As of the date of this filing, Columbia's CAP is structured on the approved CAP Plus model.

In the third quarter of 2010, Columbia secured the services of an independent third party consultant to perform a comprehensive impact evaluation of Columbia's Universal Service Programs. In November, 2010, Columbia filed its independent evaluation of the Universal Service Programs. The independent evaluator, Melanie Popovich, noted "throughout this document, the evaluator makes note of the proactive approach taken by the Company's management team in order to address the barriers to program effectiveness. The Company is to be commended on its willingness to engage third party experts to undergo external studies for further program improvement. ... In my opinion as an evaluator, Columbia strives for continuous improvement and has one of the most efficient and effectively managed Universal Service Programs in the state." However, the independent evaluator recommended some changes to further enhance the effectiveness of Columbia's programs. The changes contained in Columbia's 2015-2017 Plan are based, in part, on the recommendations found within the evaluation. Further explanation of these recommendations can be found under the "External Studies" section of the Plan.

In 2011, as part of the settlement of its rate case proceeding at R-2010-2215623, Columbia agreed to increase its LIURP budget from \$3,000,000 to \$4,000,000.

On September 28, 2012, Columbia filed a base rate proceeding under Docket No. R-2012-2321748. In 2013, the parties to that proceeding submitted a partial settlement for the Commission's approval, which featured an increase in LIURP funding from \$4,000,000 to \$4,500,000, the cancellation of the agreement with Citizen's Energy Corporation which generated \$375,000 for Columbia's Fuel Fund and replacement of

the proceeds of that transaction with a \$375,000 increase to the Rider Universal Service Plan (“USP”). One party to that proceeding, the Pennsylvania Communities Organizing for Change d/b/a ACTION United (“PCOC”), challenged Columbia’s CAP Plus program. Specifically, PCOC alleged that the Company’s CAP Plus program did not comply with Pennsylvania Department of Welfare requirements or Federal law. The Commission denied PCOC’s challenge to Columbia’s CAP Plus, and PCOC appealed the matter to the Pennsylvania Commonwealth Court. On April 10, 2014, the Commonwealth Court affirmed the Commission’s decision approving Columbia’s CAP Plus program. As noted previously, Columbia’s 2012-2014 Universal Service and Energy Conservation Plan is still pending before the Commission.

Proposed Modifications to the Plan for 2015 - 2018

I. Income Re-verification Process

Columbia supports additional measures to reduce the removal rate for failure to re-verify income.

- a. A step will be added to coordinate with cooperating electric utilities to scan for more current proof of income.
- b. Dollar Energy Fund will conduct telephonic outreach to all CAP customers, reminding them to re-verify income.

II. Staffing Changes have occurred since the last approved plan

Two full time employees focusing on LIURP referral process and quality assurance have been added to the Universal Services organization.

III. Modify payment structures as follows:

Option 2 – change definition to average payments of most recent 12 months service prior to entry into CAP. There will be no re-calculation of option 2 when re-verifying income. Therefore, Option 2 will be frozen upon enrollment and offered at re-verification if necessary.

The Company is changing option 2 because its current operation is not consistent with the intent of this payment option. Currently, customers active in CAP who receive LIHEAP will experience a decrease in their payment responsibility over time because LIHEAP substitutes for payments. The original intent of this option is to ensure customers do not pay less than what they paid prior to joining CAP. In order to keep the intent of this option, the option will remain constant over the length of CAP participation, rather than being re-calculated with each re-verification. Customers entering or re-entering into CAP will have this option recalculated based on the most recent 12 months of service.

External Studies

October, 2010 USECP Evaluation conducted by Melanie Popovich

Key Recommendations affecting this plan:

	Finding	Recommendation
LIURP-1	The Company currently determines which homes are weatherized based solely on customer income and the condition of the home. This can result in excessive dollars spent to weatherize extremely large square footage homes in expensive neighborhoods. Circumstances may warrant the Company to place these customers on a "wait list" depending on available funds.	The Company to modify LIURP eligibility criteria to permit it to deem customers ineligible for LIURP for "just cause".
LIURP-2	There is no Company quality assurance in effect to provide checks and balances with respect to LIURP contractor performance. This includes oversight and quality assurance of contractor field work performed and contractor invoice reconciliation.	Implement contractor invoice reconciliation and provide quality assurance oversight to all LIURP contractors. Fill the Quality Performance job vacancy which currently exists within the Company's organization.
CAP-15	Over the most current four year period the largest percentage and reasons for CAP customer removal were as follows: 49% of CAP customers moved or had finalized accounts; and 24% of CAP customers failed to recertify.	<ol style="list-style-type: none"> 1. Include in the CAP Customer Acceptance Letter a highly visible due date field for recertification of income. 2. Include on the CAP bill, a date field and message which notifies the customer 60 days prior of their recertification due date. 3. Include a self-addressed stamped envelope with the new recertification application attached to the customer recertification reminder letter. 4. Provide Dollar Energy Fund CAP Administrators with a list of customers with "recertification due" in order to make telephone reminder calls 30 days prior to due date.

Integration

Columbia continues to use an integrated approach for outreach and solicitation for all Universal Service programs, focusing on two principle strategies: first, Columbia incorporates referrals into existing processes, and second, Columbia coordinates services with dedicated staff.

Columbia uses existing customer services processes, such as the Cold Weather Survey, collection, compliance, energy assistance receipts and contact management to create opportunities to increase enrollment in Universal Service programs.

Columbia's Contact Center has a designated call group comprised of specially trained employees dedicated to the promotion and enrollment of Universal Service programs. Through Universal Service Customer Service Representatives, the customer is referred to all available and appropriate programs including CAP, LIURP, Customer Assistance Referral and Evaluation Services ("CARES"), energy assistance, etc. In addition, Columbia's trained representatives refer eligible customers to non-utility assistance programs such as earned income credits, food banks and community based agencies.

This expedites the referral and intake process, resulting in efficient enrollment. Once a customer is identified as payment troubled or low income, the customer is transferred to the Universal Service line. The Universal Service representative will pre-screen a customer and, where applicable, enroll a customer in one of Columbia's Universal Service programs immediately. This "one-stop-shop" approach is administratively efficient because it identifies which programs are appropriate for the customer at the single point of contact.

Payment assistance and low income energy efficiency programs are offered simultaneously to offset program costs that good paying customers fund. Columbia prioritizes CAP customers for LIURP benefits to reduce future consumption and shortfall. This coordination occurs at the time of referral at the contact center. As a result, only one application is needed to apply for both CAP and LIURP.

Outreach

Columbia promotes its Universal Service programs and engages in external outreach opportunities throughout its service territory. Outreach avenues include:

- Sponsorship and participation in senior fairs
- Representation on local community assistance boards and task forces
- Participation and coordination of Be Utility Wise events
- Provision of program information on Columbia website
- Bill inserts targeted to specific Universal Service programs
- Customer Contact Center referrals
- Bi-annual community roundtables

Columbia also sponsors outreach opportunities to support Universal Service programs on an individual program basis:

CAP

- Coordination with electric utilities to solicit CAP customers for enrollment and re-verification

- Coordination with the Dollar Energy Fund Grant Program
- Limited solicitation of targeted groups
 - Previous Dollar Energy grant customers
 - CRISIS recipients
 - Housing Authority tenants
 - CAP agency staff
- Mail solicitation of targeted groups
 - Previous and potential LIHEAP recipients
 - Inactive account customers (Cold Weather Survey packets)
- Training
 - Customer Contact Center Customer Service Representatives
 - Administrating and screening agencies
 - Credit and collections representatives
 - Service department personnel
 - Construction services personnel

HARDSHIP FUNDS

- Annual bill inserts requesting contributions and encouraging application
- Monthly solicitation on bills to all non-CAP residential customers with current accounts
- Participation in multiple fundraising events
- Link to make a donation to all customers receiving e-bills

