

Philadelphia Gas Works



First Amended Universal Service and
Energy Conservation Plan
2017-2020

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Philadelphia Gas Works
800 W. Montgomery Avenue
Philadelphia, PA 19122
16, 2016

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Introduction

Pursuant to 52 Pa. Code § 62.4, Philadelphia Gas Works ("PGW") hereby submits its proposed First Amended Universal Service and Energy Conservation Plan ("USEC" or "Plan") for the four-year period January 1, 2017 through December 31, 2020.¹ In compliance with Commission regulations, PGW submitted its prior three-year Plan for 2014-2016, on June 1, 2013. This Plan was later revised on September 22, 2014 to reflect requirements set forth in a Final Order entered August 22, 2014 at Docket No. M-2013-2366301 ("USECP 2014-2016 Order"). The Commission approved the revised Plan without any modifications in its Final Order re: Compliance Filing entered November 13, 2014. Furthermore, ~~PGW's Low Income Usage Reduction Program ("LIURP") also known as the CRP Home Comfort Program (previously named "ELIRP") is mentioned briefly in this plan but is addressed in greater detail in a separate proceeding. Details are explained below.~~

i. LIURP

~~PGW's LIURP is part of its Commission approved Demand Side Management ("DSM") program. The appropriate spend and scope of this program is currently being addressed at Docket No. P-2014-2459362. BCS was served with a copy of the DSM Phase II Petition and subsequent documents filed by PGW in the proceeding and was invited to participate in settlement discussions. In the USECP 2014-2016 Order, the Commission specifically required PGW to provide BCS a copy of its LIURP proposal so that it could be "expressly reviewed by BCS" and directed that any proposed settlement or stipulation related to LIURP "be vetted by BCS." USECP 2014-2016 Order at 49. PGW has provided information on its LIURP in this Plan for informational purposes only, the substance and scope and all approvals for its LIURP are currently subject to the proceeding in the above referenced docket.~~

ii. Impact Evaluation

In accordance with 52 Pa. Code § 62.6, PGW contracted an independent, third-party to conduct its last Universal Service Impact Evaluation in November 2012. The Evaluation was submitted to the BCS in December 2012 and both the Evaluation as well as the feedback received from the BCS was incorporated in PGW's 2014-2016 Plan. PGW's next Evaluation will be submitted in April 2019. This date is in accordance with the USECP Filing Schedule issued by the BCS in June 2014. The Evaluation along with its recommendations will be addressed in the company's 2021-2023 Plan.

iii. Cost Recovery

¹ All budgets set forth herein are estimated. The original USECP was filed April 30, 2016 and has been amended herein consistent with the Order entered November 1, 2016 at Docket No. P-2014-2459362 ("DSM/LIURP Order").

Pursuant to its Commission-approved Tariff, PGW recovers all costs associated with the Customer Responsibility Program ("CRP") discount and arrearage forgiveness, the Senior Citizen Discount and the costs of the CRP Home Comfort Program through a Universal Service and Energy Conservation Surcharge.

Implementation of 2014-2016 Plan Modifications

All modifications outlined in the 2014-2016 USECP have been implemented, with the exception of two components within the CRP stay-out provision. They are: 1) customer requested removals, and 2) customer refusals of CRP Home Comfort weatherization services. The implementation of these two program requirements has been delayed due to resource constraints in conjunction with the extensive system programming needed in order to complete the required changes, as well as with the other system changes that had to be implemented under the Plan. The Plan was not approved until over 9 months after the start date of the Plan, thus providing PGW with an abbreviated time to implement all system changes. PGW is in the process of implementing the two additional components and plans to have the necessary changes with respect to these two enhancements implemented by the end of December 2016. PGW would also note that implementation of the pilot Conservation Incentive was also delayed due to the approval date of the Plan since the base measurement time had to be established. However, the pilot Conservation Incentive is in place and the first incentives will be paid out by the end of August 2016.

Investigation of BCS Suggested Change - Percent of Income vs. 12-Month Average Bill

BCS has informally requested that PGW investigate the possibility of adding an annualized average payment program² into its Percent of Income Payment Plan ("PIPP")³. The concept would be to add an alternate monthly payment option to the PIPP but still provide participation in CRP along with the related arrearage forgiveness. This average payment option would be based on the customer's average monthly bill determined at enrollment or recertification, and would only be considered when the 12-month average bill amount is lower than the calculated PIPP amount. Based on PGW's investigation of this revision to its PIPP, the estimated cost would be approximately \$26,302,840-\$37,818,874 annually. PGW does not believe that such a significant cost imposition on non-CRP customers (many of whom are low income or the "working poor") would be appropriate or necessary for the benefit of its low income customers. Currently a low income customer is offered the more beneficial of CRP or a payment agreement – if the payment agreement monthly amount is lower than the CRP amount it is more affordable than CRP and the customer is able to pay off the arrearages

² See 52 Pa.Code § 69.265(2)(v).

³ See 52 Pa.Code § 69.265(2)(i).

him/herself – as opposed to unnecessarily increasing the Universal Service and Energy Conservation subsidy. For these reasons, PGW has not proposed such a modification to its PIPP.

Summary of Proposed Modifications

The following proposed modifications represent changes to PGW's Customer Responsibility Program and LIURP. These changes are intended to improve CRP participants' experience with ~~the program~~ these programs as well as to continuously improve the program's overall effectiveness.

Modified Recertification Processes

PGW will be increasing its recertification path from 30 days to 45 days. In addition, PGW will now only require CRP participants to recertify every three years as long as they receive a LIHEAP grant and assign it to PGW annually.

Enhanced Employee Training

PGW will expand its training curriculum to specifically focus on program recertification in order to reduce the number of CRP customers placed in suspended status due to failure to recertify.

Targeted Outreach Activities

PGW will continue to improve its outreach efforts to increase participation –this includes outreach to customers who receive a LIHEAP grant but are not on CRP and low income customers on a low income payment agreement. In addition to using various data points to identify potential applicants, PGW will also increase its outreach efforts for customers who speak Spanish.

Consumption Limits

PGW will now impose consumption limits on CRP participants that demonstrate higher than normal usage. Accounts flagged by PGW to have exceeded the predetermined limit will be provided with an educational letter and referred to LIURP for a determination as to whether the property is eligible to receive weatherization services through the CRP Home Comfort Program.

LIURP "Pilot" Health and Safety Proposal

Beginning in 2017, PGW will pilot a new policy for contractors to spend up to \$2,000 per-project on the installation of health and safety measures without the cost impacting the project's TRC cost-effectiveness. This proposal is made as a temporary pilot only, as part of the LIURP total spend, and is not intended as a modification (permanent or otherwise) to LIURP. If the spend for this proposal is not permitted to be included as

part of the LIURP spend or the LIURP budget is increased to accommodate this program, this pilot proposal should be deemed withdrawn.

Universal Service Programs and Proposed Modifications

Customer Responsibility Program (CRP)

The Customer Responsibility Program was first introduced as a Percent of Income Plan Program and approved by the Commission in 2003. The objective of CRP is to help low-income residential customers meet their energy needs by offering payment assistance in the form of an affordable bill. The goals of CRP are to prevent loss of service for vulnerable households, improve payment behavior and assist low-income customers with conserving energy. In addition, PGW strives to reduce collection costs as well as minimize the burden placed on other ratepayers. Participants do not need to demonstrate that they are “payment troubled” in order to qualify. Furthermore, there is no limit on the number of customers that can enroll in CRP. As of February 29, 2016, there were 56,006 participants enrolled in the program.

Program Eligibility- CRP is available to all low-income residential customers with a gross household income and size at or below 150% of the Federal Poverty Level (“FPL”). In order to apply, customers must submit their application by mail or in person at one of PGW’s six customer service centers. At the time of application, PGW will determine eligibility and completeness for processing. Customers enrolled in CRP will be required to pay a fixed monthly bill that is based on their gross household size and income. Participants are also required to pay an additional \$5 co-pay which is applied towards their pre-program arrears if they owe a balance at the time of enrollment. Currently, the minimum monthly CRP payment amount is \$25, not including the \$5 co-payment towards the pre-program arrears. At the time of application, the CRP monthly amount will be compared to the customer’s budget/payment arrangement amount. If it is determined that CRP does not provide the most affordable bill, the customer will be provided with the lower monthly payment option and will not be enrolled in the program.

The table below shows the 2016 income eligibility guidelines along with the current percentage breakdowns by FPL. As an example, a 2-person household whose gross monthly household income was \$1,200 would fall in the 9% of income category and would have a monthly CRP bill that is 9% of their gross monthly household income, or \$108 per month.

