



# **National Fuel®**

## **National Fuel Gas Distribution Corporation**

### **2022 – 2026 Universal Service and Energy Conservation Plan**

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## II. INTRODUCTION.

### A. Plan Submission.

Pursuant to 52 Pa. Code § 62.4 and Order of the Pennsylvania Public Utility Commission (“**PUC**” or “**Commission**”) entered on October 3, 2020 at Docket No. M-2019-3012601, National Fuel Gas Distribution Corporation (“**National Fuel**” or “**Company**”) hereby submits its Universal Service and Energy Conservation Plan (“**USECP**”) to outline its universal service and energy conservation<sup>1</sup> efforts for plan years 2022 through 2026 (the “**2022-2026 Plan**” or “**Plan**”).<sup>2</sup> The 2022-2026 Plan will be implemented upon approval by the PUC.

Notably, this 2022-2026 Plan incorporates, among other things, the customer assistance program (“**CAP**”) elements specified in the PUC’s 2019 “Amendments to the CAP Policy Statement” (52 Pa. Code §§ 69.261 *et seq.*; the “**CAP Policy Statement**”).<sup>4</sup>

### B. Overview.

National Fuel, headquartered in Williamsville, New York, is a subsidiary of National Fuel Gas Company. National Fuel serves approximately 745,000 customers in western New York and northwestern Pennsylvania. The Pennsylvania Division of National Fuel, headquartered in Erie, Pennsylvania, serves approximately 197,000 residential customers in 14 counties.

National Fuel has a rich, long history of providing natural gas services and payment programs/options that meet the unique needs of its diverse customer base. In this regard, many of National Fuel’s efforts pre-dated formal guidance and regulation from the PUC. A complete history of National Fuel’s various universal service and energy conservation programs are detailed in Past Plans filed by National Fuel.<sup>5</sup>

National Fuel currently offers the following universal service and energy conservation programs (each, a “**Universal Service Program**” or a “**Program**”):

- **Low-Income Residential Assistance Program (LIRA);**
- **Low-Income Usage Reduction Program (LIURP);**
- **Neighbor for Neighbor Heat Fund; and**
- **Customer Assistance and Referral Evaluation Services (CARES).**

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<sup>1</sup> As used herein, the term “universal service and energy conservation” shall have the meaning ascribed to it at 66 Pa.C.S. § 2202 and regulations of the PUC (“**PUC Regulations**”), unless the context clearly indicates a different meaning.

<sup>2</sup> As used herein, each previous USECP will be referred to by the years covered by it. For example, National Fuel’s USECP for plan years 2017-2020 shall be referred to as the “2017-2020 Plan.” Additionally, the term “Past Plan” shall refer to the 2017-2020 Plan unless the context clearly indicates a different meaning.

<sup>3</sup> As used herein, the term “**CAP**” shall have the meaning ascribed to it at 52 Pa. Code § 62.2 and 52 Pa. Code § 69.262, unless the context clearly indicates a different meaning.

<sup>4</sup> These amendments to the CAP Policy Statement were made pursuant to Order of the PUC entered on November 5, 2019 at Docket No. M-2020-3012599.

<sup>5</sup> See, 2017-2020 Plan filed on November 18, 2019 and approved as noted in PUC Secretarial Letter dated January 30, 2020 at Docket No. M-2016-2573847, both of which are incorporated herein by reference.

In this 2022-2026 Plan, National Fuel will explain these Programs in more detail, identify the impact they have on customers in its service territory, and list certain modifications and enhancements National Fuel proposes to make to them during the plan years 2022-2026.

### **C. Effective Date of Plan.**

#### **1. Generally.**

Except as specified in Section I.C.2 below, this Plan will become effective ("**Effective Date**") on the sooner to occur of: (i) the date specified by National Fuel in a letter filed at Docket No. M-2021-3024935 (the "**Plan Docket**"); or (ii) on the date six months from the date upon which the Commission issues a Secretarial Letter confirming this Plan complies with the Commission's May 3, 2022 Order entered at the Plan Docket (the "**May 3, 2022 Order**"). Prior to the Effective Date, National Fuel's 2017-2020 Plan will remain in effect.

#### **2. As to Certain LIRA Matters.**

On May 18, 2022, National Fuel filed a Petition with the Commission at the Plan Docket to, among other things, suspend implementation of certain portions of LIRA as proposed in the Plan, as National Fuel begins the process to transition to a "percentage of income" or PIP CAP ("**Petition**"). More specifically, the impacted portions of LIRA are those specified in ¶ 15 of the Petition (the "**LIRA IT Changes**").

Consistent with Order of the Commission dated July 14, 2022 issued in response to the Petition ("**July 14, 2022 Order**"), the request to suspend implementation of the LIRA IT Changes was granted and National Fuel was directed to design and file a Petition proposing a Percentage of Income Program ("PIP") design for LIRA.

In response to the July 14, 2022 Order, on October 12, 2022, National Fuel filed a Petition seeking Commission approval of a revised Plan (this "**Revised Plan**"), which included a PIP design for LIRA (the "**PIP Modifications**"). As more thoroughly explained in the Petition, National Fuel noted it will take time to build, implement, test, and deploy the program elements necessary for the conversion of LIRA to a PIP. Consequently, National Fuel has proposed that LIRA's PIP Modifications be implemented within 18 months from the date of the approval of this Revised Plan (the "**PIP Implementation Date**"). National Fuel will file a letter at Docket No. M-2021-3024935 within nine (9) months from the date of the Commission's approval of this Revised Plan identifying a specific date for the transition within the 18-month timeframe.

To be clear, and as further specified herein, on the PIP Implementation Date, National Fuel will transition LIRA from the current "discount rate design" to the PIP design. LIRA will incorporate elements of a "percentage of income plan" or PIP, as recognized in the Commission's CAP Policy Statement, where customers pay the lesser of their "Average Bill" or their household's "Percentage of Income Amount" (which brings them in line with the Energy Burdens set in the CAP Policy Statement, as revised by the 2019 CAP Policy Statement Amendments).

The portions of LIRA that will be modified on the PIP Implementation Date are clearly marked as such herein.

### **III. NATIONAL FUEL'S COMMITMENT TO PROVIDING QUALITY UNIVERSAL SERVICE PROGRAMS.**

#### **A. Current Universal Service Programs.**

National Fuel offers several Universal Service Programs to help customers maintain affordable natural gas service, including the following:

- **Low-Income Residential Assistance Program ("LIRA")**: LIRA has historically been a discount rate CAP.<sup>6</sup> Historically, LIRA has provided discounted rates, pre-program arrearage forgiveness, and energy education efforts to *payment-troubled*, low-income customers. As more thoroughly noted herein, National Fuel is planning on converting LIRA to a "percentage of income payment" (PIP) program on the PIP Implementation Date. However, on the Plan Effective Date, National Fuel plans on implementing several pro-consumer modifications to LIRA as specified herein, including without limitation, eliminating the *payment-troubled* eligibility criteria. Through LIRA, National Fuel: (1) aims to increase the number of customer payments and reduce National Fuel's collections costs; and (2) helps customers to better manage their gas costs through lower rates, monitoring, conservation education, and linkages to all available income support programs.

While National Fuel has implemented numerous initiatives to achieve a minimum LIRA participation rate of 9,000 customers, participation is currently at approximately 8,000 customers. Among other things, in this 2022-2026 Plan, National Fuel identifies additional ways to increase LIRA participation.

- **Low-Income Usage Reduction Program ("LIURP") and Emergency Repair and Replacement Program ("ERRP")**: LIURP is a PUC-mandated weatherization program for low-income customers.<sup>7</sup> It is designed to assist low-income customers reduce their energy usage, thus reducing their bills. Among other eligibility requirements, those eligible for LIURP must be low-income customers having annual consumption greater than or equal to 1300 CCF of natural gas. National Fuel bids LIURP work out to community agencies and private contractors to obtain the lowest prices. ERRP assists LIURP eligible customers with emergency repairs or replacement of gas heating equipment and hot water tanks.

In 2019, a total of 125 customers participated in LIURP and 115 customers participated in ERRP. In this regard, the APPRISE Report noted that National Fuel's LIURP Program saved participants an average of 18-20% of pre-treatment gas usage.<sup>8</sup> Similarly, LIURP jobs completed in 2018 demonstrated an energy savings of 21%.

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<sup>6</sup> LIRA is offered consistent with applicable regulatory guidance from the PUC, including that found in the CAP Policy Statement.

<sup>7</sup> LIURP is offered consistent with applicable regulatory guidance from the PUC, including that found in 52 Pa. Code §§ 58.1 *et seq.*

<sup>8</sup> See, APPRISE Report, p. 15. For additional information on the APPRISE Report, see footnote 11.

In an effort to expand the LIURP eligibility criteria and provide additional assistance to its customers, in January 2020 National Fuel obtained temporary PUC approval for a new pilot program: Low Consumption LIURP (“**LC-LIURP**” or “**LC-LIURP Pilot**”).<sup>9</sup> The goal of the LC-LIURP Pilot is to identify and assist *moderate* consumption households (*i.e.*, annual consumption of greater than or equal to 900 CCF but less than 1300 CCF) in which the residence has a similar amount of square footage equal to the identified yearly consumption.

Since receiving temporary PUC approval in 2020, a total of five (5) customers have participated in the LC-LIURP Pilot (with a total of 30 referrals made). However, it is worth noting that both LIURP and the LC-LIURP Pilot have been impacted by the effects of COVID-19, as the virus prevented contractors from being able to enter homes to make energy modifications.

While PUC approval of the LC-LIURP Pilot is set to expire in 2022, due to the impact of COVID-19, National Fuel has been unable to gather sufficient data to meaningfully evaluate the LC-LIURP Pilot. As a result, as part of this 2022-2026 USECP, National Fuel is seeking a one-year extension of the LC-LIURP Pilot through January 2023.

- **Neighbor for Neighbor Heat Fund (“Neighbor for Neighbor”)**: Neighbor for Neighbor provides financial assistance to individuals struggling to pay for their utility services. In the 2019 fiscal year (“FY”), 243 customers received assistance from Neighbor for Neighbor, with an average benefit of \$284.

National Fuel anticipates an average of 312 yearly referrals into Neighbor for Neighbor during the term covered by the 2022-2026 Plan.

- **Customer Assistance and Referral Evaluation Services (“CARES”) Program**: CARES assists low-income, fixed income, special needs, and payment-troubled customers who are experiencing short-term financial hardship. As part of CARES, a National Fuel representative conducts an in-depth analysis of the customer’s payment situation, including documenting income and expenses. If the customer can pay his/her budget billing amount (“**Budget Plan**”),<sup>10</sup> plus an amount toward the arrears, a “budget-plus” arrangement is negotiated. If the customer is unable to pay such arrangement, the customer can receive a CARES flat payment arrangement (which can be an amount less than that of the Budget Plan for a term not exceeding four months). Assistance through CARES may include financial assistance, medical and mental health services, food, clothing, shelter, or other assistance. As part of CARES, National Fuel conducts annual LIHEAP outreach campaigns with educational letters, mailings, news media releases, general advertising, and social media campaigns.

National Fuel anticipates approximately 50 referrals to CARES on an annual basis during the time period covered by the 2022-2026 Plan (*i.e.*, a level similar to that experienced during Past Plans).

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<sup>9</sup> See, PUC Order entered on October 24, 2019 at Docket Nos. M-2016-2573847 and P-2019-3008559.

<sup>10</sup> As used herein, the term “Budget Plan” shall refer to “budget billing” arrangements as such term is used in 52 Pa. Code, Chapter 56.

## **B. National Fuel Universal Service Program Funding Levels/LIRA Funding Mechanism.**

For historical context, a summary of National Fuel's spend on these Universal Service Programs during the 2017-2020 Plan is found in **Exhibit "1"**, attached hereto. As noted in the following sections of this 2022-2026 Plan, National Fuel's spending levels on these Programs is expected to increase as a result of, among other things, the Program modifications outlined herein (being made for, among other reasons, to incorporate certain elements from the CAP Policy Statement).

As in Past Plans, National Fuel's 2022-2026 Plan specifies that costs associated with LIRA are funded as specified in "Rider F" of National Fuel's Tariff ("**Tariff**"). Other Universal Service Programs are funded by the Company. Consequently, National Fuel has taken care to ensure that the modifications to the Programs specified in this 2022-2026 Plan carefully balance: (a) assisting customers eligible to participate in the Programs, with (b) the effect the costs associated with these Programs have on the rates paid by non-enrolled customers. In this regard, in addition to moderating the Universal Service Program costs and the financial impact of them, National Fuel has also focused on other desired outcomes, including establishing affordable payment plans, modifying payment behavior, and reducing energy consumption.

## **C. National Fuel's Integrated Approach to Universal Service Programs.**

### **Integration of Programs and Continuous Improvement.**

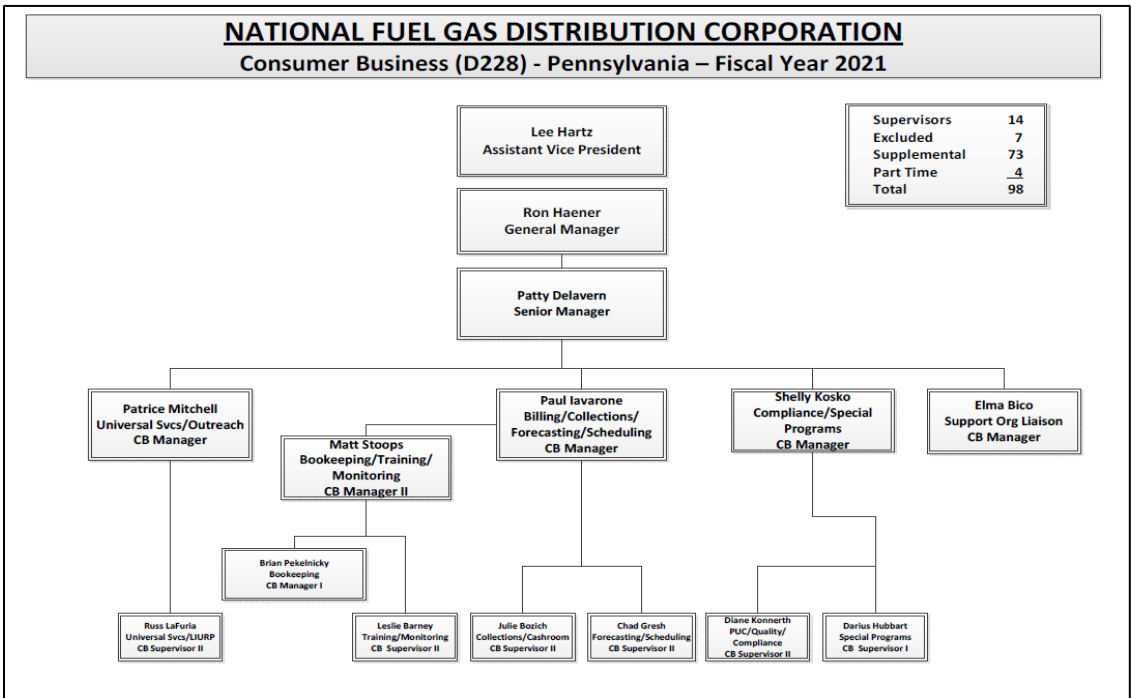
National Fuel has an integrated approach to implementing, managing, and administering its collection of Universal Service Programs, and it strives for continuous improvement with respect to each Program. Among other things, such integration means: (1) the Programs have been designed in a way that they complement each other to assist eligible customers; (2) National Fuel strives to educate and enroll customers in as many of these Programs as possible to help tailor a custom solution for them; and (3) National Fuel leverages its workforce (which is trained in each of the Universal Service Programs) as well as community partners to accomplish the foregoing (rather than having its workforce "siloed" and responsible for just one discrete Program).

### **Organizational Structure.**

Internally, National Fuel's Universal Service Programs are administered, implemented, and deployed under the leadership of its Consumer Business Department. More specifically, within National Fuel's Consumer Business Department, there is a manager, two supervisors, an administrative assistant, and service representatives who are involved in the day-to-day operations of all the Universal Service Programs. In addition to these dedicated positions, there are several customer service representatives (supplemental employees) who are all involved in ongoing contact and interactions with customers. The referrals, questions, and possible concerns of customers are initiated from National Fuel's Pennsylvania Consumer Business Center. A chart showing the



leadership structure of National Fuel’s Consumer Business Department is located below.<sup>11</sup>



In addition, National Fuel leverages third-party contractors to assist in the administration of its Universal Service Programs, so as to enable its staff to provide optimal support and use their time to add maximum impact to customers. For example, Dival Safety Equipment, Inc. processes LIRA applications and LIRA re-verify applications, provides customer education, and issues reports to National Fuel on such activities. Similarly, Matrix Imaging is National Fuel’s third-party vendor responsible for printing and mailing invitation and reverification packets for LIRA. National Fuel continuously evaluates its use of third-party contractors to ensure they are adding maximal value to its Programs. When appropriate, National Fuel engages new vendors.

National Fuel’s organizational structure ensures that its Universal Service Programs are integrated. This is perhaps best illustrated in the manner in which National Fuel refers individuals into the Programs: National Fuel employees coordinate and make referrals to all Universal Service Program components, as well as LIHEAP referrals. More specifically, National Fuel’s Consumer Business Department trains National Fuel employees (including those in its Call Center and its operational staff) to identify customers who may be eligible to participate in its Universal Service Programs, and to refer customers to as many Universal Service Programs as possible. In this regard, National Fuel incorporates referrals into existing processes (e.g., Cold Weather Survey, collection, compliance, and contact management) and coordinates services with

<sup>11</sup> As used in the chart below, reference to “supplemental staff” refers to National Fuel employees working as Customer Service Representatives (“CSR”) in its Pennsylvania Consumer Business Department. These CSR’s support National Fuel’s Universal Service Programs by making referrals, answering customer questions, and addressing concerns/comments shared in the course of interactions with customers enrolled in Universal Service Programs through daily contact and interaction with these customers via phone or in person.

contracted agencies and other community agencies. Restated, National Fuel believes that an effective Program referral process encompasses customer service representatives, field operations, and community agencies.

### **Universal Service Advisory Committee.**

In the spirit of continuous improvement of its Universal Service Programs, and as a result of recommendations received in connection with its 2017-2020 Plan, National Fuel has established a Universal Service Advisory Committee (“**US Committee**”). The US Committee meets at least twice a year to assist National Fuel with developing improvements and bolstering customer participation in all of its Universal Service Programs.

National Fuel welcomes the ideas and outreach suggestions offered by its US Committee. The US Committee’s first efforts involved proposing modifications to the bill National Fuel issues to its LIRA customers so as to make such bills easier to understand and more user friendly. National Fuel acted upon such recommendation. The outcome was an improved bill for LIRA participants.

Current membership on National Fuel’s US Committee is shown in the below table:

<b>Universal Services Committee</b>	
<b>Agency</b>	<b>Name</b>
Better Business Bureau	Pam Marlowe
County Children and Youth	Mike Whitney
Erie County Housing Authority	Rachel Petty
GECAC/Aging	Matt Trott
GECAC/Community Services	Nicole Johnson
GECAC-Aging Division	Matt Trott
Habitat for Humanity	Nancy Milkowski
Housing Authority of the County of Erie	Rachel Petty
Legislator Representative	Rebecca Smith
Office of Consumer Advocate	Christy Appleby
PA Legal Aid	Kristen Geisman
PUC/BCS	Jennifer Johnson
PUC/BCS	Joe Magee
PUC/BCS	Regina O'Hara
PUC/Communication	Christina Chase-Pettis
PULP -Public Utility Law Project	Liz Marx
Small Business Association	Steven Gray
St. Martin Center	David Gonzalez
Stairways Mental Health	Jill Marince
Warren-Forrest EOC	Robert Raible

### **Community-Based Organizations.**

National Fuel works with numerous community-based organizations on implementing and receiving referrals for its Universal Service Programs and other various projects. To ensure robust dialogue and consistency of purpose/mission, National Fuel holds two yearly meetings within its 14 county service territories with local organizations, state

agencies, community action agencies (“CAA’s”) and consumer groups (collectively, “**Community-Based Organizations**” or “**CBO’s**”). To ensure maximum participation from these CBO’s, the locations are rotated throughout National Fuel’s Pennsylvania service territory so that these CBO’s have an opportunity to attend a meeting in their area. These meetings allow for National Fuel to review the Universal Services Programs and to collect input and suggestions from the involved agencies about the programs. The participant reviews have all been favorable and will continue to be held twice each year on a rotating basis during the 2022-2026 Plan.

Agencies used in various Universal Service Program are listed in the tables which follow.