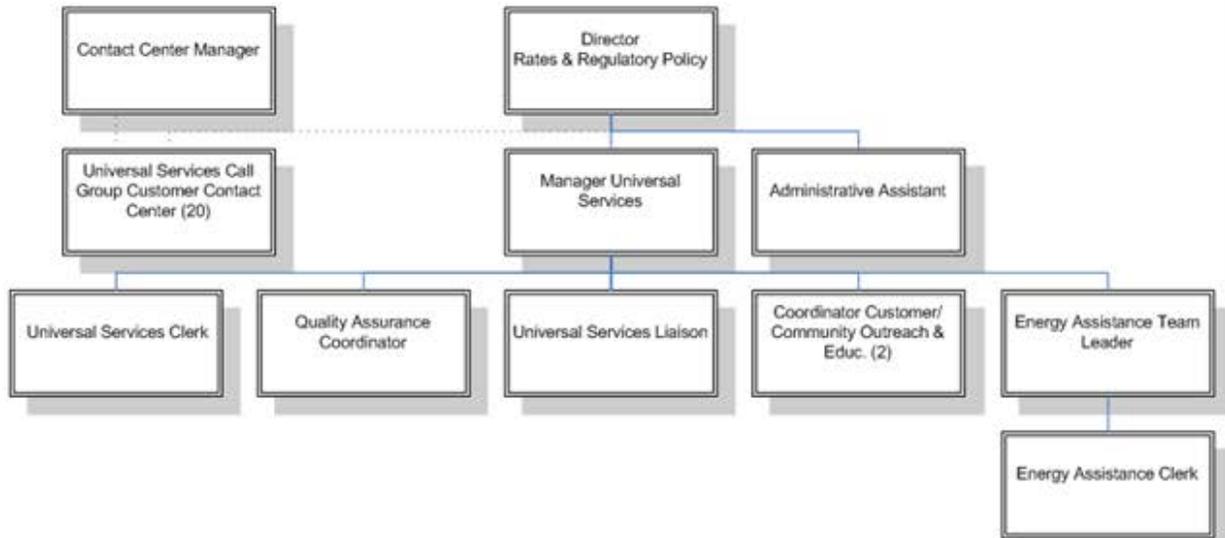
LIHEAP

- Partnership with other gas utilities to promote LIHEAP
- Annual press conference on LIHEAP Day
- Press releases
- TV commercials featuring Franco Harris
- Bill inserts promoting LIHEAP
- Inserts promoting CRISIS in eligible termination notices
- Letters to previous recipients reminding them to apply
- Letters to identified eligible customers
- Operation of a toll-free hotline for inquiries and assistance with applications
- Outbound calls to Crisis-eligible customers as part of Direct Referral Process
- Information about Energy Assistance while customers are on hold for customer service
- Training on LIHEAP guidelines and benefits to all call center and field service personnel

Staffing

Columbia utilizes the resources of staff employees along with the experts of community partners to implement all of its Universal Service programs.

Columbia Gas Universal Services Org.



Universal Service Program Responsibilities

Director, Rates and Regulatory Affairs	Strategic direction of all programs/policies
Manager, Universal Service	Implementation/compliance of all programs
Administrative Assistant	Program reporting for all programs
Coordinator Customer/Community Outreach and Education (2)	Outreach coordination of all programs
Columbia Customer Contact Center Universal Service Call Group	Provision of information on, referrals to and enrollment in all programs
Universal Services Liaison	Coordination of Fuel Fund and CAP processes and agencies for grants and applications
Energy Assistance Team Leader	Day to day compliance of LIHEAP vendor agreements, reconciliation of LIHEAP receipts
Energy Assistance Clerk	LIHEAP hotline response, customer payment postings and response to customer inquiries
Quality Assurance Coordinator	Implementation of LIURP quality assurance program
Universal Service Clerk	Coordination of LIURP process flow from referral through completion to post inspection

Community Partnerships

Columbia partners with community organizations for both the delivery of the universal service programs and also feedback on program practices and policies.

CAP	
Columbia	Management
Columbia Customer Contact Center Universal Service Call Group	Information, referral and enrollment
Dollar Energy Fund, Inc.	Outreach and intake administration
Dollar Energy Screening Agencies	On-site applications and referrals
Essential Energy, Inc.	Energy efficiency/consumer education and quality assurance control
LIURP	
Columbia	Management and pre-screening
Columbia Customer Contact Center Universal Service Call Group	Information, referral and enrollment
11 Weatherization providers throughout Columbia's service territory	Weatherization, customer communication and data tracking
Conservation Consultants, Inc.	Energy efficiency education/inspections
Pure Energy Coach	Energy efficiency education/inspections

HARDSHIP FUNDS	
Columbia Gas of PA	Management, enrollment and referral
Customer Contact Center Universal Service Call Group	Information, referral and enrollment
Dollar Energy Fund, Inc.	Outreach and intake administration
Dollar Energy Fund Screening Agencies	Outreach and intake implementation
CARES	
Columbia	Management
Columbia Customer Contact Center Universal Service Call Group	Information, referral and enrollment
Community-based Organizations	Resource development

The list below reflects the positions held by Columbia's Universal Service team on various task forces, committees and boards within the communities Columbia serves.

<u>Task Force, Committee or Board</u>	<u>Position</u>
Gerontology Taskforce, Beaver County	Member/Taskforce
South Side Housing Consortium	Member
Human Service Forum	Member/Association
Council of Community Services	Member/Association
Partners for Warmth	Member/Committee
Aging Consortium - PA	Sponsor
Aging Consortium - PA	Member/Committee
Be Utility Wise (SW PA)	Member/Sponsor
CARES Network	Member
Head Start, Beaver County	Executive Board Member
Fayette County Energy Task Force	Member/Committee
Senior Expo Planning Committee, Washington County	Member/Committee
NASW	Member
Beaver County HPRP Taskforce	Member
Beaver County Homeless/Housing Coalition	Member
Beaver County Social Services Advisory Committee	Member
Butler County Energy Summit	Member
National Energy Utility and Affordability Coalition	Board Member
York County Hispanic Coalition	Member
Community Progress Council, Inc.	Board Member
Children's Aid Society/Lehman Center	Advisory Council Member

Budgets

Universal Service expenses are monitored and tracked specifically by each program with the exception of Hardship Funds. Because oversight of the Hardship Funds resides within the CARES program, all internal administrative expenses are included in the CARES budget.

PROJECTED BUDGET

	2015	2016	2017	2018
LIURP	\$4,750,000	\$4,750,000	\$4,750,000	\$4,750,000
Energy Assistance Outreach and Processing	\$180,000	\$180,000	\$180,000	\$180,000
CARES Community Outreach	\$260,000	\$260,000	\$260,000	\$260,000
CARES Total	\$440,000	\$440,000	\$440,000	\$440,000
CAP Administration and Applications	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000
Shortfall	\$11,800,000	\$11,800,000	\$11,800,000	\$11,800,000
Arrearage Retirement	\$550,000	\$550,000	\$550,000	\$550,000
CAP Total	\$13,650,000	\$13,650,000	\$13,650,000	\$13,650,000
Hardship Funds	\$675,000	\$675,000	\$675,000	\$675,000
Hardship Administrative Costs	\$34,000	\$34,000	\$34,000	\$34,000
Total	\$19,300,000	\$19,300,000	\$19,300,000	\$19,300,000
Number of Residential Customers	381,705	381,705	381,705	381,705
Average Spending per Customer per month	\$4.21	\$4.21	\$4.21	\$4.21

Program Descriptions

Pursuant to 52 Pa Code §62.4(b), the components of Columbia's Universal Service and Energy Conservation Plan are described in detail. The following are program descriptions, including eligibility criteria, a needs assessment, and projected enrollment levels for the programs.

CARES (Customer Assistance Referral and Evaluation Services)

Scope

CARES provides information and referrals on all programs and resources available to customers in need through a specially trained call group at the customer contact center and has been offered to Columbia customers since 1986. Since its inception, over 45,000 customers have received the assistance of staff social workers through resource referrals, consumer education, LIHEAP Outreach and affordable payment plans tailored to the customer's ability to pay. CARES is designed to be a short-term program for first time payment-troubled customers who require energy assistance and other necessary resources and referrals.

In addition, CARES assists vulnerable CAP customers who need extra protection and account monitoring. It is also the final step in the Cold Weather Survey intervention process. The Customer/Community Outreach and Education Coordinators ("Coordinators") make additional attempts to contact customers aged sixty and over without heat. This intervention is continuous throughout the heating season.

Coordinators also oversee the handling and processing of all accounts protected under regulations governing customers with valid protection from abuse orders.

The Coordinators train call center and service employees on available resources.