Table 1: CRP Percentage Payment Levels

2016 Maximum Gross Monthly Household Income by Household Size						
% Type	% of FPL	1	2	3	4	Each add.

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8%	0-50%	\$495	\$668	\$840	\$1,013	\$173
9%	51-100%	\$990	\$1,335	\$1,680	\$2,025	\$347
10%	101-150%	\$1,485	\$2,003	\$2,520	\$3,038	\$520

CRP participants receive a monthly "discount" which represents the difference between the costs for actual usage, minus the CRP billing amount. If a customer owes any arrears at the time of enrollment, they will receive arrearage forgiveness for each monthly CRP bill that is paid on time and in full regardless of any past due bills. Arrearage forgiveness consists of the customer's account balance being reduced by 1/36th of the original pre-program balance amount which essentially eliminates the balance within a three-year period. CRP customers can also pay ahead on their bills. If a CRP participant is current on their agreement and pays more than their CRP balance, the overage will show as a credit which will be applied to future bills until exhausted. CRP customers may also receive free conservation services through the CRP Home Comfort Program.

CRP Components -

- (1) CRP discounted bill – the customer's "asked-to-pay" amount is based on the percentage of income calculation determined by the customer's household size and income in relation to the FPL. The difference between the CRP monthly bill amount and the actual bill based on usage is called the CRP discount.

- (2) Arrearage forgiveness – At the time of enrollment in CRP, a customer's total arrearage is "frozen," or separated from their asked-to-pay bill, and then forgiven at a fixed rate of 1/36th per month for each month that the customer pays their monthly CRP amount in full and timely regardless of their existing CRP arrearage. This forgiveness provides an incentive to make payments of at least their CRP monthly amount. In addition to the forgiveness offered, the customer is required to pay \$5/month towards the reduction of any frozen arrears. The \$5/month co-payments made by CRP customers are applied towards the customers' pre-program arrearage only and are handled differently by PGW than the 1/36th arrearage forgiveness for accounting purposes. The \$5/month co-payment made by CRP customers are directly applied against their pre-program arrearage but is not linked to the same accounting tracking mechanism as the program forgiveness. In contrast, when the 1/36th forgiveness is applied to a customer's account, the transaction is linked to a specific general ledger account connected with the company's Universal Service and Energy

Conservation surcharge ("USC Surcharge"). This process ensures that the company identifies and recovers only the 1/36th arrearage forgiveness through the USC Surcharge.

CRP Stay-out Provision- PGW will not allow re-enrollment of a customer into CRP (for a one-year period unless specifically identified otherwise below), if the customer:

- i) Has him/herself removed from CRP even though based on household size and income they are still eligible for the program and it is more affordable than the budget billing/payment arrangement.
- ii) Refuses access to the meter (stay-out until access is granted)
- iii) Commits two or more incidents of unauthorized usage
- iv) Submits fraudulent enrollment or re-certification information/documentation
- v) Refuses free CRP Home Comfort weatherization services from PGW (stay-out until services are accepted). The process is as follows:

- (1) Cases that are rejected by program contractors due to pre-existing conditions in the home, rather than customer refusal to accept services, are not affected by the stay-out. The following circumstances may result in the contractor not weatherizing a home: health, safety and structural issues identified by contractors in the pre-screening or audit process, such as roof leaks, mold, bed bugs, asbestos; lack of opportunity for cost-effective energy savings due to previous weatherization.
- (2) If a customer or the contractor informs PGW that they cannot permit work to be done for any of the following reasons, then the customer will not be removed from CRP but may be contacted again in the future for treatment:
 - i. Serious illness of a household member; or
 - ii. Landlord refusal; or
 - iii. Other severe circumstance outside of the customer's control, and deemed as valid by PGW.
- (3) All other situations involving CRP customers refusing to accept CRP Home Comfort services will result in multiple communications to the customer reminding them of their CRP obligations. If services continue to be refused, the customer will be removed from CRP and not allow re-enrollment until the CRP Home Comfort services have been accepted.

Treatment of Unauthorized Usage Charges- PGW's policy for unauthorized usage will be applied in the same manner to all customers including those enrolled in CRP (i.e. the customer is responsible for the entire unauthorized usage amount and must pay this amount along with any other applicable charges for restoration of service). In addition, as mentioned in the stay-out provision, all CRP customers who commit two or more incidents of unauthorized usage will not be allowed to re-enter the program for a period of one year.

CRP participants must comply with the following program requirements:

- Make timely payments in full each month
- Apply for LIHEAP each year and assign the grant to PGW
- Report any changes in household size and/or income
- Recertify household size and income each year (customers who receive a LIHEAP grant each year and assign it to PGW are given a three-year waiver from the recertification requirement)
- Accept CRP Home Comfort Program services (weatherization, conservation and/or educational services) if offered by PGW
- Authorize PGW to use external sources (e.g., government records, credit reporting bureaus, and third party income verification sources) to verify household composition and income
- Make an effort to conserve energy/manage usage within required consumption limits. This requirement is based on the consumption limit proposed in this Plan.
- Do not commit any form of gas theft or fraud
- Provide PGW access to the meter if requested

The following accounts are ineligible for CRP:

- Commercial rate accounts⁴
- Accounts receiving the senior citizen discount
- Accounts for which CRP is not beneficial
- Accounts that supply service to more than one unit/apartment
- Accounts currently enrolled in choice
- Landlord tenant accounts where the service is in the landlord's name
- Healthcare facilities
- Accounts that are not the customer of record's primary residence

⁴ A small residential home business (residential rate only) will not invalidate eligibility as long as the customer is still income eligible (though the rules for consumption limits will apply).

- All accounts deemed by PGW to be excluded due to violation of one of the stay-out provisions

Needs Assessment – PGW uses internal data to determine the number of low-income customers. In Table 2, the data shows that approximately 29% of PGW’s residential customer base is income-eligible for CRP. However, this needs assessment overstates the low income need since for those (i) low income customers who participate in PGW’s Senior Citizen Discount program, and (ii) whom CRP is not more beneficial than a payment agreement/budget, CRP would not be helpful.

A. Number of low-income customers:

Table 2 provides the estimated number of low-income PGW residential customers in the years 2013 through 2015, using internal PGW data.

Table 2: Households	2013	2014	2015
Average monthly count of residential customers	468,943	469,283	470,788
Estimated number of low-income customers ⁵	151,911	141,196	137,697
Percent of residential customers eligible for CRP	32%	30%	29%

The following table shows data from the U.S. Census Bureau. The U.S. Census Bureau estimates the ratio of income to poverty for individuals.

Table 3: Individuals ⁶	2012	2013	2014
Total population	1,506,286	1,510,294	1,515,813
Population at or below 150% FPL	599,983	583,024	576,143
Percent of population at or below 150% FPL	40%	39%	38%

⁵ The estimated number of low-income PGW customers is determined by counting all active CRP customers, all non-CRP customers who received a utility grant, and all non-CRP customers who have enrolled in a low-income payment arrangement.

⁶ The Census provides the ratio of income to poverty level for families in poverty, but the term family does not include single member households. <https://www.census.gov/hhes/www/income/about/faqs.html>

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

Table 4 shows the number of identified payment troubled, low-income PGW customers in the years 2012 through 2015, as reported in the Annual Universal Service Programs & Collections Performance Report. The number of identified customers is also the estimated number.

Table 4: Payment Troubled/Low-Income⁷	2012	2013	2014	2015
Average monthly count of residential customers	479,889	468,943	469,283	470,788
Average monthly number of identified payment troubled, low-income customers	22,687	15,695	19,840	25,442
Percent of all residential customers	4.7%	3.3%	4.2%	5.4%

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

Only CRP customers are eligible for CRP Home Comfort services, and there is a sufficient number of CRP customers eligible for LIURP based on usage for the program to continue to serve only CRP customers. CRP Home Comfort is an integral part of CRP because it can help reduce the subsidy cost of CRP, and because the⁸ In addition, PGW's internal CRP application and recertification process ensures that only income eligible customers benefit from the program. Only CRP customers are eligible for CRP Home Comfort services. The issue of how to determine the "need" for LIURP services is currently pending a Commission decision at the DSM docket, P-2014-2459362, and LIURP, and this protects PGW's non-CRP ratepayers (who pay for all the costs of LIURP) against potential fraud.

⁷ As defined in the PUC's Universal Service Report.

⁸ PGW currently uses the TRC test for its LIURP. The most recent LIURP TRC (for FY16 through May 2016) was 1.37. However, given the current cost of gas, the subsidy cost of CRP is currently not being reduced from LIURP.