LIRA Program Organizations	
Organization	Purpose
Department of Human Services (County Board of Assistance Offices)	• Based on the customer need
Social Security Administration	• Based on the customer need
Dival Safety Equipment, Incorporation	• Third party contractor for processing LIRA applications
Matrix Imaging	• Third party contractor responsible for mailing LIRA invitations and reverifications

Neighbor for Neighbor Participating Agency List		
Butler/Armstrong Counties	Butler Salvation Army	313 West Cunningham Street, Butler, PA 16001
Clarion County	United Way of Clarion	PO Box 207, Clarion PA 16421
Clearfield/Jefferson Counties	CPCA-Clearfield	207 East Cherry Street, Clearfield, PA 16830
Crawford County	Associated Charities	409 East Central Avenue, Titusville, PA 16354
Crawford County	Center for Family Services	213 Center Street, Meadville, PA 16335
Elk/Cameron County	Northern Tier Community Action	PO Box 389, Emporium, PA 15834
Erie County	GECAC	18 West Ninth Street, Erie, PA 16501
McKean County	Salvation Army	111 Jackson Avenue, PO Box 314, Bradford, PA 16146
Mercer County	Community Action Partnership of Mercer County	75 South Dock Street, Sharon, PA 16146
Venango County	United Way of Venango County	1999 Alleghany Blvd., Reno, PA 16343
Warren/Forest Counties	Warren/Forest Counties Economic Opportunity Council	1209 Pennsylvania Avenue West, PO Box 547, Warren, PA 16365

Community Based Organizations			
1	Agency on Aging (14 Counties), including Senior Centers	29	Legislators – State Representatives, Senators
2	Alzheimer's Association of NW PA	30	Lifeworks – LECOM Health
3	American Red Cross	31	LINK
4	Associated Charities (FEMA)	32	Love, Inc.
5	Association for Retarded Citizens	33	Martin Luther King Center
6	Barber National Institute	34	Mental Health Base Service Unit
7	Blindness and Visual Services – Dept. of Labor & Industry	35	Mental Retardation Base Service Unit
8	Booker T. Washington Center	36	Mercy Center for Women
9	Catholic Social Services	37	Multicultural Center YMCA
10	Center for Family Services	38	Neighbor for Neighbor Affiliates
11	Central PA Community Action, Inc.	39	North Central PA Office of Human Services
12	Community Home Health Agencies	40	Northwestern Legal Service
13	Community HealthNet	41	Office of Children & Youth Service
14	Corry Memorial Hospital - LECOM	42	Office of Vocational Rehabilitation
15	County Office of Children and Youth Agencies	43	Pharmaceutical Assistance Contract for the Elderly (PACE)
16	Department of Human Services	44	Property Tax/Rent Rebate Program - PA
17	Economic Opportunity Association, Inc.	45	Safe Harbor Community Health
18	Emergency Management Agency	46	Salvation Army
19	Family Services	47	Social Security Administration
20	Good Shepherd Center, Inc.	48	St. Martin Center
21	Greater Erie Community Action Committee (GECAC)	49	St. Vincent Health Center, Allegheny Health Network – St. Vincent
22	Hamot UPMC Medical Center	50	Stairways Behavioral Health
23	Home Health Care Agencies	51	The Sight Center of NW PA
24	Homeless Case Management Program	52	Twilight Wishes
25	Independent Council on Aging	53	Veteran's Administration
26	Inter-Church Ministries	54	Womens Care Center
27	International Institute	55	211
28	LECOM Health Center		

## National Fuel Consumer Education and Outreach Plan.

National Fuel leverages its integrated approach, organizational structure, and CBO's to promote its Consumer Education and Outreach Plan. The purpose of the Consumer Education and Outreach Plan ("CEOP") is to provide a multi-pronged approach to consumer education with the goal of connecting eligible consumers to LIRA and other Universal Service Programs. All outreach activities are designed to increase awareness of income eligible programs which include available LIHEAP assistance. Enrollment in these programs benefit National Fuel's customers.

In this regard, National Fuel plans to leverage successful existing CEOP initiatives and incorporate new initiatives, as well during the Plan. By way of summary, the CEOP initiatives are summarized as follows:

- **Existing CEOP:** National Fuel will continue to leverage existing, mature CEOP initiatives included as part of previous Plans including: participation in community events, providing local agency training, offering solicitations via telephone and mail, and utilizing Language Line.
- **Newly Implemented CEOP:** In addition to the legacy CEOP initiatives, National Fuel has recently begun (*i.e.*, implemented in 2019 or later) the following CEOP initiatives and will utilize them during the Plan: targeted outreach (such as postcards sent to identify low-income customers), solicitations sent via e-mail, and the use of social media postings. Of note, National Fuel intends to use certain *seasonal* social media postings (*i.e.*, targeted social media campaigns made to promote programs which complement LIRA and are *posted* (or otherwise advertised) during those times of the year when such programs are available (*e.g.*, LIHEAP postings fall through spring, LIRA postings year round, etc.).

- **Future Enhanced CEOP:** Finally, in a spirit of continuous improvement and to make its Universal Service Programs more impactful and known in the communities National Fuel serves, National Fuel recognizes that the CEOP measures utilized during this Plan are not static, but rather will be further refined and enhanced through an evolving process during the term of this Plan.
  - In this regard, National Fuel will work with its USAC and the Commission's Office of Communications to develop ways to incentivize customers to embrace household conservation efforts and ways to increase enrollment in its Universal Service Programs, including, among other ways, by:
    - Developing and including more educational training webinars and workshops using a virtual or hybrid approach to keep community partners and interested stakeholders informed and updated about National Fuel's universal service programs;
    - Enhancing its outreach efforts to households with incomes at or below 50% of the FPIG; and
    - Adding an additional education component to inform customers about the importance of understanding their energy burden to foster customer awareness of how much their household is spending on energy.

Given the evolving nature/process of the development of enhanced CEOP initiatives ("**CEOP Updates**"), National Fuel will make annual filings regarding enhanced CEOP at the Plan Docket. When filed, the CEOP Updates identified therein shall be deemed to be incorporated into this Plan by reference.

Certain existing components of National Fuel's CEOP are listed in the tables which follow.

General Audience Education & Outreach Activities	
Activity	Frequency
Annual focused bill inserts	Singular section of fall insert; expanded sections in November and December inserts
Website program information	Available 24/7
Social Media Advertisements	Multi-season messaging; aligning with colder weather; opening of energy assistance programs, etc.
Community Education	Flyers/handouts provided to schools, churches, unions, agencies regarding LIHEAP and LIRA. Postcards are sent to potentially eligible customers. Business cards are used with personal contacts.

Additional Target Audience Education & Outreach Activities	
Activity	Details
Incoming callers screened for eligibility via Phone Center	Application for service; bill payment discussions; termination/restoration calls; PFA calls
Hardship Grant applications at Neighbor for Neighbor and screening for CAP and LIURP	Grant approved; benefits of LIRA and LIURP described to eligible customers

LIHEAP recipient identification	Annual Identification of LIHEAP recipients that are not currently enrolled in LIRA.
Limited Income Events	Provide representatives and materials to local events: senior fairs, resource fairs, etc.
Termination Notices	Contain eligibility information regarding LIRA, (seasonal) energy assistance, hardship funds.

<b>Annual Training &amp; Community Education Opportunities</b>	
Association	Training/Support
Targeted Agencies in Service Area, minimum of two (2) Annually	On-site training provided at least once per year regarding available energy assistance grants, LIRA eligibility and enrollment processes, LIURP and hardship funds.
Be Utility Wise (Erie, Venango, Warren)	Annual participation in planning, program development and presentations to attendees regarding all Universal Service Programs.
AAA RSVP and Program Appeal Board	Participate in meetings with community partners providing information on Universal Service Program eligibility and enrollment.
ICA Membership (Networking and Outreach)	Attend 10 meetings annually participating in events targeted for Older Adults. Agency sharing and networking.
ICA Education Committee	Provides Outreach to Agency contacts.
State Legislator Events	Multiple events annually with local state reps. Offer legislative staff trainings and partnering Outreach venue for LIHEAP and National Fuel Program application.
Resource Fairs	National Fuel staff answer questions and distributes information. Increase participation.
Outreach mailings	Comprehensive LIHEAP mailings annually Churches, Schools, Unions, Agencies, Retail Stores (Walmart, Rite Aid, CVS).
Refresher Training	Internal customer service training highlighting the benefits of Universal Service Programs

### **Energy Conservation Audit.**

As an additional means of outreach and education, National Fuel makes “Energy Conservation Audits” available to all National Fuel customers. Priority is given to conducting energy audits for those LIRA customers having annual consumption greater than or equal to 1300 CCF. These high-usage customers are also referred for consideration in LIURP.

The Energy Conservation Audit is designed to provide customers with energy conservation tips with an emphasis on things that they can do themselves. Since many of these customers are senior citizens (*i.e.*, those customers 55 years of age or older), they are screened for eligibility for other Programs, as well. After accompanying the representative through the house, the customer receives a written summary of suggestions and a flier with energy conservation tips. In the absence of an audit, customers will be provided with energy education materials.

### **Engagement of Customers with Unique and Special Needs.**

National Fuel further engages customers with special needs, limited English proficiency, and those with protection from abuse orders (“**PFA**”) as follows:

- “Language Line” used for Limited English Speaking customers.
- All “PFA customers screened for LIRA.
- All customers receiving other Universal Service Programs (LIURP, Emergency Repair Program, CARES) are screened for LIRA.
- Support to vulnerable customers provided by CARES representatives when customers are having difficulty understanding and participating in any US Programs. Referrals are made to agencies (*i.e.*, the local area agency on aging and mental health agencies) for additional assistance where applicable.
- National Fuel Operations employees are provided with information regarding education and knowledgeable contact persons. Contact persons, in turn, provide assistance to help the identified customer that needs LIRA or other income eligible programs. Field employees also carry business cards and LIHEAP Awareness cards to be given to customers to encourage them to call for assistance.

### **Continuous Improvement.**

In the spirit of continuous improvement and ensuring its Universal Service Programs have a maximum impact, National Fuel:

- Participates in targeted outreach with agencies, legislative and career exposition venues, and other activities.
- Routinely meets with members of its US Committee to collaborate on Universal Service Programs.
- Continue, refine, and develop initiatives to identify low-income customers for more robust LIRA and LIURP participation.
- National Fuel, together with the PUC and Penelec (a FirstEnergy Company) (“**Penelec**”), were sponsoring partners of the “Be Utility Wise” outreach event. This event, which includes individuals representing the PUC, National Fuel, and Penelec is a “train-the-trainer” style meeting for local agencies.
- Sponsored, presented and participated in the First Statewide LIURP Contractor Conference in 2019.

National Fuel believes that with continued community involvement, including social media outreach and the adoption of the new CAP Policy Statement, it will realize increased participation in all Programs. Of note, three additional outreach programs are scheduled for Spring 2021 at the Erie County Office of Children and Youth, Venango Human Services, and Stairways Behavioral Health.

#### **IV. IMPLEMENTATION OF PREVIOUS PLAN MODIFICATIONS.**

All modifications outlined in National Fuel's 2017-2020 Plan have been successfully implemented. However, despite its efforts, National Fuel's Programs have total enrolled customers less than that targeted in the 2017-2020 Plan. National Fuel attributes this to several factors, but notes it has taken action (e.g., the LC-LIURP Pilot, etc.) to address it. Moreover, many of the modifications specified in this 2022-2026 Plan are designed to, among other things, increase enrollment levels.

As noted above, National Fuel received PUC approval for the LC-LIURP Pilot in 2020, with such approval lasting through 2022. Due to, among other things, the unprecedented effects of COVID-19 (including restrictions on contractors being able to enter residential homes to make weatherization/conservation-related improvements), National Fuel has been unable to gather conclusive data to evaluate the efficacy of the LC-LIURP Pilot.

Consequently, and as outlined and explained in Section VI herein, in this 2022-2026 Plan, National Fuel respectfully requests a one-year extension of the LC-LIURP Pilot through January 2023.



## **V. SUMMARY OF PROPOSED MODIFICATIONS.**

As noted above, National Fuel continuously explores ways to enhance its Universal Service Programs and to identify, engage, and enroll Program participants. In this regard, since the approval of its 2017-2020 Plan, National Fuel has accomplished this through, among other sources: (1) meaningfully interacting with those enrolled in its Universal Service Programs and key stakeholders; (2) reviewing and implementing provisions of the revised CAP Policy Statement and other guidance and directives from the PUC; (3) implementing recommendations proposed by National Fuel's US Committee; and (4) deliberatively taking steps to consider and apply some of the recommendations from the Applied Public Policy Research Institute for Study and Evaluation ("**APPRISE**") Final Evaluation Report of National Fuel's Universal Service Programs 2020 ("**APPRISE Report**").<sup>12</sup>

Informed by the above sources, National Fuel is proposing several modifications to its Universal Service Programs in this 2022-2026 Plan. While these modifications are outlined in detail later in this 2022-2026 Plan, a summary of these changes includes the following:

- **Modifications to LIRA:**

- **To Implement CAP Policy Statement Changes:** On the Effective Date, National Fuel plans on modifying LIRA to bring it in line with the following guidelines specified in the CAP Policy Statement:
  - Removal of the "payment-troubled" Program eligibility requirement.
  - Conforming definition of "household income" for LIRA eligibility purposes to that used in Section 1403 of the Utility Code.<sup>13</sup>
  - Modification of the LIRA application process, to ensure that low-income eligibility is determined with reference to *either* 30 days or annual income, whichever is more advantageous to the customer.
  - Removal of the LIRA requirement that the enrolled customer must designate the Low Income Home Energy Assistance Program ("**LIHEAP**") grant to National Fuel.
  - Elimination of late payment charges for all enrolled LIRA participants.
  - Continued acceptance of valid alternative identification verification materials (in lieu of social security numbers) (e.g., state driver's license or photo identification card, a U.S.

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<sup>12</sup> The APPRISE Report was previously filed with the PUC on September 2, 2020 at Docket No. M-2019-3012601, and is incorporated into this 2022-2026 Plan by reference.

<sup>13</sup> National Fuel will follow the definition of "household income" specified in Section 1403 of the Utility Code (*i.e.*, household income is "the combined gross income of all adults in a residential household who benefit from the public utility service.") 66 Pa.C.S. § 1403. Consequently, all references to "household income" used in this Plan shall have such meaning.

Citizenship and Immigration Service (“**USCIS**”) Permanent Resident Card (*i.e.*, “**Green Card**”), a Pennsylvania Department of Human Services (“**DHS**”) Benefit Statement, or U.S. Passport.

- Utilization of the approved PUC Standard CAP Reverification Form for zero income, which shall be completed every 6 months (rather than every 3 months).
- **On the PIP Implementation Date, LIRA’s re-design as a PIP will bring Customers’ monthly bills in line with the revised energy burden standards specified in the CAP Policy Statement.**
- **To Implement APPRISE Report Recommendations and Other Changes:**
  - Cancellation of LIRA enrollment if the homeowner declines participation in LIURP (in accordance with directives from the PUC).
  - Modification of LIRA Application and the LIRA Program “Features Sheet” (in accordance with recommendations from the APPRISE Report and the US Committee).<sup>14</sup>
  - Continue to request written documentation to complete all LIRA reverifications (and requiring LIRA participants to comply with reverification every two years or three years) (as directed by the PUC).
- **Modifications to LIURP:**
  - Seeking PUC approval herein for an extension of the LC-LIURP Pilot through January 2023 (to continue to evaluate efficacy of same) and expanding usage eligibility to include those with consumption greater than or equal to 900 CCF and less than 1300 CCF.
  - Addition of blower door testing to all LIURP jobs (in accordance with directives from the PUC).
  - Reinstate the “Annual Meeting of Contractors” for those performing LIURP jobs.
- **Modifications to Neighbor for Neighbor:**
  - Continuation of the Neighbor for Neighbor “COVID Modification” (*i.e.*, no fourth payment required within the last 90 days).
- **Modifications and Efforts with Respect to All Universal Service Programs:**

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<sup>14</sup> A copy of the LIRA Program “Features Sheet” is attached hereto as **Exhibit “2”**.

- Continue to work with CBO's and partners to leverage existing and emerging sources of media (e.g., social media) to attract and retain Universal Service participants.
- Leverage new technologies to enhance participants' experience with Universal Service Programs.
  - In this regard, National Fuel has engaged in social media communication and recently introduced a new, more user-friendly website in November 2020. National Fuel plans to utilize its website to more interactively engage and educate natural gas consumers.
- Solicitation of a third-party vendor with enhanced technology such that National Fuel can offer: (1) an online application and electronic submission for LIRA and Neighbor for Neighbor applications and supporting materials; (2) improved application interface; and (3) enhanced processing time.

## **VI. NATIONAL FUEL’S UNIVERSAL SERVICE PROGRAMS FOR THE PROPOSED 2022-2026 PLAN.**

### **A. Low-Income Residential Assistance Program (“LIRA”).**

#### **1. Program Description.**

##### **Overview.**

###### **Prior to PIP Implementation Date:**

Subject to the modifications described herein, National Fuel plans to continue LIRA during the years covered by the 2022-2026 Plan.

LIRA is a discounted rate CAP for low-income customers (*i.e.*, for customers with incomes equal to or less than 150% of FPG). LIRA is intended to increase the number of payments from low-income customers, while decreasing the Company’s collection costs. Through LIRA, low-income customers are better able to manage their gas utility costs through: (1) lower rates; (2) intensive monitoring and interaction with National Fuel representatives; (3) conservation education; and (4) assistance to maximize household resources by linking customers to all available support programs. In addition, low-income customers enrolled in LIRA are eligible to receive arrearage forgiveness for balances incurred prior to their enrollment in LIRA. The National Fuel Consumer Business Department administers LIRA

###### **Following PIP Implementation Date:**

Following the PIP Implementation Date, LIRA will incorporate elements of a “percentage of income plan” or PIP, as recognized in the Commission’s CAP Policy Statement, where customers pay the lesser of their “Average Bill” or their household’s “Percentage of Income Amount” (which brings them in line with the Energy Burdens set in the CAP Policy Statement, as revised by the 2019 CAP Policy Statement Amendments).

As used herein, the “PIP Implementation Date” will be a date within 18 months from the date of the approval of this Revised Plan, when National Fuel will transition LIRA from the current “discount rate design” to the PIP design. National Fuel will file a letter at Docket No. M-2021-3024935 within nine (9) months from the date of the Commission’s approval of this Revised Plan identifying a specific date for the transition within the 18-month timeframe.

In addition, National Fuel plans to rename LIRA as part of this transition to a PIP, with the rename becoming effective on the PIP Implementation Date. In this regard, National Fuel will identify the new name of LIRA to the Commission via the filing of a letter at Docket No. M-2021-3024935, once the rename is identified. As part of such filing, National Fuel will share its plans for consumer outreach and education regarding the name change. Importantly, the rename will result in no substantive changes to LIRA, as LIRA will be governed by the terms of National Fuel’s approved Plan and other directives of the Commission.

##### **Key Program Design Elements.**

National Fuel highlights the below key elements of LIRA for the time period covered by this 2022-2026 Plan.

###### **Prior to PIP Implementation Date:**

- ➔ **Discounted Rate.** LIRA includes separate discount rates of 10%, 20%, 30%, 40%, 50%, 60%, 70%, 80% (each, a “**Discount Rate**”). A participant’s Discount Rate is set to match:

the Discount Rate specified in the LIRA Discount Rate Table below (which accounts for: (a) the aggregate income level of the household; and (b) the number of people in the household);<sup>15</sup> or

LIRA DISCOUNT RATE TABLE						
ANNUAL INCOME	HOUSEHOLD SIZE					
	1	2	3	4	5	6
\$0 - \$999	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
\$1,000 - \$1,999	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
\$2,000 - \$2,999	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
\$3,000 - \$3,999	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
\$4,000 - \$4,999	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
\$5,000 - \$5,999	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
\$6,000 - \$6,999	70.0%	70.0%	70.0%	80.0%	80.0%	80.0%
\$7,000 - \$7,999	60.0%	70.0%	70.0%	70.0%	70.0%	80.0%
\$8,000 - \$8,999	50.0%	60.0%	70.0%	70.0%	70.0%	70.0%
\$9,000 - \$9,999	40.0%	60.0%	60.0%	60.0%	70.0%	70.0%
\$10,000 - \$10,999	40.0%	50.0%	60.0%	60.0%	60.0%	70.0%
\$11,000 - \$11,999	30.0%	40.0%	50.0%	60.0%	60.0%	60.0%
\$12,000 - \$12,999	30.0%	30.0%	40.0%	50.0%	50.0%	60.0%
\$13,000 - \$13,999	20.0%	30.0%	30.0%	50.0%	50.0%	50.0%
\$14,000 - \$14,999	10.0%	20.0%	30.0%	40.0%	50.0%	50.0%
\$15,000 - \$15,999	10.0%	20.0%	20.0%	30.0%	40.0%	50.0%
\$16,000 - \$16,999	10.0%	10.0%	10.0%	20.0%	30.0%	40.0%
\$17,000 - \$17,999	10.0%	10.0%	10.0%	10.0%	20.0%	40.0%
\$18,000 - \$18,999	10.0%	10.0%	10.0%	10.0%	20.0%	30.0%
\$19,000 - \$19,999	10.0%	10.0%	10.0%	10.0%	10.0%	20.0%
\$20,000 - \$20,999	10.0%	10.0%	10.0%	10.0%	10.0%	20.0%
\$21,000 - \$21,999	0.0%	10.0%	10.0%	10.0%	10.0%	10.0%
\$22,000 - \$22,999	0.0%	10.0%	10.0%	10.0%	10.0%	10.0%
\$23,000 - \$23,999	0.0%	10.0%	10.0%	10.0%	10.0%	10.0%
\$24,000 - \$24,999	0.0%	10.0%	10.0%	10.0%	10.0%	10.0%
\$25,000 - \$25,999	0.0%	10.0%	10.0%	10.0%	10.0%	10.0%
\$26,000 - \$26,999	0.0%	10.0%	10.0%	10.0%	10.0%	10.0%
\$27,000 - \$27,999	0.0%	10.0%	10.0%	10.0%	10.0%	10.0%
\$28,000 - \$28,999	0.0%	0.0%	10.0%	10.0%	10.0%	10.0%
\$29,000 - \$29,999	0.0%	0.0%	10.0%	10.0%	10.0%	10.0%

<sup>15</sup> In determining the "Discount Rate" based on the aggregate income level of the household and the number of people in the household, National Fuel will round to the nearest applicable Discount Rate. For example, if after factoring in a household's size/income, a LIRA customer should receive a theoretical 84% discount, since National Fuel's LIRA does not have an 84% Discount Rate, the LIRA customer would receive the 80% Discount Rate.