Key Objectives

- Safe, sustained energy
- Customer self-sufficiency
- Resource development
- Successful payment recovery
- Continuous payment frequency
- Reduced credit/collection costs
- Identification and cost avoidance associated with crisis/safety issues
- Customer satisfaction
- Crisis intervention
- Reduced commission complaints
- Community networking
- Goodwill

Eligibility Criteria

CARES is designed to be a short-term or temporary program for residential-heat customers who must demonstrate one of the following scenarios:

- Payment-troubled customer, evidenced by missed payments or anticipated payment barriers due to a personal crisis that is likely to result in a financial hardship, i.e. situations involving medical, financial, employment, familial or psycho-social issues.
- Special-needs customer, evidenced by the onset of a crisis having a profound impact on an individual or family, e.g. sudden loss of income, divorce, major life-threatening illness, death of the wage earner or, service emergency during harsh weather.
- Vulnerable customer, defined as someone whose: impaired intellect or mental health, extreme physical disability or, chronic mismanagement of finances has the serious potential to interfere with good payment behavior. These, vulnerable customers will have diminished capacity to take care of basic needs, make reasonably sound decisions, take responsibility for their own personal safety or, have barriers for communicate with the outside world.
- Domestic abuse customer, with a valid and active PFA (Protection from Abuse) court order, who is trying to obtain or maintain gas service.
- Cold Weather Survey customer, age 62 or older, who is without their regular gas service and using space heaters such as, kerosene, wood, coal or electric.

Program Components

- Case management approach to solving individual payment problems
- Home visit assessment when necessary
- Protection from termination during program
- Short-term, affordable payment plans based on “ability to pay” and case specific options designed by the coordinators for each specific customer
- Budget counseling
- Referrals and linkage to community, state and federal resources for direct and indirect monetary assistance
- Information dissemination and referrals
- Crisis intervention
- Oversight of accounts with active Protection from Abuse orders

Projected Enrollment

	2015	2016	2017	2018
CARES	500	500	500	500

LIURP (Low Income Usage Reduction Program)

Scope

Columbia has provided the Low Income Usage Reduction Program to its customers since 1988. Approximately 8,000 homes have been weatherized since that time. Consumption savings average between 21%-24%. Average 2012 program expenditure per home was \$5,824 In accordance with existing requirements; each measure installed is projected to have a 7-12 year payback. Columbia's current level of funding is \$4,750,000 annually pursuant to the approved settlement at R-2012-2321748.

Key Objectives

- Safe, affordable energy for low-income customers
- Reduced uncollectible arrearages and write-offs
- Reduced consumption
- Affordable budgets/bills for customers
- Improved payment frequency
- Reduced CAP shortfall deficit through bill reduction
- Improved customer satisfaction
- Environmental awareness/protection
- Responsible energy use

Eligibility Criteria

- Columbia residential heating customer
- Customer must be enrolled in Columbia's CAP and must not have received weatherization services in the past seven years at their current dwelling.
- Up to 20% of annual budget eligible for special needs customers as defined in Section 58.2, (relating to definitions) including non-CAP customers who otherwise meet the LIURP eligibility requirements.
- Homeowner or renter; renter must have property owner permission.
- Average winter monthly consumption greater than 170 Therms.
- Dwelling must be approved during audit to be in proper condition to weatherize.
- A premise may be disqualified if Columbia makes a determination that providing weatherization services would not be cost-effective.

Program Components

- Home Energy Audit. Each home is audited to determine if the dwelling is in proper condition for weatherization. Weatherization measures are recommended at the time of the audit. Referrals to other housing development agencies for repair work are made if necessary. Referrals to other utility weatherization programs are made as necessary.
- Energy education provided concurrent with audit.

- Coordination with other utilities and weatherization programs to leverage funds and increase customer satisfaction.
- Heating system is inspected, cleaned and repaired as needed prior to weatherization treatment.
- Gas furnace may be upgraded to 92% efficiency or higher if deemed to be inefficient.
- Gas boiler systems may be upgraded to 80% or higher if deemed to be inefficient.
- Health and Safety allowance up to \$650.00 not including heating system replacements, which are deemed as an efficiency measure.
- Weatherization measures are performed specific to audit recommendations. Treatment is determined based on highest efficiency results. Measures include sidewall and attic insulation, blower door guided air sealing measures such as caulking, sealing and window stripping.
- Twenty-five percent of weatherized homes are inspected for quality and safety.
- Program is evaluated by comparing weather normalized pre-treatment usage to weather normalized post treatment usage to determine savings.

Projected Enrollment

	2015	2016	2017	2018
LIURP	600	600	600	600

HARDSHIP FUND

Scope

Columbia contributes one dollar of shareholder money for every dollar contributed by its ratepayers. Annually, Columbia raises \$75,000 to \$80,000 in customer contributions through bill solicitation. In addition, Columbia sponsors fundraising activities to increase customer contributions up to \$150,000. Combined with a shareholder match, this total of \$300,000 is available to payment-troubled, low income customers for assistance with their Columbia bill. Opening and closing dates for the availability of funds are determined annually.

Columbia also funds an additional \$375,000 through the Rider USP to provide grants to payment-troubled, low-income customers.

Additionally, Columbia has successfully petitioned the Commission for permission to direct various supplier refunds to the Dollar Energy Fund to supplement these efforts.

Approximately, ten percent of awarded grant dollars are earmarked for administration. This money is paid to the administrator for the outreach and intake application process

in the community. Currently, 92 community-based organizations take applications within communities that Columbia serves.

Key Objectives

- Prevent termination
- Restore service
- Reduce outstanding balances

Eligibility Criteria

- Columbia residential heating customer
- Household income at or below 200% of Federal Poverty Level
- Application of all other available energy assistance resources
- Minimum arrearage balance as required by Dollar Energy Fund
- Demonstrated sincere payment effort as required by Dollar Energy Fund
- (Exceptions to eligibility criteria may be granted under special circumstances)

Treatment of CAP Customers

Columbia only allows Hardship Funds to be applied to CAP accounts when a customer is without service for non-payment during the months of October, November or December (cold weather procedure) or if the customer has been out of the program for more than one year. At that time, Columbia will allow the hardship fund grant to substitute for a customer payment for the purpose of re-instatement into CAP.

Program Components

- Screening and referrals at Columbia's Customer Contact Center
- Outreach and intake at local community-based organizations
- Grant determination by Columbia employees for customers without service to expedite reconnections
- Grant amounts do not exceed \$500 per customer and must satisfy the crisis for restoration or stay of termination if customer is facing these situations

CAP (CUSTOMER ASSISTANCE PROGRAM)

Scope

Columbia's CAP was established in 1992, with a current active total of approximately 21,848.

The program was created as an alternative to traditional credit and collection measures to assist long-term payment-troubled customers by offering affordable payment options.

Under provisions of the 1999 Natural Gas Choice and Competition Act, Columbia filed a settlement agreement under which it expanded the program to 22,000 customers. Through a subsequent settlement agreement approved by the Commission at Docket No. P-00032057, the enrollment limit of CAP was modified to 27,135. To date, Columbia's CAP has not reached the enrollment ceiling. In 2015, the company was ordered to remove the enrollment ceiling.

Key Objectives

- Provide affordable payment options
- Reduce credit/collection costs
- Reduce arrearage write-off
- Efficient, cost-effective program
- Customer understanding of program benefits
- Increased "on time" payment frequency
- Minimized shortfall through energy efficiency programs
- Targeted identification of low-income, payment-troubled customers
- Reduced commission complaints

Eligibility Criteria

- Columbia residential heating customer
- Household income at or below 150% of Federal Poverty Level
- Payment-troubled, as designated by a termination notice and or at least one failed payment agreement within past 12 months, or otherwise identified through cross utility referral and credit scoring
- Must not reside in a multi-unit dwelling served by one meter
- Must provide either a Social Security number, driver's license number or another state identification number for all household members over the age of 18.

Program Components

Administration

- A Community Based Organization ("CBO") performs clerical and administrative duties for portions of the CAP program. These functions include screening, enrollment, and re-verification.
- The Administrating Organization (the "Administrator") networks with over 40 designated screening agencies/CBOs to complete on-site applications when necessary. The Administrator also operates a phone enrollment process.