~~Historically, PGW has assumed that all CRP customers are eligible for CRP Home Comfort, thus overstating the actual amount of eligible customers that could benefit from the program. Rather, it is more accurate to provide an estimate that more accurately reflects the number of CRP customers who would likely need LIURP, since not all CRP customers have sufficient usage or live in homes that require weatherization. It should also be noted that, currently, additional criteria are used to prioritize CRP Home Comfort services, as described in the CRP Home Comfort section of this Plan.~~

In order to ensure that universal service is appropriately funded and available under 66 Pa.C.S. § 2203(8), PUC regulations on program funding focus on the number of "eligible customers"⁹ and "expected customer participation rate" based on customers who are eligible.¹⁰ As only CRP customers are "eligible" for LIURP, an appropriate starting point to determine the need for LIURP and the related costs would be current CRP customers. However, PGW has used as a starting point the total number of confirmed low income customers, as these customers could be expected to be eligible for CRP. The total number of confirmed low income customers as of November 2016 is: 120,762.

From this starting point, PGW has computed the funding level for LIURP by:

- I. Excluding from the total number of confirmed low income customers as of November 2016 the following customers (to the extent known) to identify expected participation rates based on eligible customers:
 - i. 61,123 lower usage customers - only high-usage customers where the customer falls into the top 50% consumption tier, using at least 77.86 MMBtu annually¹¹ have been included
 - ii. 4,809 customers whose weather normalized usage was not statistically significant and could not be properly evaluated for cost effective treatment¹²

⁹ 52 Pa. Code § 58.4(c)(1).

¹⁰ 52 Pa. Code § 58.4(c)(2).

¹¹ Universal service programs are to be operated in a cost-effective manner. 66 Pa.C.S. § 2203(8).

¹² Statistical significance of historical usage is determined by calculating the coefficient of determination (R-squared) between heating consumption and heating degree days. The R-squared indicates the reliability of savings and cost-effectiveness calculations based on the weather normalized usage. This means that the weather normalized results may not be producing a statistically significant confidence level (e.g. there may be anomalous usage months; inconsistent or insufficient data; etc.). PGW utilizes a minimum correlation of .9, which indicates strong correlation.

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- iii. 1,349 customers with less than 12-months of concurrent usage (in order to accurately determine usage eligibility)¹³
- iv. 2,118 customers with a termination in the prior year¹⁴
- v. 6,080 customers with residency in the home for less than a year¹⁵
- vi. 5,160 customers comprehensively treated in the prior 7 years^{16,17}
- vii. 3,093 customers who reside in rental premises¹⁸ and whose landlords are expected to refuse treatment¹⁹

¹³ This criteria was accepted in the PUC approved Universal Service Plan of UGI. See Revised Universal Service & Energy Conservation Plan for UGI Gas, UGI PNG, UGI CPG and UGI Electric For the Four-Year Period January 1, 2014 – December 31, 2017, Amended Pursuant to Final Order Entered January 15, 2015 – Docket No. M-2013-2371824, filed February 17, 2015 at 24.

¹⁴ This criteria was accepted in the PUC approved Universal Service Plans of Peoples and UGI. See Peoples Natural Gas Company LLC Universal Service and Energy Conservation Plan for 2015-2018, submitted in compliance with Commission Order dated December 17, 2015 at Docket No. M-2014-2432515 dated January 12, 2016 at 20; and, Revised Universal Service & Energy Conservation Plan for UGI Gas, UGI PNG, UGI CPG and UGI Electric For the Four-Year Period January 1, 2014 – December 31, 2017, Amended Pursuant to Final Order Entered January 15, 2015 – Docket No. M-2013-2371824, filed February 17, 2015 at 24.

¹⁵ This criteria was accepted in the PUC approved Universal Service Plans of National Fuel and UGI. See National Fuel Gas Distribution Corporation's Universal Service and Energy Conservation Plan for 2014-2016, revised consistent with Commission Orders entered May 22, 2014 and February 12, 2015, Orders, filed March 31, 2015 at 30; and, Revised Universal Service & Energy Conservation Plan for UGI Gas, UGI PNG, UGI CPG and UGI Electric For the Four-Year Period January 1, 2014 – December 31, 2017, Amended Pursuant to Final Order Entered January 15, 2015 – Docket No. M-2013-2371824, filed February 17, 2015 at 24.

¹⁶ This criteria was accepted in the PUC approved Universal Service Plans of Columbia, UGI and PPL. See Columbia Gas of Pennsylvania, Inc. Universal Service and Energy Conservation Plan 2015-2018, submitted in compliance with Commission Order entered July 8, 2015 at Docket No. M-2014-2424462, filed August 12, 2015 at 14; Revised Universal Service & Energy Conservation Plan for UGI Gas, UGI PNG, UGI CPG and UGI Electric For the Four-Year Period January 1, 2014 – December 31, 2017, Amended Pursuant to Final Order Entered January 15, 2015 – Docket No. M-2013-2371824, filed February 17, 2015 at 25; and, PPL Electric Utilities Corporation Universal Service and Energy Conservation Plan for 2014-2016, updated consistent with Commission Order entered September 11, 2014 at Docket No. M-2013-2367021, filed September 20, 2014 at WRAP page 2.

¹⁷ Customers removed under this category participated in PGW's Enhanced Low Income Usage Reduction Program ("ELIRP"), which launched in 2011. This data excludes any customers who participated in PGW's Conservation Works Program between 2009 – 2011; thus, these customers would be eligible for treatment.

¹⁸ PGW used Philadelphia Housing Rental License data to determine the estimated number of customers in rental properties. The actual figure is expected to be higher, as not all landlords register their rental property with the City. In the future, PGW also expects to exclude a percentage for building eligibility (multifamily ineligible for non-LIME).

¹⁹ Columbia's PUC approved Universal Service Plan uses a 50% refusal rate. See Columbia Gas of Pennsylvania, Inc. Universal Service and Energy Conservation Plan 2015-2018, submitted in compliance with Commission Order entered July 8, 2015 at Docket No. M-2014-2424462, filed August 12, 2015 at 28.

- viii. 5,499 customers for whom, based on experience, it is expected that weatherization would not be possible due to issues. Examples of such issues could be:
 - a. there would not be cost-effective treatment
 - b. there would be customer refusal²⁰
 - c. health/safety issues would prohibit services²¹
 - d. the customer can't be home/scheduling conflict hardship²²
 - e. there are prohibitive language barriers²³
 - ix. 370 customers that reside in premises that received weatherization under other weatherization programs²⁴
- II. Removing 9,812 from the remaining low income customers (after the above exclusions are made) to exclude non-CRP participants, since non-CRP customers are not "eligible" for LIURP and are not expected to be participants, for a result of: 21,349.

As a result, the total expected participation rate based on eligible customers utilizing the above determinants is 21,349.

²⁰ This criteria was accepted in the PUC approved Universal Service Plans of all four FirstEnergy companies. See, e.g., West Penn Power Company Universal Service & Energy Conservation Plan Program Years 2015, 2016, 2017 and 2018, submitted in compliance with Commission Order entered May 19, 2015 at Docket No. M-2014-2407728, filed June 18, 2015 at 25. The Docket Numbers for the other FirstEnergy Companies are: M-2014-2407729 (Metropolitan Edison Company); M-2014-2407730 (Pennsylvania Electric Company); M-2014-2407731 (West Penn Power Company).

²¹ This criteria was accepted in the PUC approved Universal Service Plans of all four FirstEnergy companies. See, e.g., West Penn Power Company Universal Service & Energy Conservation Plan Program Years 2015, 2016, 2017 and 2018, submitted in compliance with Commission Order entered May 19, 2015 at Docket No. M-2014-2407728, filed June 18, 2015 at 25.

²² This criteria was accepted in the PUC approved Universal Service Plans of all four FirstEnergy companies. See, e.g., West Penn Power Company Universal Service & Energy Conservation Plan Program Years 2015, 2016, 2017 and 2018, submitted in compliance with Commission Order entered May 19, 2015 at Docket No. M-2014-2407728, filed June 18, 2015 at 25.

²³ This criteria was accepted in the PUC approved Universal Service Plans of all four FirstEnergy companies. See, e.g., West Penn Power Company Universal Service & Energy Conservation Plan Program Years 2015, 2016, 2017 and 2018, submitted in compliance with Commission Order entered May 19, 2015 at Docket No. M-2014-2407728, filed June 18, 2015 at 25.