ANNUAL INCOME	HOUSEHOLD SIZE					
	8	9	10	11	12	13
\$0 - \$999	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
\$1,000 - \$1,999	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
\$2,000 - \$2,999	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
\$3,000 - \$3,999	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
\$4,000 - \$4,999	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
\$5,000 - \$5,999	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
\$6,000 - \$6,999	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
\$7,000 - \$7,999	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
\$8,000 - \$8,999	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
\$9,000 - \$9,999	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
\$10,000 - \$10,999	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
\$11,000 - \$11,999	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%
\$12,000 - \$12,999	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%
\$13,000 - \$13,999	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%
\$14,000 - \$14,999	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
\$15,000 - \$15,999	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
\$16,000 - \$16,999	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
\$17,000 - \$17,999	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
\$18,000 - \$18,999	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
\$19,000 - \$19,999	30.0%	30.0%	40.0%	40.0%	40.0%	40.0%
\$20,000 - \$20,999	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
\$21,000 - \$21,999	20.0%	30.0%	30.0%	30.0%	30.0%	30.0%
\$22,000 - \$22,999	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
\$23,000 - \$23,999	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
\$24,000 - \$24,999	10.0%	20.0%	20.0%	20.0%	20.0%	20.0%
\$25,000 - \$25,999	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
\$26,000 - \$26,999	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
\$27,000 - \$27,999	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
\$28,000 - \$28,999	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
\$29,000 - \$29,999	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%

A participant's Discount Rate, in turn, is included in his/her Budget Billing bill ("Discount Amount"). The participant is then required to pay the greater of: (a) the Discount Amount; or (b) a minimum payment of \$12.00 (the "LIRA Balance Due Amount"), which the participant is required to pay monthly.<sup>16</sup>

#### Following PIP Implementation Date:

➔ **Affordability.** Customers enrolled in LIRA receive a monthly bill tailored to their unique financial needs and designed to be more affordable than non-LIRA customers.

- **Calculation of Monthly Bills.** For each monthly bill, National Fuel will determine the following for each LIRA Customer's household:

- **PIP Amount:** Determined as follows:

Income Category	PIP Amount (Amount of Monthly Gross Household Income)
0-50% FPL	4%
51-150% FPL	6%

- **Average Monthly Bill Amount:** The average monthly bill amount shall be determined by multiplying:

<sup>16</sup> In previous Plans, National Fuel has referred to the "LIRA Balance Due Amount" as the "ask-to-pay" amount. For purposes of this 2022-2026 Plan, National Fuel has used the term "LIRA Balance Due Amount" as it is the term which is used on LIRA customers' bills.

- The rolling 12-month average consumption for the premises (or based on estimated average consumption if actual premises-data not available);<sup>17</sup> by
  - The then-prevailing rates applicable to a non-LIRA Residential Customer.
- **The LIRA customer will be required to pay the greater of (a) or (b) below as determined on monthly basis (the “LIRA Balance Due Amount”):**
  - (a) **PIP Amount** or **Average Monthly Bill** (whichever results in a lesser amount for the Customer); or
  - (b) the **LIRA Minimum Payment Amount** of \$12.00.
- National Fuel will also monitor LIRA Customers’ consumption. National Fuel will review these figures on a regular basis with its USAC, and determine possible options for individuals whose gas consumption has increased significantly from year-to-year and LIRA customers who have some of the highest consumption, when compared against all residential ratepayers.
- In addition, National Fuel will monitor and track the aggregate amount of CAP Credits expended by all LIRA Customers. If the aggregate amount of CAP Credits exceeds those amounts specified herein by 20% or more, National Fuel will notify the parties of record at Docket No. M-2021-3024935 of same. Following such notification, National Fuel (or any other interested party) may petition the Commission to implement cost control measures, if deemed necessary.
- National Fuel will work with its USAC to develop outcome measure metrics which the Company will be able to use in future USECP proceedings as a means to measure, gauge, and/or track the success of LIRA.

➔ **Arrearage Forgiveness.** In addition to receiving a Discount Rate, LIRA participants can obtain arrearage forgiveness of their pre-LIRA past due balance (“**Pre-LIRA Balance**”). Arrearage forgiveness equal to 1/24 of the Pre-LIRA Balance is provided for each full LIRA payment (i.e., each full payment of the “amount due” on the LIRA customer’s bill). In this regard, participants must make monthly payments that are equal to or greater than the LIRA Balance Due Amount to receive arrearage forgiveness. Each month the bill is paid on time, 1/24 of the amount eligible for forgiveness is eliminated. If the participant pays the Pre-LIRA Balance down to zero, the corresponding forgiveness will be applied. Arrearage forgiveness can also be realized each time a payment is received that is equal to or greater than the LIRA Balance Due Amount.<sup>18</sup> The foregoing arrearage forgiveness is not impacted if a LIRA participant moves to a new address.

**SPECIAL TRANSITION PROVISION - ONE-TIME IN-PROGRAM ARREARAGE CONVERSION TO PPA:** All LIRA Customers who were enrolled in LIRA on the date immediately prior to the PIP Implementation Date will automatically be enrolled in the redesigned LIRA (the “Carryover Customers”). On the PIP Implementation Date, the Carryover Customers’ in-program LIRA arrears, will be re-classified as a “pre-program arrearage” or PPA (collectively, the pre-existing PPA and the re-classified PPA, the “**Total PPA**”), and such amount shall be subject to forgiveness under the terms specified for PPA balance forgiveness. Each payment made by Carryover Customers prior to the PIP Implementation

<sup>17</sup> In situations where National Fuel is unable to base estimated premises-specific consumption on historic 12-month rolling period, National Fuel will use the methodology it uses for estimating the consumption as used for customers enrolled in its balanced billing plan, until sufficient premises-specific data is obtained to compute the premises average monthly consumption.

<sup>18</sup> National Fuel continues to track pre- and post-LIRA payments in order to evaluate LIRA’s overall effectiveness.

Date (meeting terms specified in this Plan to receive PPA balance forgiveness) will qualify as one of the 24 required payments in order to receive forgiveness on the Total PPA Balance.

→ **Energy Management.** National Fuel believes that energy conservation and management is crucial to all CAP's such as LIRA. As such, in addition, to the Discount Rate and pre-arrearage forgiveness components of LIRA, LIRA also features energy management and conservation components. More specifically, a LIRA participant can receive:

- a. Energy education for his/her residence, which is offered by representatives from National Fuel's Energy Management Department or approved contractors.
- b. Energy audits (for each LIRA participant whose usage exceeds that of National Fuel's typical residential customer).
- c. General written energy education materials, including simple tips on controlling gas usage in the home (for each LIRA participant with usage less than 1050 CCF per year).
- d. LIRA participants with consumption greater than or equal to 1300 CCF are referred to LIURP where they are evaluated for inclusion in the program.
- e. LIRA participants with consumption greater than or equal to 900 CCF but less than 1300 CCF are screened for participation in the Low Consumption LIURP Pilot Program ("LC-LIURP"). If eligible, measures will be installed. If ineligible, the LIRA participant will be scheduled for an energy audit where residence-specific recommendations for usage reduction will be made.

→ **Additional Design Elements.** Additional LIRA program elements are specified in Exhibit "3," attached hereto.

## **2. Program Eligibility.**

In order to participate in LIRA, the following requirements must be met:

1. The individual must be a heating customer of National Fuel;<sup>19</sup> and
2. The individual's gross household income must be equal to or less than 150% of the FPG.
3. With respect to all adult household members
  - All such adult individuals residing in the household will be a participant in the LIRA program. All must provide their name and social security numbers or other acceptable forms of identification. An illustrative (but not all inclusive list of acceptable forms of identification are listed) on the LIRA application.

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<sup>19</sup> Additionally, LIRA customers must have National Fuel provide their natural gas supply services.



- ➔ Consistent with the CAP Policy Statement, National Fuel accepts multiple forms of identification including but not limited to valid state-issued driver's licenses, state-issued photo identification cards, and U.S. Passports. Additionally, National Fuel will take the following secondary forms of identification: Green Card, DHS Benefit Statement, and a copy of a mortgage, deed or lease.
4. All **adult** (*i.e.*, aged 18 and over) Occupants must provide satisfactory verification to prove income eligibility. Some of the most common satisfactory and acceptable forms of income which may be used to determine LIRA eligibility include:
- ➔ **For Wages:** recent pay stubs, statements from employer.
  - ➔ **For Public Assistance:** Notice of eligibility.
  - ➔ **For Pension:** pension check, benefit letter
  - ➔ **For Unemployment:** Eligibility letter, benefit check.
  - ➔ **For Social Security:** Benefit Statement, Bank Statement.

Income of the minor will not be included in the calculation of household income for purposes of LIRA.

Additionally, once enrolled, LIRA participants must agree to have their income verified periodically and advise the Company if their income or household size changes.

- 5. To receive LIURP services if they meet the eligibility requirements.
- 6. To apply annually for LIHEAP, if they are eligible and the program is available.
- 7. **APPLICABLE UNTIL THE PIP IMPLEMENTATION DATE:** Must become enrolled in the Budget Plan.

### 3. Program Needs Assessment.

#### **LIRA Needs Assessment.**

The LIRA Needs Assessment is based on the U.S. Census Bureau's 2020 American Community Survey "1 Year Estimates" and "5 Year Estimates" ("**2020 ACS**") and identifies potential estimated low-income households at 59,860, or 30.19% of the total households classified as customers in National Fuel's Pennsylvania service territory. This information from the 2020 ACS is plotted by each county in National Fuel's Pennsylvania service territory in the table below.

Census Data by County - 2015-2019							
	Total Households	Number <=150%	Percent <=150%	NFG Households	NFG Estimated Number of Households <=150%	Percentage of NFG Estimated Low Income	Identified NFG Confirmed Low Income
Armstrong County	28,137	7,595	26.99%	593	160		
Butler County	76,502	13,749	17.97%	2,105	378		
Cameron County	2,184	717	32.83%	1,314	431		
Clarion County	16,021	5,513	34.41%	3,821	1,315		
Clearfield County	31,248	9,821	31.43%	6,921	2,175		
Crawford County	35,164	10,812	30.75%	17,461	5,369		
Elk County	14,020	3,256	23.22%	10,945	2,542		
Erie County	110,318	35,051	31.77%	91,258	28,995		
Forest County	1,839	659	35.83%	897	321		
Jefferson County	18,427	5,916	32.11%	6,518	2,093		
McKean County	17,147	5,568	32.47%	5,735	1,862		
Mercer County	46,340	12,862	27.76%	26,461	7,344		
Potter County	6,480	2,220	34.26%	4	1		
Venango County	22,050	6,442	29.22%	14,475	4,229		
Warren County	17,115	4,645	27.14%	9,741	2,644		
Total/Avg.	442,992	124,826	28.18%	198,249	59,860	30.19%	24,340
Census Data Compiled by Mollie Van Loon CSIS Project Penn State University 3/15/2020  Sources: 2015 - 2019 American Community Survey 5-Year Estimates - United States Census Bureau NFG Households, PDF PA Low Income Customers 2020-12 Summary - Residential by County							

As an additional data point, National Fuel's confirmed low-income households total 24,340 as of March 2020.

### LIRA Details and Trends.<sup>20</sup>

In addition, National Fuel acquired invaluable data about its LIRA program from the APPRISE Report. With respect to LIRA, APPRISE noted the following details and trends with respect to the 2017-2020 Plan:

- A total of 9,856 customers participated in LIRA at some point in 2019.
- Of those customers, 31% first enrolled in LIRA before 2015.
- The mean length of time an individual participates in LIRA is 4.6 years.
- A total of 63% of the LIRA participants identified above received a 10% Discount Rate, 7% received a Discount Rate greater than 50%, and 4% received a Discount Rate of 80%. The mean of the Discount Rates received by all LIRA participants was 21%.
- A total of 23% of LIRA customers with incomes at 0-50% of FPG had a monthly LIRA "Balance Due Amount" in an amount which exceeded 4% for their household income.
- The average annual discount for LIRA participants equaled \$219, with the mean pre-Program arrearage equaling \$596.

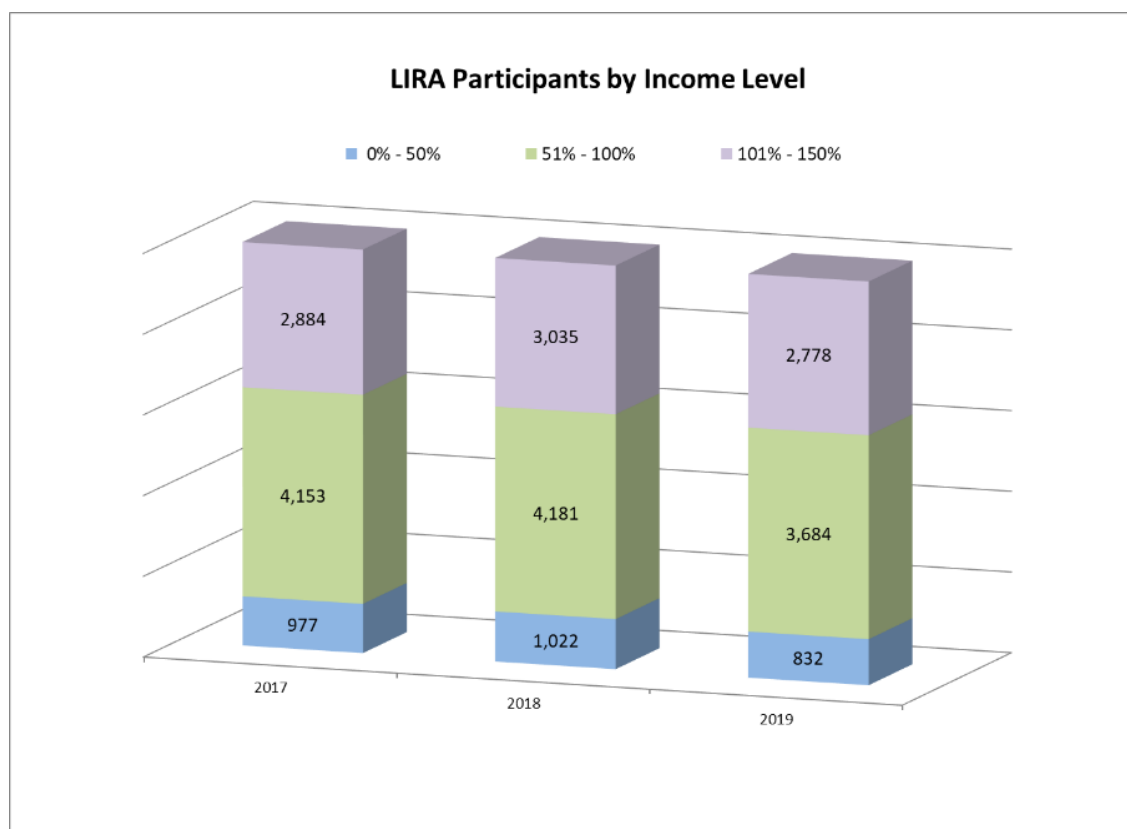
<sup>20</sup> In addition to the information contained in this Section, additional information is contained in **Exhibit "4,"** attached hereto.

The PUC's 2019 Universal Service Programs & Collections Performance Report (the "**2019 PUC Report**") summarized income for all natural gas customers enrolled in CAP's across Pennsylvania from 2017-2019. These sources of household income included (with respect to 2017, 2018, and 2019, respectively):

- Employment: 29.8%, 30.5%, 30.2%.
- Pension or retirement percentages: 29.3%, 31.8%, and 33.1%.
- Disability income: 20.9%, 18.5%, and 17.1%.
- Public Assistance: 4.5%, 3.8% and 3.6%.
- Unemployment Compensation: 2.3%, 2.2%, and 2.1%.
- Other income: 13.3%, 13.2%, 13.9%.

### **Energy Burden Findings by APPRISE and Modification of LIRA Energy Burden Percentages.**

Overall, National Fuel observed a 9% decrease in LIRA participation from 2017-2019. National Fuel continues to see the smallest number of LIRA participants amongst those with household incomes at 0%-50% of FPG (at just 12%). The majority of National Fuel's LIRA participants are those with household incomes at 51%-100% of FPG (at 51%). Finally, National Fuel's LIRA participants with household incomes of 101%-150% of FPG is approximately 37%. See graph below for specific details which supports this trend.



### **National Fuel's Response to the Above Factors.**

As a direct result of these findings and the 2019 Amendments to the CAP Policy Statement, National Fuel has proposed the modifications outlined in this 2022-2026 Plan to LIRA (*i.e.*, to among other things, establish a new LIRA Discount Rate of 90% and allow for monthly adjustments to participants' LIRA Discount Rate, so as to bring the maximum number of participants' energy burdens within the 4% energy burden (for customers with household income at 0%-50% FPG) or 6% (for customers with household income at 51%-150% of FPG)). Consequently, National Fuel's 2022-2026 Plan has adopted and incorporated this recommendation from the CAP Policy Statement. Additionally, National Fuel has continued to be responsive to PUC guidance and customer needs. Moreover, National Fuel will continue to encourage these customers to apply for LIHEAP and participate in LIURP to better assist the LIRA customers to manage their consumption and gas bills.

#### **4. Program Projected Enrollment Levels and Budget.**

The projected LIRA enrollment and budget (for the time period covered by this 2022-2026 Plan are shown in the below table entitled "Projections for LIRA 2022-2026."

<b>Projections for LIRA 2022-2026</b>					
	CY 2022 Forecast	CY 2023 Forecast	CY 2024 Forecast	CY 2025 Forecast	CY 2026 Forecast
Discounts	\$2,407,846	\$2,581,985	\$3,180,988	\$3,381,972	\$3,582,956
Arrearage	\$553,470	\$593,498	\$633,526	\$673,554	\$713,582
Admin	\$181,489	\$194,615	\$207,740	\$220,866	\$233,992
<b>Total</b>	<b>\$3,142,805</b>	<b>\$3,370,098</b>	<b>\$4,022,255</b>	<b>\$4,276,392</b>	<b>\$4,530,530</b>
<b>Forecasted participants</b>	<b>8,476</b>	<b>9,089</b>	<b>9,702</b>	<b>10,315</b>	<b>10,928</b>
<b>NOTES:</b>					
<p>(1) The information above is modeled on the number of "forecasted participants." The number of forecasted participants listed in this table is based on the revised forecasted number of participants provided by National Fuel in its Comments filed at Docket No. M-2021-3024935 on August 24, 2021 at p. 15.</p> <p>(2) Figures for CY 2022 and CY 2023 assume the current LIRA design as a "discount rate" program. Figures for CY2024-CY2026 are based upon the PIP being in place.</p> <p>(3) In addition to the figures noted above, there will be one-time costs associated with the implementation of a PIP, as identified in the bulletpoints below. These "one-time" costs will be incurred during the time period leading to the PIP Implementation Date.</p> <ul style="list-style-type: none"> <li>IT Costs required for Design, Implementation, Testing, and Deployment of Billing System for PIP: \$673,000 (based on estimated required time of 5,500 hours to make necessary IT Changes and using both Company and contractor time in order to implement the changes).</li> <li>Administrative Costs including revisions to educational/training materials, program literature, etc.: \$154,000.</li> </ul>					

The LIRA budget is dependent upon a number of factors, including: (a) enrollment levels; (b) current cost of natural gas as a commodity; and (c) cost to administer the Program.

A comparison of National Fuel's LIRA budget projections for Plan years 2022-2026 (see the above table entitled "Projections for LIRA 2022-2026") to the amount National Fuel spent on LIRA in 2017-2019 (see the below table) is insightful. With respect to LIRA, in fiscal year 2019, National Fuel spent \$368,648 in Program administration, \$1,255,846 in CAP credits and \$526,283 in arrearage forgiveness, for a total of \$2,150,777. This amount is subject to fluctuation based on LIRA participation rates and natural gas commodity cost rates. National Fuel expects to increase enrollment in 2022 to the goal of 9,000 customers. National Fuel will continue with an ongoing LIRA enrollment goal of adding 500 LIRA participants annually through 2026.