Columbia's CAP payment structure maximizes customer payments while maintaining affordability for the customer. This flexibility allows the Administrator to select the most affordable option not to be less than the average amount received over the previous 12 months. Columbia offers the lowest average CAP payment in the industry and submits that the following payment options balance the goals of remaining affordable while maximizing the customers' payments:

- Option #1: Percentage of Income.
 0 – 110% of Poverty = 7%
 110 – 150% of Poverty = 9%
- Option #2: Average of payments for the last 12 months prior to joining CAP.
 (Available for customers with at least six months of un-interrupted service.)
- Option #3: Flat rate of 50% of budget billing
 (adjusted annually)
- Senior CAP: Flat rate of 75% of budget billing for customers over 60 years of age with no arrears or payment plan default

A minimum payment amount of twenty-five dollars is required.

The CAP customer will be required to pay a five-dollar co-payment towards pre-program arrears until the arrears are eliminated

Any payments made in excess of the monthly CAP bill are applied to future CAP bills.

The Administrator reviews the application and income verification, if required, confirms the payment amount, enters information into Columbia data systems and mails a confirmation letter to the customer.

Columbia's CAP plans are designed to be the most affordable (lowest) payment plan offered by Columbia. If at any time a customer's CAP payment exceeds the tariff budget, the account is reviewed by the Universal Service Liaison to determine if the customer's payment should be lowered or if the customer should be removed from the CAP.

CAP Plus Program

Every CAP customer will be assessed a flat monthly fee in addition to the payment plan options identified above. The "plus" amount is determined by dividing the total LIHEAP cash dollars received on CAP accounts in the prior heating season by the number of current CAP customers. The monthly plus amount will be 1/12 of the final total. This amount will be calculated yearly beginning with October billing cycle.

Intake and Enrollment

External studies support the use of telephonic applications with the intention of increasing customer ease, efficiency, and the number of applications completed while also decreasing administrative costs.

The Columbia Gas Universal Services Call Group coordinates referrals to the agencies and the Administrator for on-site and telephonic applications, with an emphasis on telephonic applications when appropriate.

On-site applications are generally required for reconnection of service, when a Hardship Fund application is also needed or when a customer is considered vulnerable and needs assistance completing the application and providing documentation. A customer always has the option of an on-site intake appointment.

A non-CAP customer or applicant without service who has a balance from a prior account is required to pay no more than \$150, apply for all available energy assistance programs and complete a CAP application to restore service and re-enroll in CAP.

A removed CAP customer, who is without service may be required to pay no more than \$300, apply for all available energy assistance programs, and complete a CAP application to re-enroll in CAP.

Any customer who is found to be stealing, or found to have been stealing, gas will be charged separately from their CAP payment and required to pay full amount of theft prior to reconnection and re-enrollment.

Customer Responsibilities

A CAP customer must agree to and uphold the following obligations:

- The initial application and subsequent re-application are subject to agreed-upon conditions, which serve as a contract between the customer and Columbia. See Attachment A
- Income verification as required.
- The monthly payment amount and the customer five-dollar co-pay must be paid by the due date.
- CAP customers are not eligible for Hardship Fund grants unless either of the following conditions exist:
 - The customer's service is off in October, November or December
 - The customer has been out of CAP for one year. In this instance, a hardship fund grant may be used to make up missed CAP payments.
- The customer must apply for any available free weatherization services offered through the Department of Community Development State Weatherization Agencies and Columbia LIURP.
- Any customer with non-essential gas appliances such as a pool heater will agree not to use the device.

Consumer Education

- Program evaluation studies showed that although there is some impact from energy efficiency education, weatherization remains the primary catalyst to reduce consumption.
- CAP customers will be prioritized for LIURP if usage is over 170 Therms.
- Program information and customer responsibilities continue to be emphasized to the customer along with energy efficiency materials provided at the time of intake.
- To minimize the shortfall of high consumption users, Columbia will continue to implement the Remedial Energy Efficiency Program (“REEP”) for high usage CAP customers who already received weatherization from LIURP.

Remedial Energy Efficiency Program (REEP)

Columbia will continue the REEP for customers who have received weatherization services, and whose usage still exceeds a \$1,000 annual shortfall limit.

Columbia will contract with a third party to provide energy efficiency education on an individual basis, up to 200 customers per year.

The contractor will also monitor usage and provide feedback on an on-going basis for one year.

If usage continues to exceed the allowable shortfall limits and the customer does not meet any of the recommended usage control exemptions identified in the CAP policy statement, the contractor will recommend an increased payment option or removal from CAP.

Transfer of Service

A CAP customer who requests a transfer of service from one account to another will have the CAP plan transferred with no interruption.

For customers who opted to disconnect their service and then subsequently request service at a new address:

- If less than six months, customer will need to request to be re-instated into CAP after connection of service. The customer will be required to complete an application but not re-verify income since it was less than six months.
- If more than six months customer will need to complete a new CAP application and verify income.

Default Provisions

A CAP participant can default from the program for non-compliance of program guidelines and customer responsibilities.

Default Provisions for Nonpayment of CAP Budgets

April 1 through October 31: a CAP customer is in default after two missed CAP budget payments.

Columbia will issue a termination notice no sooner than 10 days after a customer fails to pay two missed CAP budget payments by the due date.

If a CAP customer does not make up all missed CAP payments within 10 days of the date of the termination notice, Columbia will attempt to terminate service for non-payment of the CAP budget bill. Columbia, in its sole discretion, may delay termination in the event of extenuating circumstances.

To restore service, the customer must pay all missed CAP budget payments that were the subject of termination as well as any missed CAP budget payments that became past due during the termination notice period.

November 1 through March 31: a CAP customer will not be removed from CAP for failing to make missed CAP payments. *Commencing April 1,* Columbia will issue termination notices to CAP customers who failed to pay CAP budget payments during the November to March period. The amount on the termination notice shall be for all missed CAP payments.

Default Provisions for Customers Requesting Removal from CAP

A customer who requests removal from CAP will be sent a letter explaining their benefits in CAP, along with a return envelope. The customer will be required to sign and return the letter and, upon Columbia's receipt of the executed letter, the customer will be removed from CAP.

The letter will confirm that the customer may not enroll in CAP for one year from the time of the customer's removal.

Default Provisions for Customers with High Consumption

A customer refusing weatherization through Columbia without demonstration of a legitimate exemption will be reviewed by Customer/Community Outreach coordinator.

A customer may have their CAP budget payment raised to a higher payment option or may be removed from CAP as a result of the review.

A customer who does not respond to multiple attempts for weatherization will be removed from the program.

Re-connect Procedures

Reconnection and subsequent re-instatement when the applicant's gas service had been terminated after removal from CAP:

- All missed CAP payments must be made, including the five-dollar co-pay for each of the months during which gas service was retained.
- All payments made by the customer after removal from CAP will be deducted from the amount needed for program re-entry.
- Any charges incurred after the customer defaulted, which have not been paid by the customer, are treated as current bill shortfall amounts.
- An applicant will be required to re-apply, including providing proof of income, if the applicant has been without service for 6 months or more.
- These reconnect procedures also apply to defaulted CAP customers who move to a new address after termination for non-payment.

Security Deposits

- CAP customers are not charged security deposits.
- Any paid security deposits on accounts with an approved CAP application will be credited to the arrears prior to CAP enrollment according to the provisions of 66 Pa. C.S. § 1404(c).
- Past due security deposits from customers entering into CAP will be waived after income verification is complete.

Re-connect fees

- All reconnect fees will be waived for customers who are successfully enrolled in CAP.

Re-instatement

Re-instatement when the customer retained gas service after removal from CAP:

- The customer must pay the entire balance of missed CAP payments including the five-dollar co-pay to the pre-program arrears.
- Any payments made by the customer after removal are deducted from the amount needed for program re-entry. A customer must resolve any outstanding issues related to removal from CAP, such as verifying current income or accepting free weatherization services.
- The pre-program arrearage will be the same at the time of reinstatement as at the time of default.
- Any charges incurred after default, which are not paid by the customer, are treated as current bill shortfall.

- This process also applies to CAP customers who move to a new service address with no interruption of service due to termination.

CAP Balance Clarification for re-entry into CAP

When a customer leaves CAP, for any reason, but remains a customer, Columbia will maintain the customer's "CAP balance" separately, including CAP arrears, if any. As the customer receives a monthly non-CAP bill, [his/her] CAP balance will increase by the monthly asked to pay amount. As a customer makes a non-CAP payment or receives an energy assistance grant, the customer's CAP balance reduces by that payment or LIHEAP credit. In the future, should the customer reapply for CAP, [he/she] would first need to pay the full CAP balance-including amounts accrued while out of the program. The Company will accept any grant amounts in lieu of customer payments for re-enrollment.