²⁴ This criteria was accepted in the PUC approved Universal Service Plan of PPL. PPL Electric Utilities Corporation Universal Service and Energy Conservation Plan for 2014-2016, updated consistent with Commission Order entered September 11, 2014 at Docket No. M-2013-2367021, filed September 20, 2014 at WRAP page 4.

Using data reported in the Annual Universal Service Programs & Collections Performance Report, PGW completed 6,383,10,932 CRP Home Comfort treatments in calendar years 2014 and 2012 through 2015 at an average cost of \$2,365 each (the average has been calculated using both rate of 2,733 per year. PGW's cost per-job fluctuated over the four years; however the 2015 average job cost of \$1,657 reflects the best cost estimate for the current blend of comprehensive and limited treatments). CRP Home Comfort program candidates will be drawn from the top 50% of CRP customers by usage, which PGW estimates to be approximately 35,000 customers. The total population of potentially eligible customers will be further refined based on the following selection criteria: 1) the customer has not been treated yet through CRP Home Comfort during the stay-out time period determined by PGW; and 2) the customer falls into the top 50% consumption tier using over 88 MMBtu annually with more than nine months of continuous usage at his/her current premise. The issue of how to determine the "need" for LIURP services is currently pending a Commission decision at the DSM docket, P-2014-2450362-core projects.

Needs Assessment Based On Above Factors

Summarizing the results of the above, including the regulatory requirement to make the funding level computation based on eligible customers and expected participation rates, below is PGW's needs assessment:

120,762 - The total number of confirmed low income customers as of November 2016 (before applying any of the adjustments set forth above)

21,349 - Expected customer participation rates for eligible customers (based on the factors above)²⁵

\$40,945,780 - The total expense of providing usage reduction services for expected customer participation rates, based on the 2015 average cost per-job; this expense is recovered through the Universal Service and Energy Conservation Surcharge

7.81 years - Expected period of time to complete services for expected customer participation rates

²⁵ Given the nature of Universal Service Plan filings and requirements, this number is a "snap-shot" in time number. By its nature, it is subject to change depending on changing customer needs and scenarios.

CRP Outreach and Intake Efforts – PGW strives to inform all income-eligible customers about CRP by employing various outreach methods such as referrals from our customer service representatives, direct mail, community presentations, bill messages, and partnerships with community organizations and social service agencies throughout Philadelphia. In order to reduce the impact of the CRP subsidy and arrearage forgiveness costs on non-CRP customers, PGW coordinates CRP Home Comfort with CRP to provide free energy conservation services to active participants in CRP. These services are described in more detail in the CRP Home Comfort (“LIURP”) section.

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

- (i) for an adult household member, PGW will agree to accept some other form of identification that can be documented, such as a state issued driver’s license number or an Individual Tax Identification Number. For fraud prevention purposes, PGW may require documentation supporting this number (such as but not limited to a social security number) as part of our periodic review of CRP applications;
- (ii) for a non-adult household member, PGW will accept a government/school issued form of identification showing residency, such as a school roster or public assistance benefits letter.

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

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

- Customers who are ineligible for CRP are provided/sent a letter explaining why they are ineligible.
- Customers who are eligible for CRP are provided/sent a letter describing the monthly CRP payment and their responsibilities for staying in the program.

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

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

CRP Future Intake Process - PGW is currently developing an enhancement to accept CRP applications online. This enhancement will provide customers with an alternative option to the traditional application methods and will allow customers to complete the application process through the company's "My Account" services on PGW's website. This functionality will also provide customers with the ability to check the status of their application online as well as receive future correspondence regarding their plan electronically if they elect to do so. The objective of this initiative is to eliminate the need for customers to mail in documentation or visit an office, as they will be able to complete the entire application process from beginning to end electronically (the mail-in and office visit processes will still be available). This project is estimated to be completed by August 2017.

CRP Control Features - At the time of recertification, PGW completes an assessment to determine which payment option provides the most affordable bill by comparing the customer's projected monthly CRP percent of income amount to the customer's budget/payment arrangement amount. If the payment arrangement provides a lower monthly payment, the customer will not be enrolled in CRP. Instead, the customer will be offered the agreement with the most beneficial monthly payment amount.

Provided below are additional CRP control features implemented by PGW:

- PGW also continuously monitors all CRP customer accounts to ensure compliance with the terms of the program (e.g., good payment habits, etc.).

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

CRP Recertification - CRP participants are required to recertify annually. This requirement is waived for three years if the customer receives a LIHEAP grant and assigns it to PGW on an annual basis. However, for each customer who is granted a waiver from the recertification requirement, PGW will review their account annually on their anniversary date to verify if CRP is still the most beneficial. If it is determined that the customer is better served outside of the program, the customer will be sent a letter instructing them to recertify (see Appendix B for recertification flow).

Recertification Path for Zero Income Participants - CRP participants who report zero income will be required by letter to provide an update of their income every 6 months for as long as they report zero-income. This process will determine if the participant's income or their means of meeting everyday living expenses has changed and whether their CRP agreement terms should be modified.

CRP Provisions for Non-Compliance - CRP customers who do not comply with the program requirements related to eligibility and payments can be subject to termination after one missed bill.

Whenever a CRP customer is terminated for non-payment the balance currently in the frozen arrears immediately becomes due. To restore service and re-enroll in CRP, the customer must pay the past due CRP bills in full, plus the reconnection fee, and, if applicable, a dig fee. No deposit is required. Once the customer satisfies all payment requirements and reapplies, their balance is placed back in the frozen arrears.

CRP and Application of LIHEAP Cash Grants – Any LIHEAP Cash grants (“LIHEAP grants”) received on behalf of CRP participants are applied to the customer's asked-to-pay amount. When the LIHEAP grant is applied, if the grant is greater than the current CRP asked to pay amount, the balance is left as a credit and applied to future bills.

CRP Proposed Modifications

The following proposed modifications are based on PGW's experiences with the program as well as results received from a recent survey conducted by a third-party contractor. PGW intends to implement the following modifications to its universal service plan upon Commission approval.

Modified Recertification Process- The CRP recertification path has been increased from 30 days to 45 days (see Appendix B). This extension will afford CRP customers

additional time to gather the appropriate documentation to properly recertify their CRP agreement.

In addition, PGW will extend the waiver period for LIHEAP recipients. The recertification waiver will be increased from a one-year waiver to a three-year waiver as long as the customer receives a LIHEAP grant and assigns it to PGW annually. PGW will still conduct an analysis on the anniversary of each year during the waiver period to ensure that the customer is being billed the most beneficial CRP monthly amount. If it is determined that the customer is not on the most beneficial payment plan, the customer will be notified in writing and instructed to recertify.

Enhanced Employee Training- PGW will expand its training curriculum to specifically focus on educating participants on program recertification. Currently, all customer service representatives are trained annually on how to properly explain the many benefits of CRP, how to apply, and the customer's responsibilities as a participant. However, in light of the decrease in CRP participation, PGW will modify its training plan to put a greater emphasis on the recertification process in order to ensure that all participants are thoroughly informed of their responsibilities while enrolled on the program.

Targeted Outreach Activities - PGW will continue to improve its outreach efforts to increase participation. In addition to using various data points to identify potential applicants, PGW will also increase its outreach efforts towards customers that speak Spanish. These improvements will consist of modifying the company's Spanish outreach materials as well as conducting training specifically designed for bilingual customer service representatives. These two efforts will assist PGW in increasing its program awareness as well as educate current CRP participants. In addition, these efforts may help to reduce the number of customers suspended from the program and increase the number of new applicants.

Pilot Consumption Limits - PGW will now impose maximum consumption limits for CRP participants with higher than average usage. CRP participants with a 12-month CRP usage that exceeds a new consumption limit (expressed as a maximum CAP credit amount) will be contacted by letter when their consumption exceeds the established limit. The letter will communicate a list of possible exemptions as set forth in the Commission's CAP Policy Statement⁸²⁶ and provide conservation tips. In addition, the property will be referred for possible LIURP treatment and related education if the property is eligible for LIURP. If LIURP is offered to the customer, it must be accepted

⁸²⁶ 52 Pa. Code § 69.265(3)(vi)(A-E).

fully, or the customer will be removed from CRP. For homes that are inspected through the LIURP program, the homes will be analyzed for the following conditions:

- Home has conditions that explain the extreme energy usage and that can be remedied by provision of weatherization services, which must be accepted in full.
- Home has conditions that explain the extreme energy usages, but conditions exist that are beyond control of the customer and of LIURP. Participants in this group will continue to remain on CRP without application of the maximum credit.
- Some other reason (including no identifiable reason) for extreme energy use. These properties will be used to develop a policy as discussed in the "Reason Analysis" set forth below.