Program Year	Administrative Costs	CAP Credits	Arrearage Forgiveness	Totals	Average Annual CAP per Residential Customer
2017	\$227,077	\$791,565	\$181,008	\$1,199,650	\$6.09
2018	\$302,960	\$1,093,008	\$453,805	\$1,849,773	\$9.38
2019	\$368,648	\$1,255,846	\$526,283	\$2,150,777	\$10.93

By comparing the above tables, it is clear that the associated costs of LIRA are increasing (on a dollar-for-dollar basis, year-over-year). In this regard, the administrative costs incurred in connection with National Fuel's LIRA were 18.9%, 16.4% and 17.1% of National Fuel's total LIRA costs in 2017, 2018, and 2019, respectively. These costs are significantly higher than the industry average at 5.8% for the same years. National Fuel's costs with respect to LIRA credits are lower (at an average of 61.2%) compared with the gas industry as a whole (76%). National Fuel's largest LIRA-related cost is for LIRA credits. In this regard, National Fuel's costs for credits are the greatest of all public utilities in Pennsylvania. Finally, the Pre-LIRA Balance forgiveness component has also continued to increase from 15.1% to 24.5% from 2017-2019. While constituting an increased cost, this trend nevertheless supports a conclusion that LIRA is effective, insofar as such Pre-LIRA Balance is forgiven *when* customers pay their LIRA Balance Due Amount. This outcome could also be attributed to the change in how LIHEAP is allocated to the LIRA Balance-Due Amount (a change since the 2017-2020 Plan). This increased cost follows trends found with other public utilities, with the caveat that National Fuel's cost increases have occurred at a greater rate than those of other public utilities.<sup>21</sup>

Despite the cost increases noted above, National Fuel's overall costs per LIRA participant remains much lower than natural gas distribution companies' averages for 2017-2019. Specifically, National Fuel LIRA participants paid just 69% of that paid by those enrolled in other public utilities' CAP programs. Getting more granular, National Fuel's LIRA participants per customer costs in 2017, 2018, and 2019 were \$150, \$225 and \$295, respectively, in comparison to the industry average costs of \$621, \$752 and \$690, respectively. This translates to National Fuel's LIRA participants paying 33% less than those enrolled in CAP's at other utilities during this time frame.<sup>22</sup>

<sup>21</sup> See, 2019 PUC Report, pp. 52-58. Due to the impact of COVID-19 Pandemic, 2020 LIRA data was not reviewed or included as it was not representative of a "typical" year.

<sup>22</sup> See, 2019 PUC Report, pp. 52-58. Due to the impact of COVID-19 Pandemic, 2020 LIRA data was not reviewed or included as it was not representative of a "typical" year.

Speaking to customer utilization, National Fuel's monthly average LIRA participation was 8,014, 8,238 and 7,294 customers for years 2017, 2018, and 2019, respectively.<sup>23</sup>

## 5. Funding Mechanism.

In the 2022-2026 Plan, National Fuel plans to continue to fund the LIRA Program via "Rider F - LIRA Discount Charge," provided for in National Fuel's Tariff ("**Rider F**" or "**LIRA Rider**") to certain rate classes ("**Subject Rates**").<sup>24</sup> The LIRA rate discount specified in Rider F (the "**LIRA Rate Discount**") will be calculated for the quarters corresponding with the updates of gas costs (*i.e.*, February 1, May 1, August 1, and November 1) as well as any other time that Residential Sales Service Rate Customer Charge, Distribution Charge, Natural Gas Supply Charge, Gas Adjustment Charge, or Gas Procurement Charge change.

In addition, a component of Rider F is a charge which shall be included in the Subject Rates to provide for the full recovery of costs in conjunction with the Company's LIRA Rate Discounts, program costs, forgiven pre-program arrearages and an incremental customer credit as provided for in Settlement of Docket Nos. R-00072420 and M-00072019 ("**Reconciliation Charge**"). The first 12-month reconciliation period commenced October 1, 2007 through September 30, 2008 with the Reconciliation Charge effective for the one year period commencing February 1, 2009. Such Reconciliation Charge will be updated annually and effective each February 1.

### **APPLICABLE ONLY UNTIL THE PIP IMPLEMENTATION DATE:**

The calculation of the LIRA Rate Discount, which will become effective upon National Fuel's 2022-2026 Plan Approval (and any required Tariff filings) is as follows:

- **Step 1: Determine Percentage of Income Target.** Determine the percentage of income target payment percentage matrix for income and household size based on the BCS-related guidelines/CAP Policy Statement.

BCS Tier	Maximum % of Poverty	Bill Target as % of Income
I	50%	6.5%
II	100%	8.0%
III	150%	9.0%

- **Step 2: Determine Annual Bill Target.** Step 2 is the determination of the annual bill target by income and household size based on: (1) the percentage of income target developed in Step 1, and (2) a minimum monthly payment towards natural gas bills of \$12 per month.
- **Step 3: Determine Annual Required Discount Amount.** Step 3 determines the annual required discount amount needed in order to achieve the annual bill target included in Step 2. The required discount amount is calculated by subtracting the annual bill target in Step 2 from the annual residential bill for the average LIRA customers' annual consumption by household size category.

<sup>23</sup> See, 2019 PUC Report, pp. 52-58. Due to the impact of COVID-19 Pandemic, 2020 LIRA data was not reviewed or included as it was not representative of a "typical" year.

<sup>24</sup> As specified in the Tariff, the current list of Subject Rates includes customers receiving service under the Residential Sales Service Rate Schedule and the Residential rates of the SATC, MMT, and DMT transportation rate schedules.

- **Step 4: Determine Percentage Discount.** In Step 4, the percentage discount for income and household size is determined. The percentage discount is determined by dividing the required discount in Step 3 by the residential bill for average LIRA customer consumption by household size then rounding the result to the nearest 10%. The minimum discount to be provided to qualified LIRA customers is 10%.
- **Step 5: Determine the LIRA Discount Amount.** Step 5 calculates the LIRA discount amount by multiplying the LIRA percentage discount by the annual residential bill for average LIRA customer consumption by household size. .
- **Step 6: Determination of LIRA Customer Distribution.** In Step 6, the number of current LIRA rate participants by income category and household size is calculated.
- **Step 7: Calculate Projected Discounts.** In Step 7, the projected level of discounts for current LIRA rate participants is calculated by multiplying the discount amount by income category and household size by the number of current participants by income and household size.
- **Step 8: Determination of Total Discounts for the Upcoming 12 Months.** Step 8 provides the determination of the total discounts associated with the LIRA program for the upcoming 12 months. The total discounts are equal to the sum of the monthly total projected discounts for the upcoming 12 months. The total monthly projected discount is equal to the residential bill for the average LIRA customer consumption for the month multiplied by the average discount amount multiplied by the projected number of LIRA customers for the month.

The charge specified in Rider F will be recalculated whenever there is a change to the Residential Sales Service Rate Customer Charge, Distribution Charge, Natural Gas Supply Charge, Gas Adjustment Charge or Gas Procurement Charge.

A summary of the variables that may change with each update of Rider F include:

- Change in residential sales rates;
- Change in the current number of LIRA participants by household size and income category;
- Percentage discounts by household size and income;
- Average LIRA customer annual and monthly volumes by household size;
- Average LIRA discount percentage;
- Total number of LIRA customers current and projected by month; and
- Non-LIRA residential customer volumes.

The calculation of the Reconciliation Charge specified in Rider F will include the following:

1. **LIRA Rate Discount:** the LIRA Rate Discount reconciliation will be based on the previous fiscal year actual over/(under) collections, determined by comparing discounts provided to in bills to LIRA customers as compared to discounts billed to Residential customers under Rider F.
2. **LIRA Program Costs:** the LIRA cost reconciliation will be calculated based on the previous annual fiscal year's costs to administer the LIRA program excluding Company labor and benefits less \$82,924 of net LIRA program costs embedded in base rates that became effective January 1, 2007 (Docket No. R-00061493).
3. **LIRA Forgiven Pre-Program Arrearages:** the LIRA forgiven pre-program arrearage reconciliation will be based on the previous annual fiscal year pre-program forgiven arrearages associated with the LIRA program less \$755,591 of LIRA pre-program arrearages embedded in base rates that became effective on January 1, 2007 (Docket No. R-00061493).
4. **Incremental Customer Credit:** an annual credit of \$35 per LIRA customer will be provided associated with the LIRA incremental customers. The LIRA incremental customer credit will be based on the average number of LIRA customers billed during the previous fiscal year less 11,411. If the average number of LIRA customers billed during the previous fiscal period is 11,411 or less, the credit will be \$0.

*Note:* In addition, since the filing effective February 1, 2010 and every February 1 thereafter, Rider F has included a levelized rate for over/under collections for the prior 12-month period by comparing projected revenues under the Rider to actual revenue amounts experienced. The annual reconciliation will be based upon actual revenues through December 31 and estimated revenues for January. Estimates for January shall be included in the following reconciliation period. The rate will be designed to recover or refund the applicable under or over recovery over the 12-month period beginning February.

## 6. **Program Use of Community-Based Organizations and Staff Responsibilities.**

### **Community-Based Organizations.**

As noted in Section II of this 2022-2026 Plan, National Fuel works with numerous community-based organizations on various projects. Within its 14 county Pennsylvania service territory, National Fuel holds two yearly meetings with local organizations, state agencies, and consumer groups. The locations are rotated throughout the territory so that agencies periodically have an opportunity to attend a meeting in their area. These meetings allow for National Fuel to review the Universal Services Programs and to collect input and suggestions from the involved agencies about the programs. The participant reviews have all been favorable and they will continue to be held twice each year on a rotating basis.

By way of summary, National Fuel works with, among others, the following external parties (including vendors, CBO's, and government agencies) to assist in recruiting, retaining, and administering LIRA:



LIRA Program Organizations	
Organization	Purpose
Department of Human Services (County Board of Assistance Offices)	• Based on the customer need
Social Security Administration	• Based on the customer need
Dival Safety Equipment, Incorporation	• Third party contractor for processing LIRA applications
Matrix Imaging	• Third party contractor responsible for mailing LIRA invitations and reverifications

Also, as noted in Section II of this 2022-2026 Plan, under the direction of National Fuel's Consumer Business Department, which is principally responsible for all facets of National Fuel's Universal Service Programs (including LIRA), National Fuel has an "all hands on deck" approach, ensuring that its employees across all departments and business units are aware of LIRA so as to identify and make referrals to same.

#### **7. Program Description of Outreach and Intake Efforts and Specific Steps to Identify Low-Income Customers with Arrears and Enroll Same.**

Initially, it is worth noting that prior to this 2022-2026 Plan, LIRA only targeted low-income *payment-troubled* customers who had difficulty keeping their payment arrangements and who may have been in danger of having their services terminated. Under this design (*i.e.*, LIRA eligibility requirement of customer being "payment-troubled"), LIRA had a monthly average yearly participation by poverty level of 7,849 for the past three years.<sup>25</sup> The elimination of the "payment-troubled" eligibility requirement will open up the program to additional customer households that are at the qualifying income thresholds.

#### **Referral Process.**

A customer meeting the LIRA eligibility requirements may be referred into LIRA through several sources. National Fuel's Consumer Business Department often makes such referrals. As part of such referral, a National Fuel representative explains the main features of LIRA and the benefits that may be realized by the customer as a result of enrolling. A National Fuel representative also explains the customer's responsibilities as a LIRA participant, including:

- That all adult household members will become National Fuel LIRA participants).
- All household income must be verified (in a manner consistent with the guidance contained in the CAP Policy Statement).
- To avoid termination of service, the monthly LIRA Balance Due Amount must be paid.
- No additional extensions or payment arrangements (to avoid termination of service) are offered to LIRA participants.
- Each customer must agree to receive weatherization services, if qualified under LIURP or LC-LIURP Pilot eligibility requirements (see Section VI, B). If a customer does not agree, he/she will be removed from LIRA and placed back in the applicable standard residential rate category.

<sup>25</sup> See, 2019 PUC Report, p. 52.

- The ratepayer must agree to apply annually for LIHEAP.

Once a referral is made directly from National Fuel (per above), a 30 day hold is automatically placed on such customer's account to allow the necessary time to process the referral. Referred customers are then contacted by telephone and/or letter to determine LIRA eligibility.

As noted elsewhere in this 2022-2026 Plan, although the majority of referrals are expected to be made by National Fuel's Consumer Business Department, any National Fuel business department may encounter customers who could benefit from the LIRA Program and who appear to be eligible. Referrals may also be made by community agencies/CBO's that have been involved in the customer's situation. Certain referral methods for LIRA are listed in the table below.

LIRA Referral Methods	
Method	Availability
Written Mail-in Process	National Fuel's Call Center screens customer accounts for Program eligibility and then completes referrals. Follow-up will include mailing a LIRA Application to the eligible customer. The customer must then return the completed LIRA Application as well as income verification. Documentation can be submitted via fax or US mail.
Agency Referrals	Contact from various agency for eligible customers.
Neighbor for Neighbor	Grant recipients screened for referral and participation in additional Universal Service Programs.
LIURP Referral	LIURP-eligible customers referred to LIRA if they qualify.

### Application Process.

If National Fuel identifies a customer who may benefit from and be eligible for LIRA, National Fuel will make a referral to the individual to participate in LIRA. After the LIRA referral, an individual record for the prospective LIRA participant will be created. As part of the referral, National Fuel will direct the customer to complete application over telephone or online. Upon request, National Fuel will also send a paper application.

For each referral opting to receive a paper application, a packet with a LIRA application form (the "**LIRA Paper Application**") and an invitation letter will be generated and mailed. An informational page as well as a postage-paid return envelope is also included.

For each referral opting to complete an online application, National Fuel will provide the customer with information on accessing/completing the online LIRA application (the "**LIRA Online Application**", collectively with the LIRA Paper Application, the "**LIRA Application**"). The LIRA Online Application will contain the same informational page sent to those opting for a LIRA Paper Application.

Prospective LIRA customers must complete the LIRA Application (LIRA eligibility will be determined by review of the same substantive information provided in the LIRA Paper Application and the LIRA Online Application). As part of this enrollment process, each prospective LIRA customer's information will be reviewed to verify compliance with the "Program Eligibly" requirements specified in Section VI, A, 2 of this Plan.

For successful enrollment in LIRA, the LIRA Application and supporting documents specified herein must be received by National Fuel. An individual may be rejected from LIRA if he/she does not complete the LIRA Application and/or fails to provide all supporting documentation starting on the 21<sup>st</sup> day after he/she first began the Online Application. Prior to being rejected from LIRA for such reason, the customer will receive a notification advising that he/she must complete the LIRA Application and/or provide missing documentation in order to avoid being rejected from LIRA.

Supporting Documentation may be provided electronically if the Customer has made an Online LIRA Application. Supporting Documentation may also be provided via mail. If an individual submits these materials via mail, after income information is received and verified, original documents will be returned to the customer.

After reviewing the customer's total income and the number of people in the household, the applicants are either accepted into LIRA or rejected. If rejected, the customer is notified as to the reason for the rejection.

Once approved for LIRA, the customer receives a notification of their acceptance into LIRA. This contact is to make certain that the customer understands the requirements and benefits of the program. Along with an acceptance letter, a copy of the LIRA Program Features is mailed to the customer. A report is issued to Energy Management for energy audit and weatherization purposes. Going forward, the account is billed at the LIRA rate.

Upon LIRA enrollment, individuals will receive information including a "LIRA Features Sheet" which:

- Explains how the LIRA monthly payment is computed and the fact that the monthly payment amounts may go up or down depending upon usage, household size/income, and rates.
- Requests that the customer apply for a LIHEAP grant.
- Reminds customers: (1) of the importance of paying their bills by the due date, explaining that if LIRA bills are not paid, no debt forgiveness will be given; and (2) no additional payment arrangements or extensions are offered (the account will immediately become eligible for collection action).

Medical certificates will be honored in compliance with PUC Regulations for LIRA households

Importantly, the APPRISE Report confirmed that overall, LIRA applicants and participants believed the application process was not difficult. In this regard, of 31 individuals surveyed on this question, 29 reported the application process was not too difficult to complete.<sup>26</sup>

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<sup>26</sup> APPRISE Report, p. iii. Additionally, the APPRISE Report confirmed that all participants interviewed had knowledge of their LIRA enrollment.

## B. Low-Income Usage Reduction Program (“LIURP”).

### 1. Program Description.

LIURP is a PUC-mandated usage reduction program for low-income customers.<sup>27</sup> LIURP is designed to assist low-income customers reduce their energy usage, thus reducing their bills. Since LIURP’s inception, \$32,524,645 has been expended on usage reduction/weatherization projects for customers who have received LIURP services.

Through LIURP, eligible customers receive, among other things, the following:

- Heating system safety check;
- Energy audit and energy education sessions;
- Wall and/or attic insulation when appropriate;
- Required blower door-guided air sealing;
- Other energy conservation measures; and
- Overall, 25% of jobs receive a post inspection by a National Fuel representative.<sup>28</sup>

All measures installed must be cost-effective (*i.e.*, “pay for themselves” through energy savings in a specified time frame according to PUC guidance relative to LIURP). Customer consumption and payment behavior are monitored for the 12 months before and after weatherization for program evaluation by the PUC.

According to information from the PUC, most participants in National Fuel’s LIURP were employed customers.<sup>29</sup> The most frequently listed income sources for LIURP customers include employment income, retirement/pension income, and disability income. Other income sources include that from public assistance and other sources, as well.<sup>30</sup>

The table that follows provides participation information in National Fuel’s LIURP and the Emergency Repair Replacement Program (“ERRP”) from 2017 to 2019. ERRP assists homeowners with furnace and hot water repair or replacements. The table demonstrates that there were 423 LIURP jobs and 344 ERRP jobs completed during this period. The mean cost of a LIURP job was \$5,287 in 2019, and mean cost of an ERRP job was \$2,569 in 2019.<sup>31</sup> This table is based on the analysis of individual participant records with the LIURP enrollment date.

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<sup>27</sup> See, 52 Pa. Code § 58.3.

<sup>28</sup> More specifically, in selecting the 25% of jobs which receive post-installation inspections, National Fuel will select such jobs from *all* LIURP job types and without regard for the cost of any such job.

<sup>29</sup> Information based on data from 2017-2019. See, 2019 PUC Report, p. 42.

<sup>30</sup> Information based on data from 2017-2019. See, 2019 PUC Report, p. 42.

<sup>31</sup> To control per-job costs, National Fuel bids the work among community agencies and private contractors to maintain the maximum number of jobs at the lowest prices.

### LIURP and ERRP Participation and Costs

Participation and Costs	LIURP				ERRP			
	2017	2018	2019	2017-2019	2017	2018	2019	2017-2019
# of Jobs	149	149	125	423	95	134	115	344
# of Unique Customers	149	149	125	423	92	129	114	329
Mean Job Cost	\$4,489	\$5,302	\$5,287	\$5,011	\$1,888	\$2,299	\$2,569	\$2,276
Total Job Costs	\$668,864	\$789,966	\$660,894	\$2,119,724	\$179,379	\$308,084	\$295,465	\$782,927

*Source: APPRISE Report, p. 24.*

As it has historically done, National Fuel will continue to provide both a health and safety allowance to allay safety matters necessary to permit weatherization measures to proceed (“**Health and Safety Measures**”) and an incidental repair allowance (“Incidental Repair Allowance”) to provide for incidental repair measures to account for minor repair costs (for minor issues discovered by LIURP contractors which are not categorized as a measure in the LIURP codebook) (“**Incidental Repair Measures**”). Guidelines, criteria, and other conditions applicable to the Health and Safety Allowance and Incidental Repair Allowance are identified in **Exhibit 6**.

## 2. Low Consumption-LIURP Pilot.

In an effort to increase enrollment in LIURP, National Fuel crafted a Low Consumption-LIURP Pilot Program (“**LC-LIURP**” or “**LC-LIURP Pilot**”). The LC-LIURP Pilot has been available since January 2020, when National Fuel received PUC approval to implement it on a temporary basis through 2022.<sup>32</sup> The LC-LIURP Pilot was designed to make usage reduction efforts and projects available to “moderate consumption” households (whose annual consumption is greater than or equal to 900 CCF and less than 1300 CCF of natural gas) in which the household residence has a similar amount of square footage equal to the identified yearly consumption. The LC-LIURP Pilot was tailored to the unique needs of National Fuel’s service territory, as Pennsylvania’s housing stock continues to be the second oldest in the nation, and the LC-LIURP Pilot provides National Fuel with additional means to remedy inefficient energy sources from dated homes.

A comprehensive description of the LC-LIURP Pilot (including key design elements and eligibility requirements) is found in filings made by National Fuel on March 8, 2019 at Docket Nos. M-2016-2573847 and P-2019-3008559, which are incorporated herein by reference. National Fuel also explicitly lists the following eligibility factors which must be present for participation in the LC-LIURP Pilot:

- Customer must have annual consumption greater than or equal to 900 CCF and less than 1300 CCF.
- Customer must have 12 months of continuous gas service at the same property address.
- First priority will be given to a homeowner who resides in a single family house in which the square footage of home is less than or equal to 1299 and consumption is greater than or equal to such house’s square footage but does not exceed 1300 CCF threshold.