Once the CAP balance is paid in full and the customer is re-enrolled in CAP, Columbia will retroactively apply 1/36th pre-program arrearage forgiveness for each month the customer spent out of the program. Columbia will also remove any new non-CAP arrears created since CAP removal and treat it as shortfall.

This process balances the customer's account as though the customer had remained in CAP throughout. In addition, the process encourages year round participation and avoids seasonal fluctuations in CAP participation.

Re-verification

Re-verification of income is necessary to ensure that only low income customers are offered a subsidized payment plan under CAP. CAP customers are required to provide proof of income annually, with the following exceptions:

- CAP customers who receive LIHEAP, Dollar Energy Fund, or another Columbia Universal Services program are exempt; and
- CAP customers aged 60 and older who receive Social Security or Disability benefits are required to provide proof of income every other year.

Columbia issues notification letters requiring income re-verification each year to customers 30 days prior to each customer's CAP enrollment anniversary date. CAP participants are then required to mail verification of their household income to the Administrating Organization for processing. In turn, the customer will receive a letter from the Administrating Organization verifying the customer's continued participation in CAP and detailing any changes made to their required CAP payment. For customers preferring to re-verify in person, appointments can be made available with a screening agency.

Columbia will remove from CAP any customer who fails to re-verify income within 30 days after the anniversary date and 60 days after the issuance of the notification letter that verified income is required.

Customers who claim zero income will be required to verify their income after three months of participation. A customer will continue to be required to verify their income every three months for as long as they verify at zero income. Income verification will include completing a form documenting zero income. See Attachment B

Prior to removing a customer from CAP for lack of re-verification, Columbia will partner with electric utility CAP programs to obtain proper verification, in an attempt to retain the customer in CAP.

Once removed for failure to re-verify income, a customer will be re-entered into CAP immediately after eligible proof of income is received.

Arrearage Retirement

A customer's \$180.00 co-payment will be spread over a three-year time period, commencing when a customer is accepted into the program. One-thirty-sixth of the unpaid pre-program arrears is forgiven for every full CAP payment received regardless of arrears and retroactively for any months missed once those months are paid. For example, if a CAP customer is delinquent for three months of payments, and makes catch-up payments for two of those three months, the customer will receive forgiveness for those two months. A customer's total pre-program arrearage will be forgiven after thirty-six full CAP payments. The customer co-pay and retirement is clearly noted on the account summary portion of the monthly CAP bill.

CAP Shopping

As a result of the Natural Gas Choice and Competition Act, Columbia formulated a low-income aggregation for CAP customers concurrent with Columbia's Choice program.

As a condition of CAP, customers must agree to allow Columbia to act as an agent, on their behalf, to contract for the purchase of gas supplies from a licensed natural gas supplier ("NGS"). The NGS is selected by Columbia based upon responses to a Request for Proposal ("RFP"), which is sent to licensed NGSs on the Columbia system. In order to make CAP more cost-effective, the RFP seeks to obtain a cost of gas that is lower than Columbia's sales service rate. Through this arrangement, CAP customers may benefit from the competitive market for gas supply, and from the economies of scale gained through the aggregation of their volumes into the larger CAP group.

As noted in the Company's triennial Universal Service and Energy Conservation Plan submissions since 2002, Columbia presented a feasibility study to the Commission on its CAP aggregation. In summary, the aggregation model proved to be a successful alternative to traditional CHOICE. External studies offered additional support for the continuance of an aggregation.

The Company agrees to adjust the program as directed by future Commission orders upon completion of any contractual obligations to which the Company is bound.

Universal Service Projected Needs Assessment

Columbia developed the projected needs assessment on the premise that Universal Service Programs should be offered as a menu of options to suit the circumstances of individual customers. Columbia assesses the potential participant and recommends the programs that best suit his or her payment-troubled situation. One size does not fit all, nor does one program suit all customers.

Columbia has implemented this philosophy through administrative processes within its customer services protocols to serve its low-income, payment-troubled customers at the first point of contact. This process was previously referred to as the One-Stop-Shop approach.

Columbia referenced two sources to complete this assessment. The first is the 2012 Federal Census Data, the most current census data available. The second is Columbia's customer information system.

The Bureau of Consumer Services' developed a Needs Assessment Proposal dated May 9, 2001 to help define and illustrate what is expected in the needs assessment. The proposal outlined the following six criteria:

1) Identified Low-Income Customers

In recognition that the CAP is designed to address the needs of chronic low-income, payment-troubled customers, Columbia began its process of identifying potential CAP customers by reviewing customers who have continued to meet certain criteria for a twelve month period. The selection criteria used were: all level 1 and 2 customers who have had payment agreements; all accounts that have received LIURP, CAP, LIHEAP or other energy assistance programs including Hardship Funds; all accounts whose financial summaries show incomes below 150% of Federal Poverty Guidelines.

The following table identifies that using this criteria, 67,711 customers are identified as low-income on Columbia's records, either through participation in a Universal Service program that confirms their income to be below 150% of federal poverty guidelines, or through non-verified self-declaration by the customer.

The Number of Identified Low-income Customers

	CAP	Level 1&2	Total
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13-Jan	19,948	47,761	67,709
13-Feb	20,156	49,734	69,890
13-Mar	20,234	50,000	70,234
13-Apr	20,446	49,566	70,012
13-May	15,455	53,821	69,276
13-Jun	20,597	47,284	67,881
13-Jul	20,296	47,216	67,512
13-Aug	20,213	45,463	65,676
13-Sep	20,217	45,461	65,678
13-Oct	19,913	45,691	65,604
13-Nov	19,997	46,347	66,344
13-Dec	20,103	46,618	66,721
Average	19,798	47,914	67,711

2) Estimated Low-income Customers

In addition to quantifying verified and self-declared low-income customers, Columbia also uses updated federal census data to estimate the number of low-income customers that it serves. The table below references the number of households that Columbia serves and equates that to a percentage (average of 19.46%) compared to the total number of households within each county. The census data indicates that there are 431,333 low-income households within the counties Columbia serves. Using that same percentage, 103,087 households are estimated to be Columbia low-income households.

County	Customer Count	Census Household	Percent Customers CPA	Census Household Low-Income	Low-Income CPA
Adams	13,070	37,919	34.47%	8,501	2,930
Allegheny	97,156	522,238	18.60%	133,670	24,868
Armstrong	862	28,735	3.00%	8,376	251
Beaver	34,511	70,787	48.75%	19,128	9,326
Bedford	11	20,570	0.05%	6,608	4
Butler	8,732	73,147	11.94%	15,473	1,847
Centre	10,910	57,266	19.05%	19,759	3,764
Clarion	3,568	16,027	22.26%	5,869	1,307
Elk	32	13,596	0.24%	2,824	7
Fayette	22,037	54,372	40.53%	20,392	8,265
Franklin	4,367	15,053	29.01%	15,053	4,367
Fulton	3	5,659	0.05%	1,225	1
Greene	2,684	14,222	18.87%	4,366	824
Indiana	550	34,652	1.59%	12,699	202
Jefferson	366	18,637	1.96%	6,469	127
Lawrence	18,026	36,752	49.05%	11,698	5,738

McKean	3,182	17,373	18.32%	5,967	1,093
Mercer	28	46,345	0.06%	14,969	9
Somerset	4,556	29,626	15.38%	9,077	1,396
Venango	688	22,956	3.00%	7,761	233
Warren	2,338	17,046	13.72%	5,169	709
Washington	40,860	83,920	48.69%	19,671	9,578
Westmoreland	20,414	152,022	13.43%	38,247	5,136
York	92,754	168,566	55.03%	38,362	21,109
			19.46%	431,333	103,087

- 1) **Columbia Customer Count** – Number of households per county served by Columbia.
- 2) **Census Household** – Number of households per county identified by census data.
- 3) **Percent Customers Columbia** – Percent of total county households served by Columbia (#1 / #2).
- 4) **Census Household Low-Income** – Number of low-income households per county identified by census data.
- 5) **Low-Income Columbia** – Estimated number of low-income households per county served by Columbia (#3 X #4).

3) The Number of Identified Payment-troubled, Low-income Customers

Based upon the definitions at 52 Pa. Code §§ 54.72, 62.2 and 69.262, “Payment Troubled” is defined as a household that has failed to maintain one or more payment arrangements in a one-year period. Columbia used data gained from its actual experiences to identify the number of payment-troubled customers. Columbia reviewed confirmed low income accounts that are in arrears on payment agreements and not on payment agreements and took the average monthly of both to arrive at the identified, payment-troubled low-income total of 17,063.