The CAP credit amount for this pilot was determined by examining CRP participants with 12 consecutive months of prior usage and analyzing two years of their consumption history and CRP discount amounts. Based on the results of the analysis, it was determined that the maximum consumption limit for CRP participants should be 2,125 CCF which will ultimately be converted into dollars when expressed to customers. This limit was determined by examining the distribution of usage consumed by CRP participants and making the determination that those participants whose usage exceeds the 95th percentile of the usage distribution curve may have excessive use. Those customers identified as exceeding this limit will be considered optimal candidates for conservation education as well as referral for LIURP services.

During the 2017-2020 Plan, this pilot will involve PGW developing a "Reason Analysis" for apparent excess energy use and any policy developed will be based on that Reason Analysis. In addition, PGW will analyze the results of its pilot Conservation Incentive as well as the Reason Analysis described above and will propose a final consumption limit policy in its next Universal Service and Energy Conservation Plan (i.e. 2021-2023). PGW also proposes that in 2019 or 2020, it will conduct a stakeholder meeting to examine the consumption incentive program's interests at that time and discuss possible next steps.

PGW envisions the maximum CAP credit used for the Reason Analysis to be an annual amount, with a new calculation each year. Each yearly recalculation would be based on similar usage distribution analysis, using the most recent years.

CRP Estimated Budget – The CRP discount and arrearage forgiveness are funded through the Universal Service and Energy Conservation Surcharge that is paid by all

firm customers. Table 5 provides an estimate of CRP administrative costs, CRP discounts, arrearage forgiveness, and participation levels from 2017 through 2020. These projections are based on the prior three calendar years of actual data and incorporate future outreach efforts.

CRP Projected Enrollment – PGW projects the average monthly enrollment in CRP to be approximately 58,052 by the end of the calendar year 2016 and will increase to approximately 61,292 by 2017. This projection is based on enrollment trends and future outreach for CRP.

Table 5: CRP Projected Budget Costs and Enrollment*

Customer Responsibility Program	2017*	2018*	2019*	2020*
Administrative costs	\$1,365,373	\$1,384,518	\$1,404,142	\$1,424,256
CRP Discount	\$38,369,715	\$41,716,454	\$43,720,327	\$44,631,978
Arrearage Forgiveness	\$10,238,325	\$10,572,411	\$10,906,496	\$11,240,582
Total costs	\$49,973,413	\$53,673,383	\$56,030,965	\$57,296,816
Average monthly participation	61,292	63,292	65,292	67,292

* All projections are estimated and are subject to upcoming base rate case proceeding.

Low-income Usage Reduction Program (CRP Home Comfort)

The LIURP component of PGW's Universal Services Plan is fulfilled through CRP Home Comfort (formerly named the Enhanced Low Income Retrofit Program, or "ELIRP"). The program was launched in January 2011 as part of PGW's demand side management portfolio at Docket Nos. R-2009-2139884 and P-2009-2097639. ~~As part of the DSM Phase II filing at Docket No. P-2014-2459362, PGW proposed to continue this program as part of its DSM portfolio. This proceeding is currently still open and the CRP Home Comfort budget and assessments are subject to determination in that proceeding. The details and budgets for CRP Home Comfort are expected to be set in that proceeding – the below is provided for informational purposes only and should not be deemed to set the program's budgets, scope, needs, or otherwise.~~

CRP Home Comfort Description – CRP Home Comfort provides free, in-home weatherization and energy conservation education services for single-family customers enrolled in CRP and will provide weatherization and energy conservation education services for multi-family properties pursuant to the pilot program Low Income Multi-family Efficiency program ("Pilot LIME", as described further below) through the end of December 2020. CRP Home Comfort seeks to make the homes of CRP customers more energy efficient, which improves comfort and reduces the subsidy cost. Currently,

CRP Home Comfort utilizes three independent conservation service providers (each a "CSP") to provide services. Work is inspected and audited by an independent party for completeness and quality assurance. Each CSP is evaluated semi-annually based on total natural gas savings, cost-effectiveness, work quality and customer service metrics. The evaluations inform funding allocations for each CSP, which reward the best performers. The first impact evaluation of CRP Home Comfort was completed in FY14, for the 2011 calendar year. The impact evaluation for the 2013 calendar year will be finalized in FY16. Evaluations will continue on a biennial basis. In accordance with 52 Pa. Code § 62.6, PGW contracted an independent, third-party to conduct a LIURP Impact Evaluation in 2013 and submitted it to the BCS in May 2014. PGW's next Evaluation is expected to be submitted in May 2020.

Pilot LIME - In accordance with the DSM/LIURP Order, a portion of PGW's PUC approved FY17 LIURP budget will be allocated to the Pilot LIME program. PGW will convene a stakeholder collaborative to receive input from interested parties about the Pilot LIME program once this Plan has been approved by a final Order. As set forth in the DSM/LIURP Order, in order for a property to be eligible for LIME it must be 75% confirmed low income residency and PGW reserves the right to decrease this percentage beginning in FY17 - but only after a showing of cause for program incentive budget under-spending, and with either the unanimous approval of the signatory parties, to be obtained by written consent, or by Commission Order. Program costs for the Pilot LIME will be through PGW's Universal Services Charge ("USC") applicable to all volumes of firm gas delivered and Pilot LIME project costs will be recovered (1) 100% of low income customer usage LIME program costs will be recovered 100% through the USC; (2) 33% of project costs for all other customer usage will be recovered through PGW's Efficiency Cost Recovery Surcharge ("ECRS"); and, (3) the remainder of project costs will be funded by property owners. The budget for FY17 for the Pilot LIME as approved in the DSM/LIURP Order is: \$120,048; consistent with the DSM/LIURP Order this spend is a portion of the FY17 LIURP budget. PGW proposes to maintain the same budget through December 2020 for the LIME Pilot which amount would continue to be a portion of the relevant LIURP budget (with September 2017-December 2017 pro-rated by monthly spend). This will enable PGW to subject this pilot to a lessons learned review – particularly in the areas of contactor capacity, cost-effectiveness results and expected participation rate.

CRP Home Comfort Needs Assessment – Please see the section entitled "Number of customers who still need LIURP and the cost to serve that number."

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

CRP Home Comfort Eligibility – Under the single family CRP Home Comfort program, CSPs will be provided a list of customers that meet the following criteria:

1. Be enrolled in CRP;
2. Have weather normalized usage within the top 30—50% of all CRP customers, and at least ~~nine~~twelve months of continuous service at their current property, while removing outliers and anomalies based on the statistical significance of the weather normalized usage; and
3. Have not received CRP Home Comfort weatherization services over ~~at the previous period, which will be determined by PGW after an analysis of usage in previously treated homes~~seven years.
4. Must reside in a single-family home. If the customer rents the home, their landlord must authorize PGW to perform the weatherization.

In accordance with 52 Pa. Code § 58.10 and the DSM/LIURP order, prioritization for receipt of services among customers with the same standing under 52 Pa. Code § 58.10(a)(1) shall be attempted for those with the greatest arrearages. Once selected, an in-home audit and feasibility assessment is made to determine what, if any, cost-effective measures can be made.

PGW also coordinates with other agencies to qualify CRP customer homes for the program. CRP customers in the top 50% that have had health and safety treatments performed by Philadelphia Department of Public Health's Healthy Homes or Habitat for Humanity, but were not assigned to CRP Home Comfort through the automatic assignment process, may be manually assigned to CSPs. PGW is notified of these homes by the two agencies with which it currently coordinates.

CRP Home Comfort Projected Enrollment – PGW projects that it will treat approximately ~~2,574~~ 2,662 homes ~~per year~~ and 2 multifamily buildings between September 2016 and August 2017, and approximately 9,086 homes and 7 multifamily buildings between September 2017 and December 2020.

CRP Home Comfort Components – CRP Home Comfort is composed of weatherization measures, such as air sealing, insulation, equipment repair and replacement, hot water reduction measures and energy conservation education.

The CRP Home Comfort treatment begins with an initial assessment made in the home to determine the cost-effectiveness and feasibility of various weatherization measures. During the assessment, customers are educated on ways to reduce their energy use, are provided with basic health and safety information, and low-cost energy saving measures such as low-flow devices, programmable thermostats, and water heater tank turn-downs may be installed. If health and safety issues like mold, asbestos, roof leaks or pests exist and cannot be corrected cost-effectively by the CSP, the home's treatment ends with these low-cost measures. If the house is suitable for weatherization treatment, the CSP may return to the home for comprehensive weatherization treatments, which may include:

- Repairing or replacing older and less energy efficient heating systems; and
- Providing comprehensive weatherization services by air sealing and insulating attics, basements, ducts and the overall building shell.