<sup>32</sup> See, PUC Order entered on October 24, 2019 at Docket Nos. M-2016-2573847 and P-2019-3008559.

- Second priority will be given to homeowners regardless of the home's square footage, if National Fuel believes that the household would achieve sufficient energy savings through participation in the LC-LIURP Pilot.
- Lower priority will be given to customers regardless of home ownership status, such as renters, in single family or multifamily properties.
- Total household income is less than or equal to 150% FPG.
- The house must not have been weatherized in the past 7 years (through LIURP).
- Enrolled in LIRA, meets the above criteria, and resides in the following counties: Erie, Crawford, Venango, Warren.

Once the above qualifiers are met, customers are eligible for participation in the LC-LIURP Pilot and treatment measures can be installed. To reduce energy consumption for LC-LIURP participants, primary conservation measures typically include: an energy audit, air sealing, insulation, heating system improvements, repairs or replacements and energy conservation education. A secondary goal is to reduce the overall long-term program costs to National Fuel customers through usage reduction and lessen National Fuel's uncollectible costs. Reducing billing costs for the low-income customer and increasing the comfort level in the home are also desired outcomes.

In proposing the LC-LIURP Pilot to the PUC, National Fuel noted that success will be defined as meeting an average consumption target reduction goal of 18%, (*i.e.*, the mainstream LIURP reduction outcome). National Fuel further indicated that the target population would be 20 customers annually who meet the above criteria, totaling 40 customers from 2020 through 2021.<sup>33</sup>

#### **Effect of the COVID-19 Pandemic on the LC-LIURP Pilot and National Fuel's Request to Extend the Term of the LC-LIURP Pilot to Gauge the Efficacy of Same.**

In furtherance of the foregoing, upon receiving PUC approval of the LC-LIURP Pilot on January 30, 2020, National Fuel initiated contact with 30 customers for participation. However, shortly after the LC-LIURP Pilot was approved, the COVID-19 pandemic halted all on-site LIURP work.

Consequently, National Fuel has only been able to complete five (5) LC-LIURP weatherization jobs, with associated job costs of \$20,131.<sup>34</sup> Given this pandemic-caused paucity of data, National Fuel is not in a position to evaluate the success of the LC-LIURP Pilot as of the time of the filing of this 2022-2026 Plan.

In creating the LC-LIURP Pilot, National Fuel believed – and continues to believe – that it will maximize ratepayer benefit (by allowing more eligible customers to participate than in the traditional LIURP, as the consumption qualifier allows for greater eligibility). Moreover, National Fuel believed – and continues to believe – that full implementation of the LC-LIURP Pilot will complement National Fuel's LIRA program, and ultimately secure

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<sup>33</sup> In proposing the LC-LIURP Pilot, National Fuel further noted that the LC-LIURP Pilot's budget allocation will be \$125,000 annually in 2020 and 2021, with the average job expected to cost less than \$4,500 (*i.e.*, the average LIURP project cost in 2016). To ensure quality data on the success of the LC-LIURP Pilot, National Fuel noted that pre- and post-weather normalized consumption would be captured to evaluate the consumption reduction and the household cost savings, with the LC-LIURP Pilot accounts identified and tracked separately for evaluation purposes.

<sup>34</sup> The only meaningful data point received pertains to the average cost per job, which is \$4,026 (*i.e.*, on track with that expected).

the most affordable customer bills and reduce the cost of uncollectible accounts including LIRA shortfall differences.

**Consequently, through the filing of this 2022-2026 USECP Plan, National Fuel respectfully requests a one-year extension of the LC-LIURP Pilot through January 2023 (i.e., expand the LC-LIURP Pilot for an additional year).** The additional year will provide National Fuel with adequate time to complete jobs and evaluate results, which will ultimately allow it to determine if the LC-LIURP Pilot has yielded the beneficial results it was designed to achieve. On or before the close of the *extended* LC-LIURP Pilot trial period, National Fuel will petition the PUC so as to report its findings and make a request to: (1) extend the LC-LIURP Pilot; (2) discontinue the LC-LIURP Pilot; or (3) incorporate the LC-LIURP Pilot into its existing Universal Service Programs.

### **3. Program Eligibility.**

Eligibility criteria for National Fuel's *traditional* LIURP includes the following:

- Annual consumption greater than or equal to 1300 CCF.
- Income below 150% of the FPG, an exception allows for 20% of the annual budget to be spent on the income level from 151-200%; which can include special needs customers, such as senior citizens (*i.e.*, those 55 years of age or older), customers with medical needs or disabilities, and/or customers with young children in the home.
- Residence at the premises for at least one year with 12 months of continuous service.
- Consistent with the LIURP regulations (52 Pa. Code § 58.8), National Fuel must receive written landlord permission prior to the installation of LIURP measures identified in an energy audit ("**Landlord Approvals**"). National Fuel does this by requiring that landlords complete its "Landlord Approval Form", a copy of which is attached hereto as **Exhibit 7**.

**Note:** To the extent the Landlord Approvals are not obtained (*e.g.*, *Landlord does not consent to the measures proposed to be installed*), National Fuel would provide the tenant with a "Low-Cost Energy Savings Tips Flyer" to help identify items that the tenant could take on his/her own to help reduce energy costs. A copy of the Low Cost Energy Tips Flyer is attached hereto as **Exhibit 7-A**. Additionally, if a safety issue is discovered while a contractor is on premise, the contractor is instructed to contact National Fuel to report the safety issue. Upon receiving notification of such issue, a National Fuel service technician will be dispatched to investigate the problem and determine the applicable protocol to take to remediate the safety issue.

Eligibility criteria for National Fuel's LC-LIURP Pilot are listed in the preceding section and in the filings made by National Fuel on March 8, 2019 at Docket Nos. M-2016-2573847 and P-2019-3008559, which are incorporated herein by reference

### **4. Program Needs Assessment.**

The LIURP needs assessment is based on 2020 ACS, specifically focusing on those households with income that are likely to fall below 200% FPG. In this regard, the following chart depicts the number of such customers in National Fuel's Pennsylvania

service territory that are likely to fall below 200% FPG, and who therefore could benefit from LIURP.

Census Data by County - 2015-2019 Estimates									
	Total Households	Number <=150%	Percent <=150%	Number 150-200%	Percent 150-200%	Number <=200%	Percent 200%	NFG Households	NFG Number <=200%
Armstrong County	28,137	7,595	26.99%	2980	10.59%	10,575	37.58%	593	223
Butler County	76,502	13,749	17.97%	5961	7.79%	19,710	25.76%	2,105	542
Cameron County	2,184	717	32.83%	333	15.25%	1,050	48.08%	1,314	632
Clarion County	16,021	5,513	34.41%	1909	11.92%	7,422	46.33%	3,821	1,770
Clearfield County	31,248	9,821	31.43%	3750	12.00%	13,571	43.43%	6,921	3,006
Crawford County	35,164	10,812	30.75%	4175	11.87%	14,987	42.62%	17,461	7,442
Elk County	14,020	3,256	23.22%	1841	13.13%	5,097	36.36%	10,945	3,979
Erie County	110,318	35,051	31.77%	12150	11.01%	47,201	42.79%	91,258	39,046
Forest County	1,839	659	35.83%	196	10.66%	855	46.49%	897	417
Jefferson County	18,427	5,916	32.11%	2437	13.23%	8,353	45.33%	6,518	2,955
McKean County	17,147	5,568	32.47%	1739	10.14%	7,307	42.61%	5,735	2,444
Mercer County	46,340	12,862	27.76%	4859	10.49%	17,721	38.24%	26,461	10,119
Potter County	6,480	2,220	34.26%	727	11.22%	2,947	45.48%	4	2
Venango County	22,050	6,442	29.22%	2781	12.61%	9,223	41.83%	14,475	6,055
Warren County	17,115	4,645	27.14%	2224	12.99%	6,869	40.13%	9,741	3,909
Total/Avg.	442,992	124,826	28.18%	48,062	10.85%	172,888	39.03%	198,249	82,540
Census Data Compiled by Mollie Van Loon CSIS Project Penn State University 3/15/2020  Sources: U.S. Census Bureau, 2015-2019 5-Year American Community Survey NFG - ADHOC - Total active residential accounts by county									

Per the above chart, as of 2019, there are approximately 82,540 households, in National Fuel's Pennsylvania service territory, with incomes less than or equal to 200% of the FPG.

As of March 2021, a review of confirmed low-income accounts indicate that approximately 9,753 homes meet the yearly consumption level of equal to or greater than 1300 CCF and income threshold of 200% FPL for National Fuel's weatherization program.

## Recommendations.

In the spirit of continuous improvement, National Fuel has reviewed and taken steps to implement several LIURP "enhancements" during and leading up to the term of the 2022-2026 Plan. More specifically, the APPRISE Report recommended that National Fuel focus on having improved communication and reestablishment of an annual contractor meeting for those contractors participating in LIURP. As a result, National Fuel has facilitated an annual meeting of contractors each July, beginning in 2021 ("**Annual LIURP Contractor Meetings**"). National Fuel shares information from these Annual LIURP Contractor Meetings with its USAC. Additional information about the Annual LIURP Contractor Meetings (including meeting content) is identified in **Exhibit 8**.

Additionally, in response to directives from the PUC, all customers whose residence receives any work connected to LIURP, will have a blower door test completed pre- and post-weatherization jobs.

Finally, as "improved outreach" was a recurring theme given to National Fuel and other public utilities with respect to Universal Service Programs, National Fuel continues to leverage all available means to perform customer outreach. Specifically in the LIURP context, National Fuel (together with other Pennsylvania public utilities and partners) will



be launching a statewide advertising campaign, coordinated by the Energy Association of Pennsylvania (“EAP”). Additionally, National Fuel will continue targeted LIURP outreach and training in each of the 14 counties within its Pennsylvania service territory.

## **5. Program Budget.**

Historically, LIURP’s annual budget has been \$1,300,000 (set by a rate case). As a result, National Fuel’s LIURP annual budget during the plan years covered by this 2022-2026 Plan will be \$1,300,000. Of the \$1,300,000 annual LIURP budget: (1) approximately \$300,000 per year is allocated to ERRP (*i.e.*, the program that repairs or replaces furnaces and water heaters for owner occupied customers); (2) approximately \$187,000 is utilized for administrative costs; and (3) during the term of the LC-LIURP Pilot, a maximum of \$250,000 can be spent on LC-LIURP Pilot projects.

To the extent unspent LIURP funds remain at the end of a given year, National Fuel applies such funds to the next year’s LIURP budget (in addition to the \$1,300,000 budget for that year). Recently (and due in large part to the effects of the COVID-19 pandemic), National Fuel has underspent its annual LIURP budgeted amount, yielding unused funds for carryover into future years. As an example, in 2020, due in large part to COVID-19 restrictions, National Fuel underspent its \$1,300,000 LIURP budget by approximately \$500,000. (This pandemic-related underspend is largely the result of “shelter-in-place” orders in effect from March-June 2020. While National Fuel resumed work after these orders were lifted, work has remained slow due to lingering customer concerns relative to COVID-19 and allowing outside contractors into their homes.)

Ultimately, in addition to the \$1,300,000 allocated in the annual budget for usage reduction jobs during each year of the Plan, as of the date of the filing of this Plan, the \$1,636,096 previously budgeted but unspent funds will be available for usage-reduction jobs during the time period covered by the Plan (“**Carryover Funds**”).

As a final note, National Fuel acknowledges the historical underspend of its LIURP budget. That said, National Fuel is confident that the proposals it has made (and identified in this Plan) relative to LIURP (including the proposal to increase the health and safety allowance, modify the Landlord Approval Form (to make less cumbersome), contract with additional weatherization contractors, and expand the LC-LIURP Pilot consumption eligibility requirements) will serve to increase the number of LIURP jobs completed annually.

## **6. Program Projected Enrollment Levels.**

The APPRISE Report noted that in 2019: (1) 125 LIURP jobs and 115 ERRP jobs were completed; (2) the mean LIURP job cost was \$5,287 and the mean 2019 ERRP job cost was \$2,569; and (3) 94% of the 2019 LIURP jobs received insulation, 66%, received air sealing, and 27%, received heating system replacements.<sup>35</sup> The APPRISE Report indicated that the foregoing metrics are high measure penetration rates that led to the high program savings rates.

During each year of the Plan, National Fuel forecasts the following number of LIURP/ERRP jobs. Since each job corresponds to an individual/household enrolled in the respective programs, these numbers also correspond to the projected enrollment levels. Significantly, National Fuel’s projections track the maximum possible number of jobs/enrollments which could be completed if all available LIURP funds were utilized on

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<sup>35</sup> APPRISE Report, pp. 24, 26.

an annual basis. While acknowledging the historical underspend of its LIURP budget, National Fuel nevertheless is optimistic that it may reach these forecasts in light of the additional measures being taken to minimize the LIURP underspent (including those methods specified above).

<b>LIURP Enrollment Projections During Plan</b>											
#	Projected Enrollment	LIURP					ERRP				
		2022	2023	2024	2025	2026	2022	2023	2024	2025	2026
(1)	Total Number of Jobs Based on Annual Budget Allocation of \$1,300,000 (from which LIURP's budget is \$1,000,000 annually and ERRP's budget is \$300,000 annually)*	141	135	130	124	119	89	84	79	74	70
(2)	Total Number of Additional Jobs Possible if Carryover Funds Used and Distributed evenly during each year of the Plan**	53	51	49	47	45	2	2	2	2	1
(3)	Total Jobs if Full Budget Utilized and Surplus Funds Applied Equally Each Year (i.e., sum of (1) and (2))	194	187	179	172	165	91	85	80	76	71
<b>NOTES:</b>  * Total Number of Jobs projected determined as follows:  (a) Projecting annual amount of funds available for LIURP and ERRP projects, by: (a) taking budgeted amounts specified for LIURP (\$1,000,000) and ERRP (\$300,000); and (b) subtracting administrative costs from same (for purposes of forecasting, admin costs were set in reference to the maximum possible admin costs of 15% specified per 52 Pa. Code § 58.5). (b) Projecting total costs for the average LIURP and ERRP jobs, by: (a) starting with the 2021 cost/job for each program (using the "Heating - Method 1" data in National Fuel's LIURP Spending Report (2021 Reporting Year) submitted to BCS on February 22, 2022 and applying average year-over-year per/job cost increases of 4.2% for LIURP and 6.3% for ERRP (such escalators based on average per job increase observed during the past Plan Period). (c) Dividing the result obtained in (a) (above) by (b) (above) for each year of the Plan to obtain the number of possible LIURP jobs.  ** Total Number of Additional Jobs Possible if Surplus Funds Used determined as follows:  (x) Beginning with the current carryover amount of \$1,636,096.00, allocating to LIURP and ERRP based on underspend in each program. (y) After determining such figure, apportion said amounts equally to each year covered by the Plan. (z) Dividing the result obtained in (y) above, with the average job cost for each year of the Plan (as computed using the methodology specified in (b) above.											

## **7. Program Use of Community-Based Organizations and Staff Responsibilities.**

As noted in Section II of this 2022-2026 Plan, National Fuel works with numerous community-based organizations and other external stakeholders on its Universal Service Programs, including LIURP. By way of additional information, specifically in the LIURP context, National Fuel works with seven community-based organizations (specifically, CAA's), and, in addition, has recently begun partnering with seven independent contractors to help ensure the maximum number of LIURP projects can be completed in a timely and efficient manner.<sup>36</sup>

A list of these community partners is found in the below table.

<sup>36</sup> National Fuel added independent contractor partnerships to help complete LIURP jobs as the CAAs have not been able to complete as many LIURP jobs as National Fuel has targeted.

LIURP Contractors	
<b>Community Based Contractors</b>	
Central PA Community Action, Incorporated	207 E. Cherry Street, Clearfield, PA 16830
Community Action Partnership of Mercer County	75 S. Dock Street, Sharon, PA 16146
Community Action, Incorporated	105 Grace Way, Punxsutawney, PA 15767
Greater Erie Community Action Committee (GECAC)*	18 West Ninth Street, Erie, PA 16501
Northwest PA Weatherization, Incorporated	7940 Franklin Pike, Meadville, PA 16335
The Housing Authority of the County of Erie	PO Box 38, 120 South Center Street, Corry, PA 16407
Warren/Forest Counties Economic Opportunity Council	1209 Pennsylvania Avenue, PO Box 547, Warren, PA 16365
<b>Private Contractors</b>	
CleaResult	525 Greenfield Road, 2fl, Lancaster, PA 17601
Collins Plumbing and Heating, Incorporated	4 Oak Grove Street, Oil City, PA 16301
Comfort Solutions, Incorporated	947 Buffalo Street, Franklin, PA 16323
Lee Plumbing and Heating	3463 Schlindwein Drive, Erie, PA 16509
Mincin Insulation Service	289 Baldwin Road, Pittsburgh, PA 15207
R. L. Rick Heating and Air Conditioning	2133 Parker Avenue, Erie, PA 16510
*This agency is no longer a vendor.	

In addition, National Fuel continues to coordinate with agencies and other weatherization programs available to the customer and remains diligent to complete coordinated weatherization jobs with Penelec, where appropriate. National Fuel will concentrate on collaborating with Penelec to provide significant energy savings that are more convenient for its customers.

National Fuel utilizes the following methods to coordinate LIURP with other low-income energy efficiency programs:

- National Fuel exchanges customer information with Penelec (*i.e.*, National Fuel's electric energy partner). Penelec is able to identify some non-heating customers to participate in their program, so National Fuel can coordinate these jobs. This helps these customers increase energy affordability, and measures are completed at the same time so it is convenient for the customer.
  - a) National Fuel has also had extensive communication with CleaResults, in an ongoing attempt to complete more dedicated coordinated jobs with Penelec.
- CAA's contact National Fuel when they are providing Weatherization Assistance Program ("**WAP**") jobs and make inquiry as to whether such customer can also be eligible to participate in National Fuel's LIURP. If approved, the CAAs will perform the required work and invoice National Fuel accordingly.

Additionally, a recent Pennsylvania Home Performance Conference established a baseline and best practices for many different weatherization measures and facilitated productive discussions with CAAs and state approved contractors. This will help to improve consistency and aid in program coordination.

Also, as noted in Section II of this 2022-2026 Plan, under the direction of National Fuel's Consumer Business Department, which is principally responsible for all facets of National Fuel's Universal Service Programs (including LIURP), National Fuel has an "all hands on deck" approach, ensuring that its employees across all departments and business units are aware of LIURP so as to identify and make referrals to same.

## **8. Program Differences between Approved Plan and Implementation of Same.**

### **Participation in the LIURP Program.**

National Fuel's LIURP has generally functioned consistent with the 2017-2020 Plan. However, National Fuel has underspent its \$1,300,000 LIURP budget in recent years. In this regard, in 2020, due in large part to the effects of COVID-19, National Fuel underspent its LIURP budget by approximately \$500,000. (This pandemic-related underspend is largely the result of "shelter-in-place" orders in effect from March-June 2020. While National Fuel resumed work after these orders were lifted, work has remained slow due to lingering customer concerns relative to COVID-19 and allowing outside contractors into their homes.)

As noted above, National Fuel applies these unspent funds to weatherization jobs in future years. In this regard, due to the historical underspend of LIURP funds, in addition to the \$1,300,000 allocated in the annual budget for usage reduction jobs during each year of the Plan, the Carryover Funds will be available for usage-reduction jobs during the time period covered by the Plan.

### **Delayed Rollout of the LC-LIURP Program as a Result of the COVID-19 Pandemic.**

Additionally (and as noted above), with respect to the LC-LIURP Pilot, as a result of the COVID-19 pandemic (whose impact began shortly after the approval of the LC-LIURP Pilot), National Fuel has only been able to complete five LC-LIURP weatherization jobs, (as opposed to the 40 it projected). Given the pandemic-caused paucity of data, National Fuel is not in a position to evaluate the success of the LC-LIURP Pilot.

Consequently, through the filing of this 2022-2026 USECP Plan, National Fuel has requested a one-year extension of the LC-LIURP Pilot through January 2023 (*i.e.*, expand the LC-LIURP Pilot for an additional year). The additional year will provide National Fuel with adequate time to complete jobs and evaluate results, which will ultimately allow it to determine if the LC-LIURP Pilot has yielded the beneficial results it was designed to achieve.

## **9. Program Description of Outreach and Intake Efforts and Specific Steps to Identify Low-Income Customers with Arrears and Enroll Same.**

### **LIURP Referrals.**

In addition to direct referrals from National Fuel's LIRA, customers are referred to LIURP in the following ways:

- National Fuel's call center and field operations generates referrals based on calls from customers having problems with their bill, or those who express interest in weatherization programs.
- Identified customers who have annual consumption greater than or equal to 1300 CCF will be referred to National Fuel's Energy Management Department for possible participation in LIURP. Identified eligible customers using less than 1300 CCF in need of furnace or water heater repair or replacement will also be referred to the Energy Management Department for possible LIURP participation under the ERRP.