4) Estimate of Potentially Payment-troubled, Low-income Customers

Next, Columbia compared the data obtained from its customer information system to census data. The number of customers identified as low-income customers based on Columbia’s customer information system is 67,711. The number of customers estimated by census data to be low income is 103,087. The census figures suggest that Columbia’s service territory has 35,376 more low income customers than Columbia’s data indicate.

5) Number of Customers Who Still Need LIURP Services and the Cost to Serve that Number

Pursuant to BCS’s May 9, 2001, document, Columbia identified the number of customers that meet the LIURP eligibility criteria, excluding those customers who

have already received weatherization services. According to data from Columbia’s customer information system, 22,409 customers meet the LIURP eligibility criteria. Of that total, 12,599 are property owners while the remaining 9,810 are renters. Columbia historically has had difficulty obtaining landlord approvals to weatherize homes. Assuming a 50% success rate, Columbia anticipates that 1/2 of the 9,810 renters in addition to the 12,599 property owners, totaling 17,504 could receive weatherization services. The estimated cost to serve these customers is \$101,960,800 at Columbia’s current average expenditure per weatherized household.

6) Enrollment Size of CAP to Serve All Eligible Customers

Columbia determined the appropriate size of the CAP to serve all eligible customers. Using the data discussed above and Columbia’s enrollment history, the Company submits that the projected enrollment of the CAP is 22,000. Despite ongoing enrollment efforts, the active total number of customers enrolled in CAP had remained stable at 25,000 customers up until 2010. In 2010, enrollment declined and has not rebounded to higher than 25,000 since then. This suggests that projection is adequate and that every customer who has had a need for CAP has been permitted to participate in the program; and that no customer has been turned away. Regardless of these projections, Columbia does not have a CAP enrollment ceiling.

The Universal Service Programs, CARES, CAP, Hardship Funds and LIURP respond to the identified needs in different ways. Approximately 20,100 customers are currently receiving benefits from CAP, while 500 additional customers have received assistance through CARES services. Hardship Fund recipients average 2,800 annually along with an additional 600 households receiving weatherization services each year. Columbia looks to serve these customers through the menu of options available under Universal Services.

Projected Enrollment *

	2015	2016	2017	2018
LIURP	600	600	600	600
CARES	500	500	500	500
CAP **	22,000	22,000	22,000	22,000
Hardship Funds	2,800	2,800	2,800	2,800

* The projected enrollments stated in this table are estimates and should not be considered ceilings. Although Columbia is estimating enrollment levels, Columbia will

continue to promote programs and enroll customers needing assistance beyond these participation levels as needed.

** Although Columbia historically has enrolled approximately 6,000 new customers annually, overall participation has remained consistent or declined due to customers moving or defaulting from the CAP program

Conclusion

Columbia's Universal Service Program is designed to address the multifaceted needs of Columbia's diverse customer base. The present array of Universal Service Programs is an appropriate mix of services that meets the requirements of 66 Pa. C.S. §2203(8) and 52 Pa. Code Chapter 62. Columbia respectfully requests that the Commission approve the changes identified herein. In addition, Columbia respectfully requests that the Commission approve its 2015-2018 Universal Service and Energy Conservation Plan in its entirety and that the Commission adjust the date for submitting the Company's next triennial submission to three years from the approval date of the 2015-2018 Universal Service and Energy Conservation Plan.

Columbia Gas of Pennsylvania, Inc.
Customer Assistance Program (“CAP”)
CUSTOMER AGREEMENT FORM

As a participant in the Columbia Gas of Pennsylvania, Inc.’s (“Columbia Gas”) Customer Assistance Program (“CAP” or “Program”), I agree to accept all of the Program conditions as listed below. Failure to agree or follow through on any of the accepted conditions will result in removal from the Program.

By signing below I agree to:

- Verify my household gross monthly income at time of submitting my CAP application.
- Re-verify gross household monthly income once a year; unless I apply and receive an energy assistance grant and it is posted to Columbia Gas.
- Notify the Columbia Gas CAP at **1-800-537-7431** of any changes in my household income, household size or my residence.
- Pay the CAP payment and \$5.00 co-payment on arrearages, monthly, by the due date.
- Apply for LIHEAP and direct the payment to Columbia Gas. I further understand that LIHEAP grants will be applied to the CAP installment portion of my natural gas utility payment. I will still be responsible for the \$5 monthly co-pay, if applicable.
- Resume paying my full CAP installment plus \$5 co-pay when my LIHEAP grant is exhausted.
- Call Columbia Gas CAP immediately if I am no longer able to afford my CAP plan so as to avoid getting behind on my bill.
- Apply for any free weatherization service including the Columbia Gas WarmWise Program and my local county weatherization program, if I meet the eligibility requirements.
- Authorize Columbia Gas to share and use data including, but not limited to, income, social security numbers, and household member information furnished by me or on my behalf regarding me or members of my household concerning any application for, or participation in, the Program, with the Public Utilities Commission and entities on which Columbia relies for Program eligibility verification. Such sharing and use of the information shall be consistent with applicable law.
- Allow Columbia Gas to purchase gas on my behalf from a third party natural gas supplier.
- Accept any Program change resulting from modifications to the Program made by Columbia Gas of Pennsylvania, Inc., that has the Pennsylvania Bureau of Consumer Services’ approval.

In addition, by signing below I confirm that the facts set forth in my CAP application are true and complete to the best of my knowledge. I also hereby authorize Columbia Gas to further verify my household income, as Columbia Gas deems appropriate. I understand, agree and accept that false or incomplete statements on my CAP application will be cause for rejecting my application or removal from the Program.

Signature of Applicant

Date

Reviewed by: _____

Agency Code

Columbia Gas Account# _____

Columbia CAP
Box 42329
Pittsburgh, PA 15203

Claim of Zero Income in Household

May be completed and signed by the applicant whose household has had no income for the past 30 days.

I, _____, state that no member of my
Insert you name here

household has received any income during the past 30 days.

Our household has been without any income since _____
Date

I hope and expect to receive some income on or about _____
Date

From _____
List source of expected income

During the above period, how did your household meet their needs for:

Food:

Shelter:

Living Expenses:

I understand that I can be denied enrollment in Columbia CAP for making false statements, and do reaffirm that all claims here are complete and truthful to the best of my knowledge.

Applicant Signature _____ Date _____

COLUMBIA GAS OF PENNSYLVANIA, INC.

121 Champion Way, Suite 100

Canonsburg, Pennsylvania

RATES AND RULES

FOR

FURNISHING GAS SERVICE

IN

THE TERRITORY AS DESCRIBED HEREIN

ISSUED: August 7, 2015

EFFECTIVE: January 1, 2015

ISSUED BY: M. R. KEMPIC, PRESIDENT
121 CHAMPION WAY, SUITE 100
CANONSBURG, PENNSYLVANIA 15317

NOTICE

This Tariff Supplement Makes a Change to the Existing Tariff - See List of Changes Made by This Tariff Supplement on Page No. 2

LIST OF CHANGES MADE BY THIS TARIFF SUPPLEMENT

Page	Page Description	Revision Description
Cover	Tariff Cover Page	Supplement No., Issue and Effective Date.
2	List of Changes	List of Changes.
139	Rate CAP	Revised items 5 and 6 of the "CAP Customer Application and Responsibilities".
140	Rate CAP	Revised "Option #2" of the "Monthly Payment Options". Added text to the first paragraph of the "Monthly Payment Options" section.
142	Rate CAP	Removed item "1." of the "Re-Installment Procedures". Revised the "Arrearage Retirement" text.
146	Rider USP	Changed "Customer Assistance Plan" to "Customer Assistance Program" in the first paragraph of the "Calculation of Rate" section. Removed text at the end of the third paragraph of the "Calculation of Rate" section.

RATE CAP – CUSTOMER ASSISTANCE PLAN

APPLICABILITY

Throughout the territory served under this Tariff.