If homes are initially denied comprehensive weatherization because of health and safety issues, and customers are able to successfully remediate the health and safety issues to program standards, CSPs may return to perform air sealing or insulation.

CRP Home Comfort Modifications – Any proposed changes will be addressed in the DSM docket (Docket No. P-2014-2459362) for the DSM Phase II filing. PGW has requested several waivers to LIURP regulations and expects any future modifications to occur at the DSM docket. See the Health and Safety Pilot Proposal, below.

CRP Home Comfort Estimated Budget – Table 6 provides the estimated enrollment and budget for CRP Home Comfort for program fiscal years year 2017 and September 2017 through December 2020. This The FY17 budget was based on an expectation of a continuation of CRP Home Comfort as proposed by PGW in the DSM Phase II proceeding and are subject to PUC approval in the DSM Docket P-2014-2459362. has been set at \$6,571,445 including administrative expenses. Given the cost efficiencies that are achieved by handling the portfolio administrative costs of LIURP through the PGW's Demand Side Management ("DSM") Plan, PGW proposed in its response to the Tentative Order entered at the DSM/LIURP Order docket that the administrative costs of the LIURP budget continue to remain combined with the DSM Plan and allocated across the programs proportionally for now. Removing LIURP from PGW's DSM Plan will require PGW to evaluate overall portfolio administrative costs based on the program structure of the USECP and the DSM Plan to determine where efficiencies are best met and will remain combined. Consistent with the Commission's directive in the

DSM/LIURP Order, this proposal is consistent with PGW's on-going efforts to reduce administrative costs.

The CRP Home Comfort budget has been set based on a number of reasonable assumptions, and in light of the analysis of the number of customers who still need LIURP and the cost to serve those customers. The below budget utilized the calendar year 2015 average cost per-job of \$1,657 and the average four year production rate of 2,733, for the contractor installation budget, plus administrative costs (including labor). In addition to completing the number of customers who still need LIURP in 7.81 years, a reasonable amount of time, the below budget (i) is expected to provide services for approximately 13% of available eligible customers on an annual basis, and (ii) given that it is consistent with job production rates PGW has experienced in the past 4 years, it is expected that PGW's conservation service providers can effectively perform this level of work. Of course, this budget is being fixed at a point in time – changes in things such as the cost to serve, the number of customers who receive full weatherization services, and/or the number of customers who can be served could have impact on the number of homes actually treated.

Table 6: CRP Home Comfort Estimated Budget*

	<u>FY 2017**</u>	<u>FY September 2017-December 2018***</u>	<u>FYCY 2019***</u>	<u>FYCY 2020***</u>
Budget	\$3,068,474 <u>6,571,445</u>	\$3,280,653 <u>8,748,231</u>	\$3,310,317 <u>6,697,312</u>	\$3,340,067 <u>6,622,194</u>
Single-Family Enrollment	<u>6232,662</u>	<u>6753,620</u>	<u>6332,733</u>	<u>6282,733</u>
LIME Enrollment	<u>2</u>	<u>3</u>	<u>2</u>	<u>2</u>

* Subject to PUC DSM Phase II proceeding.

* Includes LIME costs at \$120,048/year (\$10,004/month). This budget includes a prorated budget of \$2,165,482 for calendar months September 2017 through December 2017 (\$541,370 per month), and a 2018 calendar year spend of \$6,582,749 (\$548,562 per month).

** This budget is the PUC approved programmatic cost, plus administrative expenses (including labor).

*** This budget includes programmatic and administrative costs (including labor).

Continuation of Regulatory Waivers

In the LIURP proceeding, PGW was granted waivers of 52 Pa. Code §§ 58.5, 58.9, and 58.11, and proposes the continuation of such waivers through the termination date of this USECP.

Advisory Panel – 52 Pa Code § 58.16

PGW has established an Advisory Panel consistent with the requirements of this regulation.

Inter-utility Coordination – 52 Pa. Code § 58.14(c)

Pursuant to the DSM/LIURP order, PGW will investigate whether coordination with the local covered electric utility would afford PGW's CSPs the opportunity to coordinate LIURP weatherization efforts with that utility. If so, PGW will work with the electric utility in order to attempt to establish coordination. On or before December 31, 2016 PGW will contact the local covered electric utility to determine whether LIURP coordination is available and to address any inter-utility billing arrangements. PGW will not absorb in its program budget any labor and materials cost for water heating treatments provided pursuant to this regulation.

Public Notice – 52 Pa. Code § 58.4(a)

Consistent with the DSM/LIURP Order, public notice of the FY2017 LIURP reduced funding has been satisfied and public notice of the proposed funding revisions that are

contained herein will be provided when the Commission releases its recommendations regarding PGW's proposal for public comment. To the extent further public notice is directed by the Commission, PGW will work with the Commission's Bureau of Consumer Services to provide such notice.

Health and Safety Pilot Proposal

PGW's contractors currently install limited health and safety measures that can be cost-effectively included in the overall weatherization project. However, many homes in the worst condition are can't be weatherized cost-effectively, and currently receive only core measures. Beginning in 2017, PGW will pilot a new policy for contractors to spend up to \$2,000 per-project on the installation of health and safety measures, without the cost impacting the project's TRC cost-effectiveness. PGW will pre-screen all projects included in this pilot. Contractors' must propose a work scope that will achieve at least 25% savings, and target the highest usage homes. The cost of the pilot will be included within the overall LIURP program budget and will not exceed \$100,000 per-year.

This pilot will help PGW further the goals stated in (i) § 58.4(d); (ii) 62.3(1) to "protect consumers' health and safety by helping low-income customers maintain affordable natural gas service"; and (ii) § 58.1 to "result in improved health, safety and comfort levels for program recipients." Consistent with recent Bureau of Consumer Services (BCS) directives, health and safety costs in this pilot initiative would be tracked separately from other project costs for reporting and evaluation purposes.

To the extent that a regulatory waiver of §§ 58.11, 58.12 and/or 58.18 is required to provide the above proposal, PGW requests approval of any such waivers.

Pilot Conservation Incentive Credits – PGW's current pilot conservation incentive credit requirements consist of the following:

- i. CRP customers who did not receive PGW provided weatherization services in the prior two (2) years (using November as the start of the 2 year look back), but reduced their weather normalized usage by ten percent (10%) or more during the current November through April period (compared to the weather normalized usage between the prior November through April period), will receive a One Hundred Dollar (\$100) Incentive credit on their bill.
- ii. CRP customers who received PGW provided weatherization services in the prior two (2) years (using November as the start of the 2 year look back), and reduced their weather normalized usage by twenty percent (20%) or more during the current November through April period (compared to the weather normalized usage between the prior November through April

- period), would receive a One Hundred Dollar (\$100) Incentive credit on their bill.
- iii. PGW will run a query each April to compare gas consumption of CRP customers for the November to April period with usage during that time period the previous year. Usage would be weather normalized and only customers who were on CRP for the entire November to April time period would be potentially eligible for the Incentive.

PGW has issued communications to encourage participation in the pilot program. PGW will continue to monitor the program as a pilot as described herein.

Customer Assistance Referral and Evaluation Service Program (CARES)

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

CARES Needs Assessment – The need for CARES assistance is assessed based on the customers' self-reported needs. For example, if a customer notifies PGW that he/she is experiencing difficulty paying a bill due to difficulty finding employment, the customer service representative will provide the customer with PGW options to make the bill more affordable (e.g. CRP) and also will provide a referral to external organizations that provide services to the unemployed. PGW uses internal data and census data to estimate the number of customers who are eligible for CARES assistance. Internal data shows that approximately 29% of PGW's residential customer base may be eligible for some of the services provided by CARES (e.g., referrals and case management). The needs assessment set forth in this Plan's description of CRP is incorporated herein.

Some customers are eligible for CARES regardless of income, such as those with a protection from abuse order ("PFA") or an impending life event that may lead to financial hardship. Therefore, any PGW residential customer is potentially eligible for CARES, depending on life circumstances.

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

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

CARES Projected Enrollment – In fiscal year 2013 through 2015, PGW handled 812 CARES cases through ongoing case management, which is an average of 22.6 cases per month. Many more cases are resolved in a "quick-fix" manner by customer service representatives through referrals given to customers. These quick-fix referrals are currently not tracked. We do not project any change in enrollment for CARES case management services, or in the cases resolved through "quick-fix" referrals.