- National Fuel's outreach efforts, including bill stuffers or social media (e.g., Facebook and Twitter).
- Agency referrals of customers to LIURP.
- Internal account review performed by National Fuel on all accounts that receive LIHEAP and Neighbor for Neighbor award recipients.

## C. Neighbor for Neighbor Heat Fund (“Neighbor for Neighbor” or “NFN”).

### 1. Program Description.

Designed as a “hardship fund,” Neighbor for Neighbor is a voluntary Universal Service Program designed to provide assistance to qualifying individuals requiring aid to meet basic energy needs.<sup>37</sup> Neighbor for Neighbor provides assistance to individuals to: (1) prevent disconnection of utility service; (2) pay overdue bills; (3) purchase any type of heating fuel; or (4) repair or replace heating equipment.

Neighbor for Neighbor is funded by public donations, with National Fuel stockholders providing dollar-for-dollar matching funding (up to \$67,000 annually) for use within National Fuel's Pennsylvania service territory. The Neighbor for Neighbor Advisory Board (“**Advisory Board**”), made up of individuals representing human service organizations, provides feedback and recommendations for continuous improvement to National Fuel regarding Neighbor for Neighbor based on community needs.

Currently, maximum Neighbor for Neighbor grant amounts are set to \$500 for customers and \$300 for non-customers, with grants available once per 12-month period. Additionally, the Advisory Board also reviews eligibility criteria annually. The Greater Erie Community Action Committee (“**GEACAC**”) is Neighbor for Neighbor's financial agency. Applications and screening are handled by designated service organizations in each county.

To participate in the NFN Program, a customer is required to make certain “**Good Faith Payments**” defined as any payment (including payments made from LIHEAP or other government-funded assistance programs) made towards an individual's heating bill.<sup>38</sup> The Good Faith Payment requirement in effect for this Plan is specified below.

A customer is limited to receiving one Neighbor for Neighbor grant per calendar year. The current maximum for National Fuel customers is \$400 and the maximum for non-natural gas applicants within its service territory is \$200. Grants are issued to the energy vendor or to contractors for repairs.

As shown in the table below, the APPRISE Report indicated that there were 243 Neighbor for Neighbor grants awarded for National Fuel overdue bills in FY 2019 with a mean pledge amount of \$284. There were 41 additional Neighbor for Neighbor grants awarded to other vendors in FY 2019 and the mean pledge amount was \$174.

Neighbor for Neighbor Grants*					
Neighbor for Neighbor Grants		Year			FY2017- FY2019
		FY2017	FY2018	FY2019	
Grants to NFG	Number of Grants	245	316	243	804
	Mean Pledge Amount	\$355	\$379	\$284	\$343
	Total Pledged Amount	\$86,963	\$119,648	\$68,959	\$275,570
Grants to Other Vendors	Number of Grants	34	57	41	132
	Mean Pledge Amount	\$294	\$298	\$174	\$259
	Total Pledged Amount	\$10,010	\$16,977	\$7,144	\$34,132

<sup>37</sup> See, hardship fund programs at 52 Pa. Code §§ 62.1 *et seq.*

<sup>38</sup> Due to the COVID-19 pandemic, the requirement to make “Good Faith Payments” has been temporarily suspended. This suspension will end and “Good Faith Payments” will again be required to participate in Neighbor for Neighbor upon the Effective Date of this Plan.

National Fuel plans on acting upon the following Neighbor for Neighbor recommendations from the APPRISE Report: (1) continued training for agencies involved in the Neighbor for Neighbor to increase awareness, program referrals, and participation levels (see below for additional information); (2) creation of an online system for Neighbor for Neighbor submission and tracking; and (3) leveraging technology to increase overall awareness for the Neighbor for Neighbor program and more responsive grant processing and tracking.

By way of additional detail, with respect to the “continued training for agencies involved in Neighbor for Neighbor, National Fuel plans to: (1) continue its existing training efforts, including training at its bi-annual Advisory Board meetings and targeted trainings to at least two agencies each year; and (2) to work collaboratively with its USAC, the Advisory Board, and the Advocates who filed comments in connection with the approval of this Plan (*i.e.*, CAUSE-PA and the OCA) to develop a comprehensive agency training plan and related materials, which can be used and referenced by the Advisory Board and community agencies on a go-forward basis (the “**New Training Materials**”). The goal of the New Training Materials will be to ensure that all agencies collaborating with the Neighbor for Neighbor program have comprehensive program knowledge to impart about National Fuel’s Universal Service Programs.

National Fuel plans to begin discussions/development of the New Training Materials by first seeking the input of its USAC at its Fall 2022 Meeting.

## 2. **Program Eligibility.**

To receive Neighbor for Neighbor funds, an applicant must:

- (1) Have an energy-related “need.”
- (2) Within a 12-month period from the date of an applicant’s NFN enrollment, have made at least three (3) “**Good Faith Payments**”.
- (3) Additionally, the following conditions should be present:
  - The applicant must reside within National Fuel's service territory.
  - The applicant must be living in the household applying for a grant.
  - Must meet one of the following criteria:
    - a) Be 55 years of age or older.
    - b) An individual within the household is disabled (no age restriction).
    - c) Household is receiving unemployment compensation
    - d) Household has verifiable, recent loss of income within the past 30 days.
      - Applicant must provide documentation from their employer or from the unemployment office

- e) A Veteran resides in the household.
- f) Household has a medical related emergency (no age restriction).
  - To verify medical emergency, a signed document from the applicant's doctor stating that there is a medical need for the customer to have access to natural gas service in their home must be provided.
- g) If an applicant does not qualify under one of the above criteria 3(a)-(f), the applicant's household falls within 0%-200% FPIG. Provided that for those customers at or below 150% FPIG, eligibility to participate in NFN solely under this section 3(g), such applicant/applicant's household must have first applied for LIHEAP or other government-funded assistance programs, if the applicant/applicant's household is eligible for such programs and if such programs are available.

### 3. **Program Needs Assessment.**

Informed by, among other things, the eligibility criteria noted above, National Fuel has developed an appropriate Needs Assessment of eligibility for Neighbor for Neighbor. Such information is found in the tables that follow. However, National Fuel notes that: (a) it works with community-based organizations, like GECAC, to identify eligible households on a case-by-case basis; and (b) the Company further notes that eligible households do not have to be a National Fuel customer or even natural gas customer, in order to receive a Neighbor for Neighbor grant.

Estimated Number of NFG Household Members Over 55						
	Total Population	Total Population Over 55 Years of Age	% of Population Over 55 Years of Age	Total Households	NFG Households	Number of NFG Household Members Over 55 Years of Age
Armstrong County	65,867	24,981	37.93%	28,137	593	225
Butler County	186,899	62,861	33.63%	76,502	2,105	708
Cameron County	4,611	2,061	44.70%	2,184	1,314	587
Clarion County	38,715	12,980	33.53%	16,021	3,821	1,281
Clearfield County	79,908	28,176	35.26%	31,248	6,921	2,440
Crawford County	85,665	29,881	34.88%	35,164	17,461	6,091
Elk County	30,340	11,567	38.12%	14,020	10,944	4,172
Erie County	273,835	86,400	31.55%	110,318	91,259	28,794
Forest County	7,313	2,618	35.80%	1,839	897	321
Jefferson County	43,846	15,736	35.89%	18,427	6,518	2,339
McKean County	41,401	14,105	34.07%	17,147	5,736	1,954
Mercer County	111,518	40,544	36.36%	46,340	26,461	9,620
Venango County	51,818	20,167	38.92%	22,050	14,475	5,634
Warren County	39,756	15,525	39.05%	17,115	9,741	3,804
<b>Total/Avg.</b>	<b>1,061,492</b>	<b>367,602</b>	<b>34.63%</b>	<b>436,512</b>	<b>198,246</b>	<b>67,971</b>
Sources: U.S. Census Bureau, TableD DP02: 2015-2019 5-Year American Community Survey NFG - ADHOC - Total active residential accounts by county						



Estimated Number of NFG Households with Disabilities						
	Total Population	Total Population with Disabilities 65+	% of Population with Disabilities	Total Households	NFG Households	Estimated Number of NFG Households with Disabilities
Armstrong County	65,867	5,325	8.08%	28,137	593	48
Butler County	186,899	10,720	5.74%	76,502	2,105	121
Cameron County	4,611	453	9.82%	2,184	1,314	129
Clarion County	38,715	2,804	7.24%	16,021	3,821	277
Clearfield County	79,908	5,778	7.23%	31,248	6,921	500
Crawford County	85,665	5,993	7.00%	35,164	17,461	1,222
Elk County	30,340	2,154	7.10%	14,020	10,944	777
Erie County	273,835	16,706	6.10%	110,318	91,259	5,567
Forest County	7,313	628	8.59%	1,839	897	77
Jefferson County	43,846	3,244	7.40%	18,427	6,518	482
McKean County	41,401	2,738	6.61%	17,147	5,736	379
Mercer County	111,518	7,793	6.99%	46,340	26,461	1,849
Venango County	51,818	4,170	8.05%	22,050	14,475	1,165
Warren County	39,756	2,812	7.07%	17,115	9,741	689
Total/Avg.	1,061,492	71,318	6.72%	436,512	198,246	<b>13,319</b>
Sources: U.S. Census Bureau, TableD DP02: 2015-2019 5-Year American Community Survey NFG - ADHOC - Total active residential accounts by county						

Estimated Number of Veterans in NFG Households						
	Total Population	Total Veterans Population	% of Population Reported as a Veteran	Total Households	NFG Households	Est. NFG Households with Veterans
Armstrong County	65,867	5,267	8.00%	28,137	593	47
Butler County	186,899	13,168	7.05%	76,502	2,105	148
Cameron County	4,611	437	9.48%	2,184	1,314	125
Clarion County	38,715	2,714	7.01%	16,021	3,821	268
Clearfield County	79,908	6,105	7.64%	31,248	6,921	529
Crawford County	85,665	6,011	7.02%	35,164	17,461	1,225
Elk County	30,340	2,396	7.90%	14,020	10,944	864
Erie County	273,835	19,481	7.11%	110,318	91,259	6,492
Forest County	7,313	582	7.96%	1,839	897	71
Jefferson County	43,846	2,954	6.74%	18,427	6,518	439
McKean County	41,401	3,225	7.79%	17,147	5,736	447
Mercer County	111,518	8,688	7.79%	46,340	26,461	2,061
Venango County	51,818	4,455	8.60%	22,050	14,475	1,244
Warren County	39,756	3,727	9.37%	17,115	9,741	913
Total/Avg.	1,061,492	79,210	7.46%	436,512	198,246	<b>14,875</b>
Sources: U.S. Census Bureau, TableD DP02: 2015-2019 5-Year American Community Survey NFG - ADHOC - Total active residential accounts by county						

#### 4. Program Projected Enrollment Levels.

The tables listed in the preceding section, identify households that may be eligible to receive a Neighbor for Neighbor grant. By way of summary, in National Fuel's Pennsylvania service territory:

- Approximately 67,971 households meets the “age requirement of 55 and over” eligibility requirement;
- Approximately 13,319 households meet the “household member with disability” eligibility requirement;
- Approximately 6,250 households meet the “unemployment benefits” eligibility requirement; and
- Approximately 14,875 National Fuel meet the “veteran in household” eligibility requirement.

While National Fuel is unable to provide an exact enrollment estimate for plan years 2022-2026 (particularly since Neighbor for Neighbor is available to all individuals who reside in National Fuel's Pennsylvania service territory, including non-customers), using historical data, National Fuel anticipates an average of 312 yearly referral for Neighbor

for Neighbor grants during each of the years contained in the 2022-2026 Plan. The chart below highlights the grants awarded for the last three years.

Neighbor for Neighbor Grants*					
Neighbor for Neighbor Grants		Year			FY2017- FY2019
		FY2017	FY2018	FY2019	
Grants to NFG	Number of Grants	245	316	243	804
	Mean Pledge Amount	\$355	\$379	\$284	\$343
	Total Pledged Amount	\$86,963	\$119,648	\$68,959	\$275,570
Grants to Other Vendors	Number of Grants	34	57	41	132
	Mean Pledge Amount	\$294	\$298	\$174	\$259
	Total Pledged Amount	\$10,010	\$16,977	\$7,144	\$34,132

Source: APPRISE Report, p. 27

\*APPRISE data may differ from National Fuel data due to different reporting timeframes

The APPRISE Report noted that there were 243 Neighbor for Neighbor grants awarded for National Fuel overdue bills in FY 2019 with a mean pledge amount of \$284. There were 41 additional Neighbor for Neighbor grants awarded to other vendors in FY 2019 and the mean pledge amount was \$174.

## 5. Program Budget.

Historically, Neighbor for Neighbor has received shareholder donations totaling \$67,000 per year in addition to ratepayer donations, employee pledges and fundraisers. Additional funds have been allocated if unprecedented circumstances are present. The Company anticipates the donations will remain at this level based on historical need through the next plan period, however factors like the COVID-19 pandemic may impact the number of referrals received.

Estimated grant and cost projections for the Neighbor for Neighbor program during each of the years 2022-2026, inclusive, are shown below:<sup>39</sup>

2022 through 2026 Projections (Numbers projected based off of averages of FY18-FY20 numbers)		
Allocation	Amount	Explanation
Shareholder contribution	\$67,000.00	This will remain the same for the foreseeable future.
Ratepayer contributions	\$42,600.00	
Direct contributions	\$2,200.00	This number could change significantly – during the past two years, employee fundraisers were not possible due the majority of the office staff working from home and not able to participate in the usual “Jeans Day” fundraisers hosted at National Fuel.
Administrative Costs		
GECAC	\$6,600.00	
Agency Fees	\$8,600.00	This amount could also change significantly – the number of applicants has decreased over the past few years due to the moratorium on terminations as well as the COVID-19 pandemic since other grant money and assistance has been made available to assist with utility needs.

<sup>39</sup>Neighbor for Neighbor administrative costs are funded directly by shareholder dollars, ratepayer donations, and direct contributions. Neighbor for Neighbor costs (including administrative costs) are not recovered from ratepayers as a component of their rates.

With respect to the last bullet-point (i.e., changes in per-participant cost of Neighbor for Neighbor and other cost components of Neighbor for Neighbor), National Fuel notes that on an annual basis, National Fuel's contribution remains the same, while revenues from ratepayer donations and direct contributions fluctuate. The fluctuations in ratepayer donations and direct contributions directly impact the administrative agency fee, which is assessed by Neighbor for Neighbor's administrative agent, the Greater Erie Community Action Committee (“GECAC”). Also fluctuating on an annual basis are: (a) per-participant cost; and (b) administration service charges payable to GECAC (which is, in turn, correlated with the costs incurred by the organization).

## **6. Program Use of Community-Based Organizations and Staff Responsibilities.**

As noted in Section II of this 2022-2026 Plan, National Fuel works with numerous community-based organizations and other external stakeholders on its Universal Service Programs, including Neighbor for Neighbor. By way of additional response, National Fuel also notes the role of: (1) GECAC (as Neighbor for Neighbor financial agent); (2) the role of the Advisory Board, composed of individuals representing human service organizations, in coordinating the Neighbor for Neighbor program; and (3) the fact that applications and screening processes are handled by designated service organizations in each county in National Fuel's Pennsylvania service territory. The table below shows participating agencies in National Fuel's Neighbor for Neighbor program.

Neighbor for Neighbor Participating Agency List		
Butler/Armstrong Counties	Butler Salvation Army	313 West Cunningham Street, Butler, PA 16001
Clarion County	United Way of Clarion	PO Box 207, Clarion PA 16421
Clearfield/Jefferson Counties	CPCA-Clearfield	207 East Cherry Street, Clearfield, PA 16830
Crawford County	Associated Charities	409 East Central Avenue, Titusville, PA 16354
Crawford County	Center for Family Services	213 Center Street, Meadville, PA 16335
Elk/Cameron County	Northern Tier Community Action	PO Box 389, Emporium, PA 15834
Erie County	GECAC	18 West Ninth Street, Erie, PA 16501
McKean County	Salvation Army	111 Jackson Avenue, PO Box 314, Bradford, PA 16146
Mercer County	Community Action Partnership of Mercer County	75 South Dock Street, Sharon, PA 16146
Venango County	United Way of Venango County	1999 Alleghany Blvd., Reno, PA 16343
Warren/Forest Counties	Warren/Forest Counties Economic Opportunity Council	1209 Pennsylvania Avenue West, PO Box 547, Warren, PA 16365

Also, as noted in Section II of this 2022-2026 Plan, under the direction of National Fuel's Consumer Business Department, which is principally responsible for all facets of National Fuel's Universal Service Programs (including Neighbor for Neighbor), National Fuel has an "all hands on deck" approach, ensuring that its employees across all departments and business units are aware of Neighbor for Neighbor so as to identify and make referrals to same.

## **7. Program Description of Outreach and Intake Efforts and Specific Steps to Identify Low-Income Customers with Arrears and Enroll Same.**

As noted elsewhere herein, referrals to Neighbor for Neighbor occur through a variety of sources, including: (1) National Fuel personnel; (2) community agencies; or (3) by customers. Additionally, National Fuel and other stakeholders routinely engage in targeted outreach for the Neighbor for Neighbor program. Examples of such targeted agency Outreach would include but not be limited to: McKean County Children and Youth, St. Martin Center and the Venango County United Way. By way of further example, three additional outreach programs are scheduled for Spring 2021 at the Erie County Office of Children and Youth, Venango Human Services, and Stairways Behavioral Health. These specific efforts have increased awareness and have been well received.

Upon referral, intake, and review, the individual will be processed into the Neighbor for Neighbor program, for consideration to receive a grant.

## **D. Customer Assistance and Referral Evaluations Services (“CARES”).**

### **1. Program Description.**

National Fuel developed CARES to assist low-income, fixed income, special needs, and payment-troubled customers who are experiencing short-term financial hardships. CARES aims to address two primary issues:

- **Health and Safety Concerns:** CARES provides temporary protection from termination until financial assistance is found or payment arrangements can be made. National Fuel staff work individually with select payment-troubled customers to maximize their ability to pay their utility bills.
- **Customers with Special Needs:** These customers include those who have experienced a family crisis such as loss of income, divorce, or major illness; and those with physical or mental disabilities, low-incomes, or are older adults. CARES provides case management services including payment arrangements and referrals. The referrals may include programs that provide cash assistance, food, shelter, employment, and medical assistance.

Since CARES was designed to address short-term financial hardships, it is subject to the following parameters:

- The maximum amount of time that a customer should be a participant in CARES is four months.
- If possible, the CARES customer should attempt to pay toward the account arrearage or monthly bills. The customer must cooperate with the CARES representative to obtain assistance from referral agencies.

### **2. Program Eligibility.**

CARES is provided to payment-troubled customers with temporary special circumstances, a temporary inability to pay, and who are in danger of having service terminated. Except in unusual circumstances, the CARES customer is low-income, a senior citizen (*i.e.*, 55 years of age or older), or a special needs customer.

For purposes of CARES, “payment-troubled” means customers who have difficulty paying bills and contact the Company to obtain a payment arrangement.

National Fuel’s senior citizen customers can designate a third-party (often a relative or a representative from the local Area Agency on Aging) to be notified of termination notices for their account. The third-party must agree to such request.

### **3. Program Needs Assessment.**

National Fuel provides gas service to approximately 197,000 customers in a 14 county service area in Northwestern Pennsylvania. The Company has identified and confirmed that 24,340, or 12.3%, of its Pennsylvania customers have confirmed income levels less than 150% of the FPG. This is determined by the receipt of LIHEAP and CRISIS grants and customers self-reporting income information (obtained when discussing payment agreements with the Company). The estimated number of customers at or below 150%

of the FPG may be as high as 59,860, based on the 2020 Census data. However, anyone with a short-term financial hardship is eligible for CARES regardless of income.

To illustrate the typical customer who benefits from CARES, several tables showing data from 2017-2019 are listed below. In sum, these tables display: (1) the total amount due at the time of CARES enrollment; (2) 22% of those enrolled in CARES had a balance between \$100 and \$500, 7% had a balance between \$500 and \$1,000 and 15% had a balance of more than \$1,000 for the 2019 CARES enrollments; and (3) the mean balance for the 2019 CARES enrollments was \$691.

Total Amount Due at the Time of CARES Enrollment								
Amount Due	Year of CARES Enrollment						2017-2019	
	2017		2018		2019			
	#	%	#	%	#	%	#	%
≤ \$0	9	32%	8	26%	19	41%	36	34%
\$1 - \$100	1	4%	4	13%	7	15%	12	11%
\$101 - \$500	9	32%	11	35%	10	22%	30	29%
\$501 - \$1,000	7	25%	4	13%	3	7%	14	13%
> \$1,000	2	7%	4	13%	7	15%	13	12%
Total	28	100%	31	100%	46	100%	105	100%
Mean	\$621		\$401		\$691		\$587	

Note: Each participant is included in the year of their most recent participation.

Source: APPRISE Report, P. 28

Additionally, the number and percent of customers who received LIHEAP following CARES enrollment, and the mean LIHEAP grant amount for those customers is displayed in the below table. By way of summary, the table displays: (1) 17% of CARES participants received LIHEAP in 2019; (2) of those enrolled in CARES, the mean LIHEAP grant amount was \$356 for the recipients in 2019; and (3) there were 25 CARES customers from 2017-2019 who received LIHEAP assistance, with a mean grant of \$312.