AVAILABILITY

Available to any residential customer at one location using natural gas as their main heating source and meeting the following requirements:

1. This rate will serve 100% of the total requirements.
2. The total household income is equal to or less than 150% of the Federal Poverty Level.
3. The customer does not take service under any other rate schedule.
4. The customer is either over sixty years old or is payment-troubled (i.e., has at least one failed payment arrangement with the Company within the past 12 months, has received a termination notice from the Company within the past 12 months, has been verified as a current participant in another utility's CAP, or is unable to establish creditworthiness through the use of generally accepted credit scoring methodology).
5. The meter at the premise must serve only the customer's dwelling space.
6. The customer must agree with the terms specified in the Company's CAP Customer Agreement Form.

CAP CUSTOMER APPLICATION AND RESPONSIBILITIES

In order to gain acceptance in CAP and to maintain participation in CAP after acceptance into the Program, a customer must agree to, and comply with, the following:

1. Verify gross monthly income for all adult household members at time of application.
2. Reverify gross monthly household income annually. This requirement shall be waived in any year that the customer applies for, and receives, an Energy Assistance Grant that is posted to the Company.
3. Notify the Company's Universal Services representative of any changes in income, household size, or residence.
4. Make timely monthly CAP payments, including a \$5.00 co-payment on arrears.
5. Apply for federal Low Income Home Energy Assistance Program (LIHEAP) benefits, and direct the payment of LIHEAP to the Company. (C)
6. Apply for any free weatherization service, including the Company's Warm Wise Program, as well as local county weatherization programs if the customer meets eligibility requirements. (C)
7. Release the Company from any liability associated with the customer's participation in CAP.

(C) Indicates Change

Rate CAP – CUSTOMER ASSISTANCE PLAN (Continued)

8. Agree not to use any non-essential gas appliance, such as a pool heater.
9. Allow the Company to purchase gas on the customer's behalf.
10. In the case of a CAP applicant who is currently without service, and who has a balance from a prior account, make an upfront payment in satisfaction of the prior balance up to, but no more than, \$150.

MONTHLY PAYMENT OPTIONS

The most affordable payment option for the eligible CAP customer shall be selected from the Options below. The monthly payment will not be less than the average payment received from the customer in the previous twelve (12) months. A minimum payment amount of twenty-five dollars (\$25.00) is required.

Option #1: Percentage of Income.
0 – 110% of Poverty = 7%
110 – 150% of Poverty = 9%

Option #2: Average of last 12 months of customer payments prior to joining CAP. (Available for customers with at least six months of uninterrupted service.) (C)

Option #3: Flat rate of 50% of budget billing (adjusted annually)

Senior CAP Option: Flat rate of 75% of budget billing for all customers over 60 years of age with no arrears or payment arrangement default.

In addition to the monthly payment established under either Option #1, #2, #3, or Senior CAP Option, the CAP customer is required to pay a five-dollar (\$5.00) co-payment towards pre-program arrears, as well as an additional amount calculated each year based on the previous year's LIHEAP grants applied to CAP accounts ("plus amount"). The "plus amount" is determined by dividing the total LIHEAP cash dollars received on CAP accounts in the prior heating season by the number of current CAP customers. The monthly plus amount will be one-twelfth (1/12) of the final total. This amount will be calculated yearly and effective with the October billing cycle. (C)

A CAP customer's monthly payment shall not exceed the non-CAP budget payment applicable to the customer's account, exclusive of the \$5.00 co-payment towards pre-program arrears. In the event that a CAP customer's monthly payment is determined to exceed the non-CAP budget payment applicable to the customer's account, the applicable information is reviewed to determine if the CAP payment should be lowered or if the customer should be removed from CAP.

SECURITY DEPOSITS

CAP customers will not be charged security deposits.

Any paid security deposits on accounts with an approved CAP application will be credited to the arrears prior to CAP enrollment.

Unpaid security deposits for customers entering into the CAP will be waived after income verification is complete.

(C) Indicates Change

RATE CAP – CUSTOMER ASSISTANCE PLAN – (Continued)

Noncompliance with Weatherization Measures

The Company may, at its discretion, remove from CAP, or increase the monthly CAP payment for, a customer:

1. Refusing a referral for weatherization services.
2. Who has received weatherization services, but who has not reduced monthly consumption.

Failure to Reverify Income

The Company will issue a letter to the customer 30 days prior to the customer's CAP participation anniversary date, notifying the customer of the requirement to reverify household income in order to remain in CAP. The Company shall remove from CAP any customer failing to reverify household income within 30 days after the anniversary date and 60 days after the initial notification that reverification of income is required.

RE-INSTATEMENT PRODECURES

The Company will re-instate to CAP customers who have been removed from CAP as follows:

1. The customer must pay the entire balance of missed CAP payments including the five-dollar co-pay to the pre-program arrears.
2. Any payments made by the customer after removal are deducted from the amount needed for program re-entry.
3. The pre program arrearage will be the same at the time of reinstatement as at the time of default.
4. Any charges incurred after default, which are not paid by the customer, are treated as current bill shortfall.
5. This process also applies to CAP customers who move to a new service address with no interruption of service due to termination.

ARREARAGE RETIREMENT

A CAP customer will have their entire pre-program arrears forgiven in equal monthly installments over a three year period. Each installment will be forgiven upon receipt of a full monthly CAP payment.

(C)

(C) Indicates Change

RIDER USP – UNIVERSAL SERVICE PLAN

APPLICABILITY

Throughout the territory served under this Tariff.

AVAILABILITY

This Rider shall be applicable to all residential customers except customers in the Company's Customer Assistance Plan ("CAP").

CHARACTER OF RATE

This Rider has been established to recover costs related to the Company's Universal Service and Conservation Programs.

RATE

The Rider USP rate shall be included in the Pass-through Charges on the customer's bill for Rate Schedules RSS, and RDS. The Rider USP shall not be billed to customers being served on Rate CAP.

The rate information is detailed in the Rate Summary pages of this Tariff.

CALCULATION OF RATE

The Rider USP rate shall be calculated to recover costs for the following programs: Low Income Usage Reduction Program (LIURP); Customer Assistance Program (CAP); and the WarmWise® Audits and Rebates program. (C)

LIURP costs will be calculated based on the projected number of Level 1 income homes to be weatherized. WarmWise® Audits and Rebates program costs will be calculated on the projected number of Level 2 income homes provided with an energy audit, programmable thermostat and/or rebates.

CAP costs will be calculated to include the projected CAP Shortfall (the difference between the total calculated RSS bill excluding Rider CC and Rider USP and the CAP bill) based upon the current discounts at normalized annual quantities of the then-current CAP participants, the projected CAP Shortfall for projected customer additions to CAP during the period that the USP Rider rate will be in effect at the average discount of current CAP participants at normalized annual quantities, the projected CAP customer application costs, the projected CAP pre-program arrearages to be forgiven and written off during the next 12 months.

If the Company is successful in obtaining a CAP gas supply aggregator as provided in Rate CAP-Customer Assistance Plan, then the shortfall will be adjusted to reflect the RDS rate plus the gas costs resulting from the aggregation service.

The costs shall be divided by the total annual projected throughput quantities of all residential non-CAP customers as established in the Company's most recent Purchased Gas Cost proceeding to determine the rate per thm for this Rider.

(C) Indicates Change

COLUMBIA GAS OF PENNSYLVANIA, INC.

121 Champion Way, Suite 100

Canonsburg, Pennsylvania

RATES AND RULES

FOR

FURNISHING GAS SERVICE

IN

THE TERRITORY AS DESCRIBED HEREIN

ISSUED: ~~June 30, 2015~~ August 7, 2015

EFFECTIVE: ~~July 1, 2015~~ January 1, 2015

ISSUED BY: M. R. KEMPIC, PRESIDENT
121 CHAMPION WAY, SUITE 100
CANONSBURG, PENNSYLVANIA 15317

NOTICE

This Tariff Supplement Makes a Change to the Existing Tariff - See List of Changes Made by This Tariff Supplement on Page No. 2

LIST OF CHANGES MADE BY THIS TARIFF SUPPLEMENT

Page	Page Description	Revision Description
Cover	Tariff Cover Page	Supplement No., Issue and Effective Date.
2	List of Changes	List of Changes.
139	Rate CAP	Revised items 5 and 6 of the “CAP Customer Application and Responsibilities”.
140	Rate CAP	Revised “Option #2” of the “Monthly Payment Options”. Added text to the first paragraph of the “Monthly Payment Options” section.
142	Rate CAP	Removed item “1.” of the “Re-Installment Procedures”. Revised the “Arrearage Retirement” text.
146	Rider USP	Changed “Customer Assistance Plan” to “Customer Assistance Program” in the first paragraph of the “Calculation of Rate” section. Removed text at the end of the third paragraph of the “Calculation of Rate” section.