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

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

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

Table 7: CARES Estimated Budget

CARES	2017	2018	2019	2020
LIHEAP Administration/Outreach	\$880,800	\$880,800	\$880,800	\$880,800
Average monthly participation (CARES only including "quick fix")	22.6	22.6	22.6	22.6

Hardship Funds

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

Hardship Funds Needs Assessment – The needs assessment set forth in this Plan's description of CRP is incorporated herein. In addition, PGW determines the need for UESF grants by reviewing the number of grants provided in the prior years and the amount of dollars granted. Since Hardship Funds are matching bill credits, the actual number of grants and the amount of credits provided will depend upon the number of grants and level of funding provided by UESF. In 2015, PGW made available up to \$795,500 to match UESF grants. UESF has not obtained sufficient funding to utilize all of the available funds.

Table 8: Hardship Fund Estimated Budget

Hardship Fund	2013	2014	2015
Clients served	1,184	1,324	992
UESF funds	\$620,846	\$674,712	\$594,860
PGW matching credits	\$620,846	\$674,712	\$594,860
Client contributions	\$32,307	\$38,246	\$34,216

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

Hardship Funds Eligibility – Eligibility is limited to customers with a gross household income at or below 175% of the FPL. Below is a table showing the income eligibility guidelines for UESF for fiscal years 2013 through 2015 (UESF fiscal year is July 1-June 30).

Table 9: Hardship Fund Eligibility

Maximum annual gross household income			
Household size	FY13	FY14	FY15
1	\$20,107	\$20,426	\$20,598
2	\$27,142	\$27,524	\$27,878
3	\$34,177	\$34,636	\$35,158
4	\$41,212	\$41,734	\$42,438
each additional	\$7,035	\$7,104	\$7,280

Additional eligibility requirements include:

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

Hardship Funds Projected Enrollment – Enrollment projections are based on three completed prior fiscal years. Between fiscal year 2013 and fiscal year 2015, PGW provided matching funds for an average of 1,167 customers per year. PGW projects it could have the ability to serve an average of at least 1,000 customers per year between 2017 and 2020 and possibly a higher amount of customers, dependent on obtaining necessary grant funds and approvals.

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

Hardship Funds Modifications – None.

Hardship Funds Estimated Budget – The operating support paid to UESF is a fixed amount and is projected to be fully expended. However, the amount expended annually from a projected \$795,500 (dependent on obtaining necessary approvals) for matching funds will depend on other sources of funding obtained by UESF.

Table 10: Hardship Fund Estimated Budget

Hardship Funds	2017	<u>2018</u>	2019	2020
Operating support (PGW)	\$260,149	<u>\$260,149</u>	\$260,149	\$260,149
UESF grants	\$795,500	<u>\$795,500</u>	\$795,500	\$795,500
Utility contribution (PGW)	\$795,500	<u>\$795,500</u>	\$795,500	\$795,500
Customer/employee contributions (PGW)	\$2,000	<u>\$3,000</u>	\$4,000	\$5,000
Total Program costs	\$1,853,149	<u>\$1,854,149</u>	\$1,855,149	\$1,856,149
Average annual participation ⁹²⁷	1,000	<u>1,000</u>	1,000	1,000

Senior Citizen Discount

Senior Citizen Discount Description – The senior citizen discount provides a 20 percent discount off the monthly bill to eligible senior citizen participants. The program is audited regularly to verify eligibility. As of February 29, 2016, there were 17,202 customers enrolled in the senior citizen discount. This program was grandfathered as of August 31, 2003.

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

⁹²⁷ This participation projection is based on the most recent projection obtained from UESF for the amount of UESF grants that will be allocated for PGW customers.

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

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

Senior Citizen Discount Projected Enrollment – Based on recent trends, the number of customers enrolled in the senior discount program is expected to decline by approximately 3,000 enrollments per year. Using the average decline and the current enrollment, PGW projects that the average monthly enrollment in the discount program will be 14,444 in 2017, 11,898 in 2018, 9,452 in 2019 and 7,106 in 2020.

Senior Citizen Discount Components – The primary component of the senior citizen discount is the 20 percent discount received by those enrolled. The discount is applied to each monthly bill. In many cases, surviving family members notify PGW that the customer of record is deceased. In those cases, we determine if any surviving household member is eligible to have the discount transferred to them. If so, after verifying eligibility, we put the service at the premise into the name of the eligible surviving family member and transfer the discount to them. If no family member is eligible, then we remove the discount and close the account.

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

Senior Citizen Discount Modifications – None.

Senior Citizen Discount Estimated Budget – The estimated budget for the Senior Discount program is based on recent trends in enrollment and discounts received. In fiscal year 2015, the projected average discount per customer is \$276 per year. Applying the average discount to the projected enrollment, we expect the program to

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yield bill discounts of \$4.1 million, \$3.3 million, \$2.6 million and \$1.9 million in 2017, 2018, 2019 and 2020, respectively. The administrative cost reflects the estimated costs for third-party verification of eligibility and materials and postage related to communications to resolve discrepancies in eligibility.

Table 11: Senior Discount Estimated Budget

Senior Citizen Discount	2017	2018	2019	2020
Administration	\$8,000	\$8,000	\$8,000	\$8,000
Discounts	\$4,060,76 3	\$3,322,48 6	\$2,613,46 0	\$1,933,68 4
Total	\$4,068,76 3	\$3,330,48 6	\$2,621,46 0	\$1,941,68 4
Average Monthly Participation	14,444	11,898	9,452	7,106

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

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

CRP ~~and LIURP~~- When CRP customers have trouble paying their bills or have a personal crisis that impacts their ability to pay their bills, they are referred to Hardship Funds and the CARES program. When customers have high natural gas usage they are referred to CRP Home Comfort. Customers who receive CRP Home Comfort services are also provided information about other assistance programs, such as the CARES program and LIHEAP and Crisis grants. ~~As described more fully in the Company's DSM proceeding Docket No. P-2014-2459362,~~ PGW engages in a significant number of partnerships in support of its CRP Home Comfort program – this coordination is described more fully on Appendix E.

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

CARES - PGW utilizes many internal and external assistance programs in the implementation of CARES in order to provide referrals to a variety of programs suited to resolve the customer's particular personal crisis or issue. For example, if the issue is job loss, PGW provides the customer with information regarding external grant programs and internal assistance programs that can help them pay their gas bill in the immediate term and makes referrals to employment centers and job services. PGW has long standing relationships with a network of external organizations that provide many types of assistance for individuals and families in need. In Philadelphia, the

Neighborhood Energy Centers and UESF intake sites are two networks in which PGW coordinates UESF grants and provides information to caseworkers who are helping PGW customers obtain an affordable bill. PGW refers customers to these organizations in the course of providing CARES assistance; the services provided by these organizations include budget counseling, housing counseling, job placement services, senior services, after-school programs, homelessness prevention, and other health and human services. Additionally, these organizations often provide the outreach and venue for energy conservation workshops that are sponsored annually by PGW and administered by a third party.

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

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

Hardship Funds– In addition to the other efforts described in this section, PGW maintains relationships with the network of UESF intake sites that assist PGW's customers.

Senior Citizen Discount– PGW integrates the senior citizen discount with LIHEAP and Crisis outreach, as well as CARES and Hardship Funds when appropriate. For LIHEAP and Crisis outreach, PGW has specifically targeted outreach to senior citizen discount customers. When a senior citizen contacts PGW regarding a CARES issue, PGW makes referrals as appropriate to organizations that provide services to senior citizens, such as Philadelphia Corporation for Aging and Center in the Park. Externally, PGW does many community presentations about its programs at venues that serve senior citizens.

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

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

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

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

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

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

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

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

Organizational Structure and Staff Responsibilities

Staff with direct responsibilities in Universal Services:

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

Staff with direct responsibilities in CRP Home Comfort:

- Director, Customer Programs
 - Directs program development and implementation.
 - Ensures compliance with PUC LIURP regulations and guidance.
- Manager, Energy Efficiency and Emerging Customer Programs
 - Ensures that the LIURP is run effectively, efficiently and in compliance with regulatory guidelines.
 - Manages the Energy Efficiency Program Analyst and oversees program implementation.
- Analyst, Energy Efficiency and Emerging Customer Programs
 - Day-to-day oversight of the program; primary liaison with the conservation service providers and quality assurance vendor.
 - Calculates key performance indicators and prepares reports on program activities.