<b>LIHEAP Receipt</b>	<b>Years of CARES Enrollment</b>			<b>2017-2019</b>
	<b>2017</b>	<b>2018</b>	<b>2019</b>	
Number Received LIHEAP	9	8	8	25
Percent Received LIHEAP	32%	26%	17%	24%
Mean LIHEAP Grant - Recipients	\$206	\$389	\$356	\$312

Note: Each participant is included in the year of their most recent participation.

#### **4. Program Projected Enrollment Levels.**

Historically, the enrollment for CARES remains less than 50 annually. In 2019, a total of 46 customers participated in CARES. These customers owed an average of \$691 on their bill and 17% of these recipients received LIHEAP. The mean grant was \$356.<sup>40</sup> Similarly, the 2022-2026 Universal Service plan specific to CARES referrals is not expected to exceed 50 customers per year.

<sup>40</sup> See, APPRISE Report, p. iii.

CARES Enrollment

CARES Enrollment Source	Year of CARES Enrollment						2017-2019	
	2017		2018		2019			
	#	%	#	%	#	%	#	%
NFG	23	82%	29	94%	45	98%	97	92%
Agency	5	18%	2	6%	1	2%	8	8%
Total	28	100%	31	100%	46	100%	105	100%

Note: Each participant is included in the year of their most recent participation.

Source: APPRISE 2020 Evaluation, P. 27

## 5. Program Budget.

The expenditure for the 2017-2019 reporting period was \$13,271 in the aggregate, with an average cost annually of \$4,424. Going forward, the budget will continue to be \$4,424 annually for the time period covered by the 2022-2026 Plan. APPRISE did not have any recommendations for CARES. CARES will continue assisting customers who need more individualized help and referrals. CARES often bridges the gap to facilitate additional customer program awareness and participation.

## 6. Program Use of Community-Based Organizations and Staff Responsibilities.

As noted in Section II of this 2022-2026 Plan, National Fuel works with numerous community-based organizations and other external stakeholders on its Universal Service Programs, including CARES.

Also, as noted in Section II of this 2022-2026 Plan, under the direction of National Fuel's Consumer Business Department, which is principally responsible for all facets of National Fuel's Universal Service Programs (including CARES), National Fuel has an "all hands on deck" approach, ensuring that its employees across all departments and business units are aware of CARES so as to identify and make referrals to same.

## 7. Program Description of Outreach and Intake Efforts and Specific Steps to Identify Low-Income Customers with Arrears and Enroll Same.

### **Referrals.**

Most referrals into CARES are provided by National Fuel's Consumer Business Department and Operations field personnel, however, any department within National Fuel or any human service agencies may refer a customer for CARES.

### **LIHEAP Outreach Efforts.**

As part of CARES, National Fuel conducts annual LIHEAP outreach campaigns with educational letters, mailings, news media releases, and advertising. Many outreach methods are used, including the following:

- Awareness cards are mailed to agencies, grocery stores, pharmacies, and other public venues such as libraries. In addition, National Fuel Operations personnel are also provided with these cards.

- Partnering with legislators, National Fuel completes LIHEAP and LIRA Customer open house assistance.
- Outreach personnel are scheduled on talk radio shows highlighting available program funds and customer assistance programs.
- Outreach staff also provide information through Community School initiatives.
- In 2019, National Fuel started to use various forms of social media to increase awareness of assistance programs including LIHEAP.
- National Fuel's website is being enhanced to provide a better vehicle for communicating information.

### **Account Processing.**

After a CARES referral is received, a 30-day CARES hold is placed on the account to allow National Fuel time to process the referral. Referred customers are contacted by National Fuel to determine the best method of helping the customer. Contacts may include telephone calls, letters, and additional follow-up.

The CARES representative conducts an in-depth analysis of the customer's payment situation, including documenting income and expenses. If the customer can pay the Budget Plan plus an amount toward the arrears, a payment arrangement is negotiated. If the customer is unable to pay that arrangement, the customer can receive a CARES flat payment arrangement which can be less than the Budget Plan and cannot exceed four months.

After the initial case information is gathered, the CARES representative will review the case to determine the best methods to follow in providing assistance to the customer. An assessment of the basic causes of the customer's bill paying problems is made and a personalized, needs-based referral and action plan is formulated and initialized to obtain assistance for the customer. Assistance includes helping the customer receive financial assistance, medical and mental health services, food, clothing, shelter, etc. Once a customer's needs have been determined, the CARES representative makes the appropriate connection or referral to agencies and programs that can provide assistance. This also includes capturing customer demographics and other account data.

When an account is removed from the CARES program, it is generally the result of the fact that the customer's temporary financial problem has been resolved. If the customer has an unpaid balance, a budget-plus arrangement will be negotiated. Low-income customers with long-term payment problems will be referred to the Company's LIRA program.

## **VII. CONCLUSION.**

National Fuel has a rich, long history of providing natural gas services and payment programs/options that meet the unique needs of its diverse customer base. In this regard, many of National Fuel's efforts pre-dated formal guidance and regulation from the PUC. A complete history of National Fuel's various universal service and energy conservation programs are detailed in previous USECP Plans filed by National Fuel.

National Fuel currently offers the following Universal Service Plans:

- **Low-Income Residential Assistance Program (LIRA);**
- **Low-Income Usage Reduction Program (LIURP);**
- **Neighbor for Neighbor Heat Fund; and**
- **Customer Assistance and Referral Evaluation Services (CARES).**

As outlined in this 2022-2026 Plan, National Fuel is proud of these Programs and the impact they have had to date. As such, National Fuel plans on continuing these Programs during Plan years 2022-2026. However, in the spirit of continuous improvement and making a maximal impact, National Fuel proposes to make the modifications and enhancements to these Programs as outlined above.

In presenting this 2022-2026 Plan and proposing the Program modifications outlined above, National Fuel has taken care to ensure that the 2022-2026 Plan carefully balances: (a) assisting customers eligible to participate in National Fuel's Universal Service Programs, with (b) the effect such Programs have on the rates paid by non-enrolled customers.



## **EXHIBIT 1 – SUMMARY OF UNIVERSAL SERVICES**

Universal Service Programs Spending Levels						
Program Year	Annual Cap Spending	LIURP Spending	CARES Spending	Total Annual Universal Service Spending	Average Annual Universal Spending per Residential Cust	Total Customers
2017	\$1,199,650	\$1,047,123	\$4,206	\$2,250,979	\$11.43	196,950
2018	\$1,849,773	\$1,331,938	\$4,523	\$3,186,234	\$16.16	197,108
2019	\$2,168,777	\$1,178,597	\$4,542	\$3,351,916	\$17.03	196,778
2020	\$1,988,960	\$820,235	\$4,908	\$2,814,103	\$14.22	197,945

**NOTE:** Due to COVID-19 Pandemic impact 2020, data was not representative and therefore not used for analysis throughout this 2022-2026 Plan.

LIURP available resources will continue to be allocated at \$1.3M annually. There have been carryover funds from 2019 and 2020 which now totals approximately \$1.3M. This excess will be allocated and carried over into 2022.

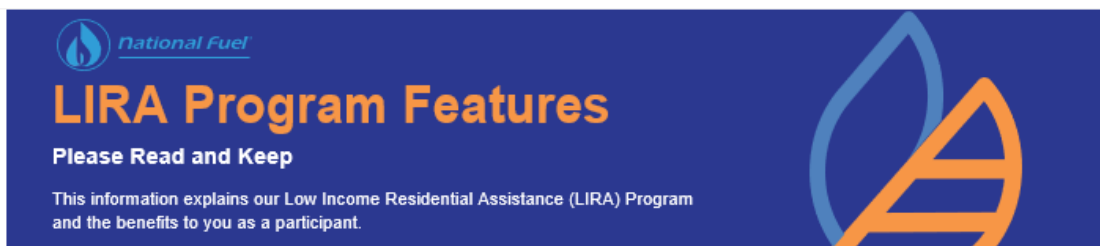
CARES has averaged out at \$4,424 annually based on the past three years, so there is no reason to increase the established budget. The program will continue to assist the “transitional needy” customer with an aggregate of no more than 50 customers annually. Through the CARES program, maximum customer benefits have been realized using a casework approach referring “vulnerable” and “special need” customers to agencies and programs for assistance.

Neighbor for Neighbor has had an average of 312 annual grant recipients averaging \$331. In 2021, National Fuel could see greater need for customer assistance for the Neighbor for Neighbor eligible subpopulations, as they have been profoundly impacted by the COVID-19 pandemic.

Based on the data in the table above, LIRA accounts for 53% of National Fuel’s total Universal Service Program spending. The average annual Universal Service Program spending as seen above has increased. The Universal Service spending per resident customer has gone from \$11.43 in 2017 to \$17.03 in 2019, representing a 67% increase. National Fuel believes that 2020 was not a true representative program year due to the COVID-19 pandemic. As such, when reviewing and analyzing data for trends and insight this information was not used. As a result of the COVID-19 pandemic, customers were not cancelled from LIRA and the moratorium on collections resulted in less customer contact and less program enrollments. Customer engagement has been minimal and program participation in all Universal Service Programs has been very limited. Numerous outreach efforts have been unsuccessful since March 2020. National Fuel is expecting the imminent collection season to initiate contact engagement and result in increased referrals and customer participation in all assistance programs both internally and externally.

## **EXHIBIT 2 – LIRA PROGRAM FEATURES SHEET**

The below represents the LIRA Feature Sheet which is in effect until the PIP Implementation Date. A revised LIRA Feature Sheet, consistent with the PIP design will be developed after consulting the USAC, and filed at Docket No. M-2021-3024935, prior to the PIP Implementation Date.



### **Lower Rates**

As a LIRA customer, the amount of gas you use is billed at a reduced rate. The amount of the reduction depends on your household income and the number of people living with you.

### **Reward for Payment**

At the time of your LIRA enrollment, your account balance, if any, will be placed on hold. If you pay your bill each month, a portion of your pre-LIRA balance, if any, will be eliminated and forgiven. This amount never has to be paid back. If you fall behind and miss debt forgiveness for a time period, but you then catch up your LIRA payments, you will receive the debt forgiveness you missed. You will continue to receive debt forgiveness as you pay your LIRA bills until the entire pre-LIRA balance is forgiven. If you no longer participate in LIRA, you remain responsible for any amounts that were not forgiven.

### **Budget Plan**

Your gas account will be placed on our Budget Plan at the reduced rate. This plan provides for predictable leveled bills. The amount you pay each month is reviewed from time to time to make sure that you are not paying too much or too little. As a result of these reviews, **your monthly payment amount may change.**

### **Late Payments**

If you don't pay your bill while on LIRA, you will be sent a termination notice. The notice amount must be paid in full or your service will be turned off. No extensions or payment arrangements will be offered. If your gas service is turned off for non-payment, you must do the following to have the gas service turned back on:

- o Pay amount shown as "Notice Amount" (total of your missed LIRA payments) on your termination notice.
- o Pay a turn-on charge as defined by National Fuel's current tariff.

### **Responsibility for Account**

All adults, who are 18 years old or older and living at this address, must agree to accept responsibility for the gas account. (This does not include children who are dependents and dependents over age 65 as defined by federal tax rules.) All adults must sign and date the application. By signing, you agree and understand that you are responsible for all gas bills rendered from the date of your signature until cancellation of your LIRA Program participation.

### **Identification, Proof of Income**

All adults must provide satisfactory identification information and proof of income. Copies of income documents for the last 30 days or 12 months need to be provided, using whatever is more beneficial for acceptance into the LIRA Program. Participants of the program are required to provide household income information when requested by National Fuel. You must also notify National Fuel when any changes occur in your household size or income.

### **Energy Conservation**

Energy saving tips will be provided that will help with usage and energy cost reduction. You may have an energy audit performed on your home. An audit can show you where you might be able to conserve energy and lower your gas bill. Our experts will check your furnace, water heater, insulation, weather stripping and any other areas in your home where you may be able to reduce energy costs.

### **Weatherization**

**If you qualify for our weatherization program, you must agree to have your home weatherized.** The Low Income Usage Reduction Program (LIURP) provides insulation and other energy saving improvements **at no cost to you.** If you are a renter, your landlord must agree to weatherization work for it to be performed. You will not be penalized if your landlord does not agree.

### **LIHEAP**

You are required to apply for the Low Income Home Energy Assistance Program (LIHEAP) through your county assistance office or online at [www.compass.state.pa.us](http://www.compass.state.pa.us). LIHEAP is typically open from November through March. If approved and National Fuel is the utility you identified on your application, the grant will be applied to your current account balance.

### **Customer Choice**

LIRA eligibility is limited to those who purchase gas from National Fuel. National Fuel is unable to offer a discount on the gas you buy from another supplier.

### **EXHIBIT 3 – ADDITIONAL LIRA PROGRAM ELEMENTS**

**Low-Income Home Energy Assistance Program (LIHEAP).** When LIHEAP funds are available, customers are informed when the program is open and encouraged to name National Fuel as primary fuel provider. Upon contact, the representative can assess whether additional assistance is necessary to help the customer with the LIHEAP application. If the calls are unsuccessful, a notification is sent by mail. Additionally, there is an annual mail campaign for all identified LIRA participants who have not yet received LIHEAP benefits from the current season. A letter is sent annually encouraging the LIRA participants to apply. Currently, if a LIRA participant fails to apply for or receive a LIHEAP grant, the Company allows the LIRA participant to continue to receive the benefits of the LIRA program, provided they meet LIRA eligibility criteria.

**Application of LIHEAP Funds.** All LIHEAP grants will be applied to the customers' LIRA Program obligations in accordance with applicable vendor requirements by the Pennsylvania Department of Human Services. The LIHEAP grant will be applied to the customer's LIRA Balance-Due Amount and will remain as a credit on the bill until the entire credit balance is depleted.

LIRA participants are responsible for best utilizing LIHEAP grants in accordance with their home energy requirements and CAPs. Again, if a participant does not direct a LIHEAP grant to the Company, the Company will allow the participant to continue to receive the same LIRA benefits and pay the same rates as those participants who have directed their payments to the Company.

**Delinquency Processing.** If a LIRA customer fails to pay a monthly LIRA bill, the Company's collection process will begin. This process includes all required regulatory notification and procedural steps. The actual termination notices mailed to LIRA customers will reflect the specifics for avoiding termination of service. To avoid termination of service, the LIRA customer must pay the amount set forth in the termination notice prior to the scheduled termination date. This amount will include all missed LIRA payments (discounted amounts) that have not been paid while on the program, and this amount must be paid in full.

To avoid abuses and promote payment responsibility, the LIRA Program includes the following procedures to manage delinquent accounts.

**Termination Process.** Terminations may occur between April 1 and November 30, as noted below.

1. If a LIRA customer fails to pay a monthly LIRA Budget Billing, the Company's collection process will begin. This process includes all required regulatory notification and procedural steps. The actual termination notices mailed to LIRA customers will reflect the means for avoiding termination of service.
2. To avoid termination of service, the LIRA customer must pay the amount set forth in the termination notice prior to the scheduled termination date.

3. The delinquent LIRA participant will not be offered a payment arrangement or an extension beyond the termination date will not be granted.
4. Medical Certificates will be honored in compliance with PUC Regulations for LIRA households.
5. Service will be terminated if the customer fails to pay the notice amount (and no certified medical condition exists or PUC complaint hold exists).

Termination will not occur between December 1 and March 31. Once termination notices are permitted to be sent, a customer who has missed any payments over the winter months will receive a notice for all missed payments. The number of missed payments should not exceed five (5) months except in extenuating circumstances such as a medical certification or a complaint to the PUC's Bureau of Consumer Services.

**Reconnection Process.** If service has been terminated, the customer must pay the termination notice amount and a reconnection fee per the Company's Tariff.

A ratepayer whose service is reconnected due to the submission of a medical certificate will not be reinstated in the LIRA Program until all financial requirements are met. (This would be the same condition that would apply for that same customer seeking reconnection without a medical certificate.) A more detailed explanation of the reconnection process follows below:

1. Pay a reconnection charge per the Company's Tariff.
2. Pay the entire arrearage which accrued while a LIRA Program participant (including the current bill if after the due date).
3. If the account had a preprogram arrearage, they will be eligible for continued arrearage forgiveness opportunities if they completely catch up their LIRA program arrears and if they have forgiveness months remaining, including the forgiveness amounts for the months that payment was missed. If they are not eligible for arrearage forgiveness:
  - a. The customer may be required to pay part or all of the arrearage prior to reconnection in accordance with PUC regulations. § 56.191(c)(2);
  - b. The Company may negotiate a payment arrangement specific to the preprogram arrearage; and
  - c. The duration of any negotiated payment arrangement will comply with PUC regulations 52 Pa. Code § 56.191(c)(2).

All customers listed on the application are responsible for the balance accrued while a LIRA participant. The terms for reconnection will apply to each adult resident as a ratepayer, unless the resident can demonstrate to the Company's satisfaction extenuating circumstances including, but not limited to, divorce, abandonment, or spousal abuse, where the spouse has established a separate residence.

If a LIRA customer has services shut off after negotiating a payment arrangement as described in 3(b) and (c) above, he or she would be required to pay the entire arrearage owing to have service restored. No arrangement will be offered on either the missed LIRA payments or the pre-program arrearage.

**Reconnection of Service Outside of the LIRA Program.** Any of the listed LIRA customers on an account may apply for service outside the LIRA Program at another address. Each of the LIRA customers is responsible for the balances that accrued while a LIRA customer. Responsibility for the pre-program arrearages remains with those listed on the mortgage, deed or lease.

**Reverification of LIRA Accounts.** Active LIRA accounts are re-verified upon changes in household complement or income. All active LIRA accounts are mailed a reverification letter and an application to recertify. The customer is given 10 days to respond. If no response to the initial request, an additional letter is sent to remind them to return their information within 10 days. A phone call has been added to the re-verify process to educate the customer, stress the importance of the program and to encourage them to return their paperwork. If the customer fails to respond, his/her LIRA enrollment will be cancelled, unless special circumstances are identified, then follow up may be required.

If the customer responds, all information is verified and checked for completeness. Additional information may be requested from the customer, in which case phone contact is attempted first, followed by a letter. The customer is given an additional 10 days to respond, after which he/she is subject to cancellation from the Program. Once again, special circumstances may be taken into consideration.

Depending upon the information provided, the customer may at this point be ineligible to continue on LIRA. The customer is notified of the reason for his or her ineligibility.

All customer information is updated. If a customer's total household income or the number of household members has changed, the discount percentage may be adjusted.

The LIRA reverification process requires participants to re-verify their status every two (2) years. If the household size or income changes, the reverification can be done more frequently upon request. If: (1) a household's primary source of income is Social Security, Supplemental Security Income, or pensions; or (2) a household received LIHEAP benefits in the time since LIRA enrollment or the last LIRA re-verification, the reverification is required every three (3) years. Additionally, any zero income household would be re-verified every six (6) months. The zero income form preapproved by the PUC will need to be completed. As of January 2021, there are only 393 LIRA households with zero income identified.

**Cancellation of a LIRA Account.** If a LIRA account is canceled for any reason, a letter is generated. The letter informs the customer of the cancellation and the reason.

A report will be generated to inform the Energy Management Department of the cancellation. Energy Management will eliminate the account from the audit list, but the account may still be considered for weatherization.

**Reapplication for LIRA at a New Address.** When the entire LIRA household moves, the LIRA rate and any remaining debt forgiveness will continue at the new location. When only part of the household moves to a new address, the previously responsible LIRA participant and any new household members must be identified on a new signed LIRA application. Reapplication is necessary when multiple households are coming together at a new address to verify household income and to ensure the best discount is applied and to confirm responsible LIRA ratepayers. National Fuel has improved its exit reporting based on a recommendation identified in the APPRISE Evaluation. These changes ensure that LIRA transfers and LIRA moves (due to relocating to an address not serviced by National Fuel) are reported separately. Both scenarios were previously captured as customer moved, inflating the number of customers being canceled from the LIRA.

**Account Maintenance.** Once the LIRA account is established, maintenance is critical to the success of the program. A number of LIRA reports monitor participants, payments, account status and eligibility.

#### **LIRA Final Billing Practices.**

##### **Prior to PIP Implementation Date**

During the Plan, National Fuel's final LIRA billing practices will be handled in accord with National Fuel's longstanding historical practice (i.e., LIRA final bill is based on residential tariff rate charges minus the LIRA discount rate prorated based on the number of days in the billing period).

National Fuel's final LIRA billing practices were, in turn, more thoroughly described in comments which National Fuel filed with the Commission on August 16, 2019 at Docket No. M-2019-3010190 ("Staff Review of CAP Final Billing Methods") (the "August 16, 2019 Comments"). National Fuel incorporates the August 16, 2019 Comments herein to this Plan by reference.