RATE CAP – CUSTOMER ASSISTANCE PLAN

APPLICABILITY

Throughout the territory served under this Tariff.

AVAILABILITY

Available to any residential customer at one location using natural gas as their main heating source and meeting the following requirements:

1. This rate will serve 100% of the total requirements.
2. The total household income is equal to or less than 150% of the Federal Poverty Level.
3. The customer does not take service under any other rate schedule.
4. The customer is either over sixty years old or is payment-troubled (i.e., has at least one failed payment arrangement with the Company within the past 12 months, has received a termination notice from the Company within the past 12 months, has been verified as a current participant in another utility's CAP, or is unable to establish creditworthiness through the use of generally accepted credit scoring methodology).
5. The meter at the premise must serve only the customer's dwelling space.
6. The customer must agree with the terms specified in the Company's CAP Customer Agreement Form.

CAP CUSTOMER APPLICATION AND RESPONSIBILITIES

In order to gain acceptance in CAP and to maintain participation in CAP after acceptance into the Program, a customer must agree to, and comply with, the following:

1. Verify gross monthly income for all adult household members at time of application.
2. Reverify gross monthly household income annually. This requirement shall be waived in any year that the customer applies for, and receives, an Energy Assistance Grant that is posted to the Company.
3. Notify the Company's Universal Services representative of any changes in income, household size, or residence.
4. Make timely monthly CAP payments, including a \$5.00 co-payment on arrears.
5. Apply for federal Low Income [Heating-Home Energy](#) Assistance Program (LIHEAP) benefits, and direct the payment of LIHEAP to the Company.
6. Apply for any free weatherization service, including the Company's Warm [Choice-Wise](#) Program, as well as local county weatherization programs if the customer meets eligibility requirements.
7. Release the Company from any liability associated with the customer's participation in CAP.

(C) Indicates Change

Issued: ~~January 20, 2015~~ ~~August 7, 2015~~ M. R. Kempic Effective: ~~December 22, 2014~~ ~~January 1, 2015~~
President

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Rate CAP – CUSTOMER ASSISTANCE PLAN (Continued)

8. Agree not to use any non-essential gas appliance, such as a pool heater.
9. Allow the Company to purchase gas on the customer's behalf.
10. In the case of a CAP applicant who is currently without service, and who has a balance from a prior account, make an upfront payment in satisfaction of the prior balance up to, but no more than, \$150.

MONTHLY PAYMENT OPTIONS

The most affordable payment option for the eligible CAP customer shall be selected from the Options below. The monthly payment will not be less than the average payment received from the customer in the previous twelve (12) months. A minimum payment amount of twenty-five dollars (\$25.00) is required.

- Option #1: Percentage of Income.
0 – 110% of Poverty = 7%
110 – 150% of Poverty = 9%
- Option #2: Average of last 12 months of customer payments prior to joining CAP. (Available for customers with at least six months of uninterrupted service.)
- Option #3: Flat rate of 50% of budget billing (adjusted annually)
- Senior CAP Option: Flat rate of 75% of budget billing for all customers over 60 years of age with no arrears or payment arrangement default.

In addition to the monthly payment established under either Option #1, #2, #3, or Senior CAP Option, the CAP customer is required to pay a five-dollar (\$5.00) co-payment towards pre-program arrears, as well as an additional amount calculated each year based on the previous year's LIHEAP grants applied to CAP accounts ("plus amount"). The "plus amount" is determined by dividing the total LIHEAP cash dollars received on CAP accounts in the prior heating season by the number of current CAP customers. The monthly plus amount will be one-twelfth (1/12) of the final total. This amount will be calculated yearly and effective with the October billing cycle.

A CAP customer's monthly payment shall not exceed the non-CAP budget payment applicable to the customer's account, exclusive of the \$5.00 co-payment towards pre-program arrears. In the event that a CAP customer's monthly payment is determined to exceed the non-CAP budget payment applicable to the customer's account, the applicable information is reviewed to determine if the CAP payment should be lowered or if the customer should be removed from CAP.

SECURITY DEPOSITS

CAP customers will not be charged security deposits.

Any paid security deposits on accounts with an approved CAP application will be credited to the arrears prior to CAP enrollment.

Unpaid security deposits for customers entering into the CAP will be waived after income verification is complete.

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RATE CAP – CUSTOMER ASSISTANCE PLAN – (Continued)

Noncompliance with Weatherization Measures

The Company may, at its discretion, remove from CAP, or increase the monthly CAP payment for, a customer:

1. Refusing a referral for weatherization services.
2. Who has received weatherization services, but who has not reduced monthly consumption.

Failure to Reverify Income

The Company will issue a letter to the customer 30 days prior to the customer's CAP participation anniversary date, notifying the customer of the requirement to reverify household income in order to remain in CAP. The Company shall remove from CAP any customer failing to reverify household income within 30 days after the anniversary date and 60 days after the initial notification that reverification of income is required.

RE-INSTATEMENT PRODECURES

The Company will re-instate to CAP customers who have been removed from CAP as follows:

- ~~1.~~ ~~A CAP customer whose service has been terminated may be charged an up front reconnection fee consistent with the Reconnection of Service section of this Tariff during the months of April through October.~~
- ~~21.~~ The customer must pay the entire balance of missed CAP payments including the five-dollar co-pay to the pre-program arrears.
- ~~32.~~ Any payments made by the customer after removal are deducted from the amount needed for program re-entry.
- ~~43.~~ The pre program arrearage will be the same at the time of reinstatement as at the time of default.
- ~~54.~~ Any charges incurred after default, which are not paid by the customer, are treated as current bill shortfall.
- ~~65.~~ This process also applies to CAP customers who move to a new service address with no interruption of service due to termination.

ARREARAGE RETIREMENT

~~Customers who are current on their CAP payment arrangement including co-pays will receive forgiveness of their pre-program arrears in equal monthly installments over three years.~~ (C)
A CAP customer will have their entire pre-program arrears forgiven in equal monthly installments over a three year period. Each installment will be forgiven upon receipt of a full monthly CAP payment.

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RIDER USP – UNIVERSAL SERVICE PLAN

APPLICABILITY

Throughout the territory served under this Tariff.

AVAILABILITY

This Rider shall be applicable to all residential customers except customers in the Company's Customer Assistance Plan ("CAP").

CHARACTER OF RATE

This Rider has been established to recover costs related to the Company's Universal Service and Conservation Programs.

RATE

The Rider USP rate shall be included in the Pass-through Charges on the customer's bill for Rate Schedules RSS, and RDS. The Rider USP shall not be billed to customers being served on Rate CAP.

The rate information is detailed in the Rate Summary pages of this Tariff.

CALCULATION OF RATE

The Rider USP rate shall be calculated to recover costs for the following programs: Low Income Usage Reduction Program (LIURP); Customer Assistance ~~Plan-Program~~ (CAP); and the WarmWise® Audits and Rebates program. (C)

LIURP costs will be calculated based on the projected number of Level 1 income homes to be weatherized. WarmWise® Audits and Rebates program costs will be calculated on the projected number of Level 2 income homes provided with an energy audit, programmable thermostat and/or rebates.

CAP costs will be calculated to include the projected CAP Shortfall (the difference between the total calculated RSS bill excluding Rider CC and Rider USP and the CAP bill) based upon the current discounts at normalized annual quantities of the then-current CAP participants, the projected CAP Shortfall for projected customer additions to CAP during the period that the USP Rider rate will be in effect at the average discount of current CAP participants at normalized annual quantities, the projected CAP customer application costs, the projected CAP pre-program arrearages to be forgiven and written off during the next 12 months, ~~any changes, including programming changes, resulting from the CAP Plus design, and any administrative costs associated with the CAP Pilot described in the settlement agreement in Docket No. R-2010-2215623.~~

If the Company is successful in obtaining a CAP gas supply aggregator as provided in Rate CAP-Customer Assistance Plan, then the shortfall will be adjusted to reflect the RDS rate plus the gas costs resulting from the aggregation service.

The costs shall be divided by the total annual projected throughput quantities of all residential non-CAP customers as established in the Company's most recent Purchased Gas Cost proceeding to determine the rate per thm for this Rider.

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CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served upon the following persons, in the manner indicated, in accordance with the requirements of §1.54 (relating to service by a participant).

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Date: 08/12/2015



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