##### **Following PIP Implementation Date:**

Following the PIP Implementation Date, the LIRA final billing practices will be as follows:

1. **For any Final LIRA Bill covering a "Standard Billing Month"\*** – The customer receiving the Final LIRA Bill will receive the standard LIRA bill, as described in the Plan.
2. **For any Final LIRA Bill covering a Period of Time Shorter than the "Standard Billing Month"** – The customer's final bill will be calculated as follows:
  - The customers' "LIRA Balance Due Amount" will be prorated as follows:

The LIRA Balance Due amount will be multiplied by the fraction whose numerator is the number of days during the final billing period during

which the Customer had active LIRA Service, and the denominator is 30.41667.<sup>41</sup>

\* National Fuel's "Standard Billing Month" consists of any time period which is not less than twenty-six (26) days nor more than thirty-five (35) days. The foregoing shall also apply to non-final LIRA bills which cover a period of time less than the Standard Billing Month.

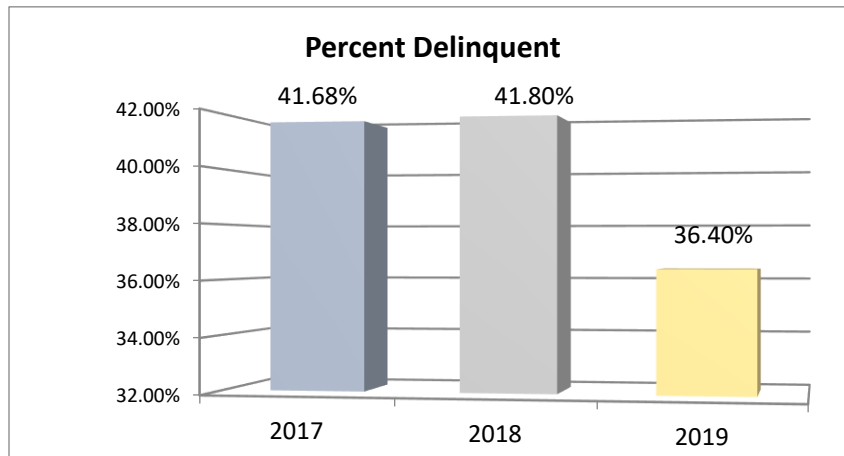
In addition, if a LIRA customer, at the time of the issuance of a final LIRA bill has an remaining credit on his/her account for any reason, he/she will have such amount applied as follows: (1) first, to pay the amount owed on the Final LIRA Bill; (a) in-program LIRA arrears; (b) offset any Pre Program Arrears; (2) then, if any credit remains, it will be used to offset any other balance owed by the Customer to National Fuel; and (3) then, if any credit remains, it will be refunded directly to the customer.

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<sup>41</sup> The denominator of 30.41667 corresponds to the standard number of days in a month, determined by dividing 365 days in a year by 12 months.

#### **EXHIBIT 4 – HISTORIC LIRA TRENDS/TAKEAWAYS FROM APPRISE REPORT**

As evidenced on the graph below there have been decreases in LIRA delinquency over the last three years. From 2018 to 2019, LIRA customer payment behavior shows an improvement of 5.4%. Better paying behavior results in corresponding increases in arrearage forgiveness. Based on this information, 63.6% of LIRA customers are good payers.



**LIRA Retention.** Comparing LIRA retention data from the last plan with more recent information, it is clear that there have been shifts in the identified time retention categories. APPRISE indicated that 31% of the 2019 participants remained on the program beyond 5 years. This is a change from the 2017-2020 Plan (where the same metric was 38%). The APPRISE Report identified that LIRA customers maintain 39% program retention post 3 years. National Fuel's 2022 initiative is to increase enrollment to 9,000 participants. National Fuel is currently sponsoring a LIRA enrollment initiative. National Fuel's goal is to continue to increase participation by 500 annually, totaling 11,000 LIRA participants in 2026.

It would seem that there are LIRA customers that are cancelling their participation after receiving all LIRA debt forgiveness. This can possibly be attributed to customers being able to better manage regular gas bills due to low rates along with receipt of LIHEAP without the need to recertify with LIRA. National Fuel representatives also reinforce the benefit of remaining in LIRA but ultimately participation remains the customer's choice.

**LIRA Exits.** The chart below identifies the removal reasons from LIRA for 2019, which is reflective of prior years. Customers being cancelled from LIRA for not responding to re-verifying their household information is the primary reason customers are being removed from the program. A phone call step has been added to the re-verify process to help reduce this number. A successful contact educates the customer about the benefits of the program and reminds them of the importance of returning their paperwork. Customers who move are the second highest reason that participants are canceled from LIRA. All LIRA moves have previously been reported as exits, including accounts where LIRA transferred to a new location. With this plan, reporting has been revised to identify transfers and exits separately.



Reason for Participant Removal from LIRA	
Exit Reason	All 2019 LIRA Participants
Non-Response	53%
Moved	26%
Over Income	8%
Shut-Off Due to Nonpayment	5%
Entered into an IP	2%
Customer Request	2%
Deceased	1%
No Longer Meets Eligibility Criteria	<1%
Other	3%

Source: APPRISE Report, p. 21

**Summary.** The goal of LIRA is to establish affordable monthly payments that will encourage regular payments, remove customers from the traditional collection cycle; increase participation in energy assistance funds, access hardship funds if needed, and to promote energy conservation. The APPRISE Report results supported the premise that participation in LIRA does decrease terminations and related costs. More payments were also received post LIRA with decreased associated collection costs.

National Fuel continues with initiatives to increase LIRA program participation to 9,000. In 2018 and 2020 National Fuel completed campaigns inviting eligible customers to enroll in LIRA. Again, in February 2021, National Fuel has initiated another campaign focused on increasing LIRA participation. Enrollment has remained at approximately 8,000 despite National Fuel's attempts to increase it. Even with COVID-19, it has been challenging to engage customers due to the termination moratorium. There were 9,856 LIRA customers who did participate in 2019 with a mean LIRA discount of \$152 or 17% of the bill. Approximately 31% of these customers had been on the Program for 4.6 years and the mean discount for these customers was 21%. The mean pre-program arrearage for this group was \$596.<sup>42</sup> APPRISE also confirmed that all participants they interviewed did know they were participating in LIRA. Most referrals were from the Company's Call Center or a local agency and most participants enrolled in LIRA to lower their gas bill due to fixed or lower income. LIRA percentage of payments made for 2017-2019 were 72.7%, 69.4% and 76.2%, respectively contrasted to the industry percentages for the same period at 64.5%, 65.2% and 57%, respectively. Again, LIRA customers are generally making more payments than the industry average. Also, the LIRA gas bills are lower for 2017 and 2018 than the industry average.<sup>43</sup>

Again, 29 out of 31 participants interviewed by APPRISE reported that it was not difficult to apply for the LIRA program with 19 out of 20 expressing the same about the reverification LIRA process. Of the LIRA participants surveyed, 28 of felt they had a good understanding of the program benefits. These findings were all positive. Prior to enrollment, 27 participants found it very difficult to pay their gas bill and further 25 stated that the program was important in making their ends meet monthly. New enrollees

<sup>42</sup> See, APPRISE Report, p. iii.

<sup>43</sup> See, 2019 PUC Report, pp. 55, 58, and 59.

received an average discount of \$191 and reduced their mean energy burden from 16% to 14%; unfortunately this is still well above the required CAP Policy Statement guidelines of 4% and 6%. APPRISE cited 23% of 2019 LIRA participants with incomes below 50% of the FPG were also above originally established 6.5 % of the energy burden.<sup>44</sup>

As determined by APPRISE, LIRA has had positive impacts on participant payments. The cash payments to accounts went from 5.9 payments to 7.2 payments in the LIRA year post-period. LIRA balances declined by \$201 when compared to the control group. The percentage of the bill covered by payments increased from 93% to 114% in the year following LIRA enrollment.<sup>45</sup> The percentage of LIRA dollars paid by National Fuel customers went from 68.9%, 67.2% and then to 72% in 2017, 2018, and 2019, respectively. Compared to the industry standard reported in the 2019 PUC Report at 72.5%, 68.2% and 77% for the same years. This indicates that the costs continue to rise but still are lower than the industry costs. Also, more LIRA customers received LIHEAP. In summary, new LIRA enrollees experienced a significant reduction in collection calls, field visits and notices, ultimately reducing the dedicated collection process costs. At the conclusion of the evaluation LIRA participants offered the following comments: “the Program has been helpful in lowering my gas bill and consequently reducing my stress,” “this is a great Program for low-income households,” and “it has been a blessing and I hope I can continue participating in it.”<sup>46</sup>

National Fuel will identify and explore opportunities with its US Committee with specific emphasis on partnering with DHS. This will include the continued effort for information sharing. National Fuel has had discussions with its electric energy partner Penelec, a FirstEnergy Company, about modifying the CAP application to include a question to allow cross referrals to CAP. Outreach efforts, creativity and collaboration continue to be key in expanding Universal Service program participation. As the winter moratorium ends in April 2021, National Fuel expects to see more customers experiencing difficulty paying their bills. From this expanded engagement, National Fuel expects numerous referrals to its Universal Service Programs in 2021. National Fuel believes that as a direct result of eliminating the “payment-troubled” LIRA qualification, it will see an increase in LIRA eligible and interested customers.

This 2022-2026 Plan complies with the new CAP Policy Statement adopting 4% and 6% energy burden maximums. This modification will provide LIRA participants greater affordability; most especially to the poorest group (0-50% of FPG). National Fuel will continue to monitor the LIRA customer energy burden quarterly assuring compliance at the 4% and 6% income percentage requirements.

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<sup>44</sup> See, APPRISE Report, p. v.

<sup>45</sup> See, APPRISE Report, p. iv.

<sup>46</sup> See, APPRISE Report, p. 42.

**EXHIBIT 5**

[Reserved.]

**EXHIBIT 6 – LIURP HEALTH AND SAFETY MEASURES/ALLOWANCE AND  
INCIDENTAL REPAIR MEASURES ALLOWANCE INFORMATION**

- **Health and Safety Measures:** As specified in the Plan, National Fuel will provide Health and Safety Measures to eligible property owners and tenants. Guidelines, criteria, and limitations for the Health and Safety Allowance are specified below:
  - Guidelines Applicable for Health and Safety Measures: Health and Safety Measures constitute any bona fide health and safety matter impacting the home which, upon completion of the repair to remediate such matter, will permit weatherization efforts to proceed.
  - Health and Safety Allowance (Cap): Health and Safety Measures will be provided up to the Health and Safety Measures Allowance as specified below:
    - (a) \$500 for initial, pre-approved contractor spending, so long as such repairs meet the guidelines specified above; and
    - (b) \$1,000 on a case-by-case basis for items not covered in subpart (a), provided: (i) National Fuel's pre-approval is received prior to commencing work for such repairs (in reviewing whether to grant a pre-approval, National Fuel will not unreasonably withhold approval of same, unless it finds the cost quoted to be unreasonable for such repair); and (ii) the contractor certifies that upon completion of such repair, other weatherization efforts can proceed.
- **Incidental Repairs:** As specified in the Plan, National Fuel will provide Incidental Repairs to eligible property owners and tenants as specified below:
  - Guidelines for Items Constituting Incidental Repairs: Any minor issue discovered by the contractor, which is not categorized as a measure in the LIURP codebook, will be classified an Incidental Repair.
  - Incidental Repair Allowance (Cap): Incidental Repairs will be provided up to the Incidental Repairs Allowance specified below:
    - (a) up to \$100 on a pre-approved basis so long as such repairs meet the guidelines found in the guidelines specified above.
    - (b) \$200 on a case-by-case basis for items not covered in subpart (a), provided: (i) National Fuel's pre-approval is

received prior to commencing work for such repairs (in reviewing whether to grant a pre-approval, National Fuel will not unreasonably withhold approval of same, unless it finds the cost quoted to be unreasonable for such repair); and (ii) the contractor certifies that such Incidental Repair is needed for the successful completion of the home's weatherization.

## **EXHIBIT 7 – LANDLORD APPROVAL FORM (LIURP)**

**NOTE:** Section 4 of the below form is only applicable for jobs which involve “Sidewall Insulation Installation.”

### **LANDLORD PERMISSION AND CERTIFICATION TENANT PARTICIPATION IN LIURP PROGRAM**

This Landlord Permission and Certification is made as of the date specified below by the Landlord (identified in the box below) and provided to National Fuel Gas Distribution Corporation (“National Fuel”), a regulated public utility operating in the Commonwealth of Pennsylvania with offices at 1100 State Street, Erie, PA 16501.

<b><u>Project Information</u></b>	
<b>LANDLORD:</b>	
<b>PROPERTY:</b>	
<b>TENANT(S):</b>	
<b>CONTRACTOR:</b>	
<b>WEATHERIZATION MEASURES:</b>	
<b>ESTIMATED DATE OF INSTALL:</b>	

- A. National Fuel offers its Low-Income Usage Reduction Program (“LIURP”) to help assist certain qualifying customers reduce their energy usage/bills in various ways, including via Weatherization Measures such as those described in the above box.
- B. Through LIURP, the Tenants have been selected to have the Weatherization Measures performed on the Property by the Contractor.
- C. Pursuant to Regulations of the Pennsylvania Public Utility Commission (“PUC Regulations”), before the Weatherization Measures can be performed/installed on the Property, the Landlord is required to provide its written permission, which Landlord so provides by the signature(s) below.

**NOW, THEREFORE**, in consideration of the mutual covenants, premises, conditions, and terms to be kept and performed, the Landlord agrees as follows:

1. **Landlord Permission.** The Landlord grants permission for the Weatherization Measures and any additional, supplemental, or incidental work deemed necessary by Contractor to complete the Weatherization Measures (described in the box above) or otherwise increase the energy efficiency of the Property (the “Improvements”). The Landlord hereby consents to National Fuel, its agents and assigns, and the Contractor to install/perform the Improvements and any/all ancillary work necessary to effectuate same.

2. **Landlord Consents.** Consistent with PUC Regulations, the Landlord acknowledges, understands, and agrees that for a period of twelve (12) months from the date of the installation/performance of the Weatherization Measures, the Landlord shall not: (a) raise the Tenant’s rents for the Property, unless such rental increase is related to matters other than the

installation of the Weatherization Measures; or (b) evict the Tenant, if the Tenant complies with ongoing obligations and responsibilities owed the Landlord.

3. **Release and Indemnification.** The Landlord agrees to release and indemnify National Fuel, its agents and employees, including the Contractor acting as agent of National Fuel from and against any and all claims, suits, loss, costs, and liability, direct or indirect, relating to any damages or injury to property or person arising from the negligent acts, omissions, default or willful misconduct of Landlord and/or Tenant during the course of performing the Weatherization Measures specified herein.

#### 4. LANDLORD CONSENT TO SIDEWALL INSTALLATION

##### **APPLICABLE IF THE WEATHERIZATION MEASURES INVOLVE SIDEWALL INSULATION**

In connection with the Weatherization Measures being installed, the Contractor may install cellulose insulation blown into the exterior sidewall cavities ("**Sidewall Insulation**"). The appearance of the Property's façade/exterior may be impacted as a result of the Sidewall Insulation.

In this regard, Contractors installing Sidewall Insulation typically make an attempt to remove some siding, drill the sheathing underneath, fill the wall stud space with blown insulation, and reinstall the siding. If the Contractor determines that the siding cannot be removed and replaced satisfactorily, the Contractor may elect to drill and plug the siding with a plug ranging from 1" to 3" in size. Please note that this process does not include the painting of any siding or plugs. In the event of a brick-sided house, the Contractor may elect to drill holes on the interior and blow the insulation from the inside. The holes will be spackled, but not sanded or painted.

It is recommended that you notify the Contractor and express your desire to have Contractor begin the Sidewall Installation process on the rear of the Property, in order to afford you the opportunity to monitor the process and determine whether or not you want the Contractor to proceed to the side and front walls of the Property.

Your signature below indicates the undersigned's: (a) explicit acknowledgment and understanding regarding the matters identified in this box; (b) consent to same; and (c) agreement to release any and all liability of the Contractor, its agents and assigns, National Fuel and its agents and assigns relative to the Sidewall Installation.

The Landlord, by executing this Landlord Permission and Certification as of the date specified below, represents and warrants that he/she is duly authorized to execute same and consents to the terms and provisions set forth in this Landlord Permission and Certification.

**LANDLORD:**

\_\_\_\_\_  
Name:  
Title:  
Date:

\*DOORS: Weatherstrip and put door sweeps on any outside doors to keep OUT cold in WINTER (and heat in SUMMER).



<http://www.greenworld365.com/wp-content/uploads/2005/12/save-energy-weatherstripping.jpg>

**\*DOORS/WINDOWS:** Place a rolled up rug or towel along bottom of outside doors and windowsills to keep OUT cold in WINTER (and heat in SUMMER).



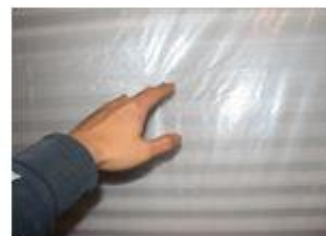
<http://www.single-family-home-remodeling.com/images/towel-draft-stopper-large.jpg>  
<http://craigslist.berkeley.com/craigslist/2040326.jpg>

**\*DOORS/WINDOWS:** Lock to keep them tightly closed – this will keep OUT cold air in WINTER (and heat in SUMMER). Close the storm windows



[http://1.bp.blogspot.com/\\_buvs6AGH0\\_YI/SH3pIvLgI/AAAAAAAAPYVOvU3U7JfP/s400/hand%2Blook.jpg](http://1.bp.blogspot.com/_buvs6AGH0_YI/SH3pIvLgI/AAAAAAAAPYVOvU3U7JfP/s400/hand%2Blook.jpg)  
[http://www.rejuvenation.com/graphics/groupings/romance/sash\\_locks\\_2008151.jpg](http://www.rejuvenation.com/graphics/groupings/romance/sash_locks_2008151.jpg)

\*WINDOWS: Put plastic over windows on the inside in WINTER. Fix or tape broken windows.



<http://www.instructables.com/files/deriv/F11/T2BG/FPIOLNA9/F11T2BGFPIOLNA9-MEDIUM.jpg>

\*WINTER: Open drapes when sunny to help warm your home, close them at night.



<http://www.woodcocksofbyth.co.uk/product-images/chelsea-lined-curtains.jpg>

[http://farm4.static.flickr.com/3515/3155704995\\_e055c54321.jpg](http://farm4.static.flickr.com/3515/3155704995_e055c54321.jpg)

\*SUMMER: Close drapes when sunny to keep your home cool, open at night.



<http://www.woodcocksoftlyth.co.uk/product-images/cubik-lined-curtains.jpg>  
[http://image16.webshots.com/16/6/16/37/191361637Pmt5QO\\_ph.jpg](http://image16.webshots.com/16/6/16/37/191361637Pmt5QO_ph.jpg)

[http://image16.webshots.com/16/0/16/37/191361637PmtBQO\\_ph.jpg](http://image16.webshots.com/16/0/16/37/191361637PmtBQO_ph.jpg)

**\*WINTER:** Turn your thermostat down at least to 68° during day and 62° at night and before leaving home.



<http://images.doityourself.com/stryh/how-to-repair-a-home-thermostat.jpg>  
[http://farm3.static.flickr.com/2030/2207936607\\_87b7c6f53b.jpg?v=0](http://farm3.static.flickr.com/2030/2207936607_87b7c6f53b.jpg?v=0)

**\*WINTER:** If you are too hot, turn down the thermostat, and don't open a window.



YES



NO

[http://images.teamsugar.com/files/upf1/5/51259/40\\_2003/200325552-001.jpg](http://images.teamsugar.com/files/upf1/5/51259/40_2003/200325552-001.jpg)  
<http://spotlight.macfound.org/images/uploads/open-window.jpg>



## **VIII. EXHIBIT 8 - ANNUAL LIURP CONTRACTOR MEETINGS**

NFG believes the Annual LIURP Contractor Meetings stand to improve consistency and communication with respect to LIURP by providing a forum within which questions/best practices can be shared, job expectations clearly communicated, and standards with respect to customer contacts discussed. Additionally, NFG believes these meetings should help to ensure continued open communication between NFG and the contractors/agencies and resolve questions or concerns the contractors/agencies may have. Ultimately, NFG believes that these meetings will help to not only improve consistency and communication with respect to the LIURP program, but also to increase the number of LIURP jobs performed, which, in turn, stands to reduce the annual underspend of the LIURP budget.

In each Annual LIURP Contractor Meeting, NFG plans to cover, among other things, the following:

- Job goals and sharing best practices to accomplish these goals;
- Importance of accurate and timely billing of jobs to ensure post consumption data is correct in NFG's reporting process; and
- Discussion on how to spend excess carry-over money to ensure maximum usage of funds (in this regard, at the first meeting, held during July 2021, there was robust discussion on the effects of the COVID-19 pandemic on LIURP (as a result of shelter-in-place and other safety orders issued, which had the effect of shutting down all jobs for a portion of 2020), and a determination to increase the health and safety allowance from \$250 to \$500 to allow for additional work to be completed by installing weatherization measures instead of being deferred).

At each Annual LIURP Contractor Meeting, minutes will be developed to identify the specific content covered at each Annual LIURP Contractor Meeting. NFG will then share this information with its USAC at the USAC meeting following the Annual LIURP Contractor Meeting.