Additional Support:

- District office representatives
- Call center representatives
- CRP Home Comfort

Community Partners

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

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

Neighborhood Energy Centers –Neighborhood Energy Centers provide a coordinated and comprehensive approach to energy and related problems for low and moderate income households. They provide budget counseling, energy counseling, energy conservation education, and grant application assistance for the communities they serve. They are also a means of outreach for PGW assistance programs. Since the Neighborhood Energy Centers are housed in community organizations that serve a broad mission and many needs in their community, PGW uses them often as a resource when making referrals in our CARES program.

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

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

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

See Appendix E for LIURP coordination.

The address for the Philadelphia County Assistance Office is:

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

Conclusion

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

PGW is pleased to submit this Plan and believes that it presents a comprehensive and balanced approach to addressing the needs of the Company's low-income customers. PGW, therefore, respectfully requests that the Commission implement its Universal Service and Energy Conservation Plan in full, without modification.

Appendices

- A. Consolidated Charts
- B. Recertification Process
- C. UESF Intake Sites
- D. Neighborhood Energy Center locations
- E. LIURP Coordination

Appendix A: Consolidated Charts

Projected Needs Assessments

The following chart provides a consolidated needs assessment for PGW's universal service programs, subject to the limitations as described in the Plan, above

Needs Assessment

Average monthly count of residential customers	470,788
Number of Identified Low-Income Customers	137,697 ²⁸
Estimated Number of Low-Income Customers	178,899
Number of Identified Payment-Troubled, Low-Income Customers	25,442
Number of Customers Needing LIURP	The issue of how to determine the "need" for LIURP services is currently pending a Commission decision at the DSM Docket, P-2014-2459362-21, 349
Cost to Serve the Number Needing LIURP	The issue of how to determine the "need" for LIURP services is currently pending a Commission decision

²⁸ The number of identified low-income customers as of November 2016, used for the LIURP needs assessment, was 120,762.

	at the DSM Docket, P-2014-2459362, \$40,945,780
Enrollment Size of CRP to Serve All Eligible Customers ⁴⁰²⁹	N/A

Eligibility Criteria

Program Eligibility Criteria

	Income Criteria	Other Criteria
CRP	150% FPL	<ul style="list-style-type: none"> - Enrollment must provide a lower monthly bill - May need to make an upfront payment, if a previous CRP agreement was broken, suspended, or inactivated - Must be a residential customer - Premises' account must be primary residence - PGW must be natural gas supplier
CRP Home Comfort	150% FPL	<p>Single Family Properties:</p> <ul style="list-style-type: none"> - Be enrolled in CRP - Have weather normalized usage within the top 30—50% of all CRP customers, and at least nine<u>twelve</u> months of continuous service at their current property, while removing outliers and anomalies based on the statistical significance of the weather normalized usage. - Have not received CRP Home Comfort weatherization services over a previous period, which will be determined by PGW after an analysis of usage in previously treated homes<u>the prior 7 years.</u> - <u>Must reside in a single-family home. If the customer rents the home, their landlord must authorize PGW to perform the weatherization.</u>

⁴⁰²⁹ PGW does not have a maximum enrollment limit.

		<p>Multifamily Properties: Initially, buildings with at least 75% of tenants at or below 150% FPL will be targeted. PGW will confirm eligibility by targeting buildings with residents that receive Section 8 housing vouchers or which have Low Income Housing Tax Credits. This program is open to both master metered and individually metered properties.</p>
Hardship Fund (UESF)	175% FPL	- Maximum grant is \$1,500
		- Combination of grants and customer co-pay must bring the total account balance to \$0
		- Can receive a grant only once every two years
		- Must apply for LIHEAP and Crisis first, if they are available
CARES	150% FPL	- Must be experiencing difficulty paying a bill due to special circumstances, such as job loss, medical emergency, domestic abuse

Projected Enrollment Levels

The following table shows PGW's projected enrollment levels for the company's CRP, LIURP, CARES, and Hardship fund programs.

Projected Enrollment Levels

Programs	2017	2018	2019	2020
CRP	61,292	63,292	65,292	<u>67,292</u>
CRP Home Comfort*	<u>6262,664</u>	<u>6782,735</u>	<u>6372,735</u>	<u>2,735</u>
CARES	271	271	271	<u>271</u>
Hardship Fund	1,000	1,000	1,000	<u>1,000</u>

* Participation for 2017 is on a fiscal-year basis. Participation for September 2017 – December 2017 is 888. Figures above also include multifamily building participants.

Universal Services Projected Program

Budgets

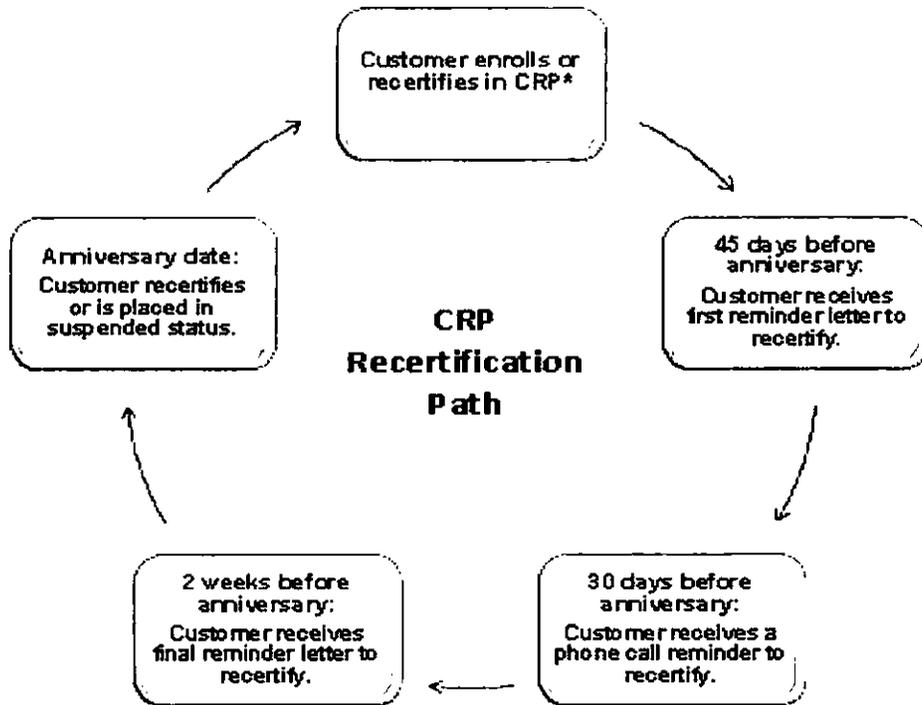
The following table shows PGW's projected program budgets for the company's CRP, LIURP, CARES, and Hardship Fund programs.

Universal Service Projected Program Budgets

	2017	2018*	2019	2020
CRP	\$49,973,413	\$53,673,383	\$56,030,965	<u>\$57,296,816</u>
CRP Home Comfort	<u>\$3,068,4746,571,445</u>	<u>\$3,280,6536,582,749</u>	<u>\$3,310,3176,697,312</u>	<u>\$ 6,622,194</u>
CARES	\$880,800	\$880,800	\$880,800	<u>\$880,800</u>
Hardship Fund	\$1,055,649	\$1,055,649	\$1,055,649	<u>\$1,055,649</u>
				=
Total	<u>\$54,978,33658,481,307</u>	<u>\$58,890,48562,192,581</u>	<u>\$61,277,73164,664,726</u>	<u>\$65,855,459</u>

*September-December 2017: \$2,165,482

Appendix B: Notification Schedule for CRP Recertification Process ⁺⁺³⁰



⁺⁺³⁰ Customers that do not receive a LIHEAP grant and assign it to PGW are required to recertify annually.

Appendix C: UESF Intake Sites

Intake Sites	Address	Phone Number
ACHIEVEability	59 N. 60th Street Philadelphia, PA 19139	(215) 748-8838
Action AIDS	1216 Arch Street 6th Floor Philadelphia, PA 19107	(215) 981-0088
Center in the Park	5818 Germantown Ave Philadelphia, PA	(215) 848-7722
Central Office	1617 J.F.K Blvd Philadelphia, PA 19103	(215) 972-5170
City Hall North	22nd Street and Somerset Ave, Philadelphia, PA	
Concilio	141 E. Hunting Park Ave Philadelphia, PA 19133	(215) 627-3100
Congreso De Latinos Unidos*	216 W. Somerset Street Philadelphia, PA 19124	(215) 763-8870
Dixon House	1920 S. 20th Street Philadelphia, PA 19145	(215) 336-3511
Germantown Avenue Crisis Ministry	35 W. Chelton Ave Philadelphia, PA 19144	(215) 843-2340
Greater Philadelphia Asian Social Service Center**	4943 N. 5th Street Philadelphia, PA 19120	(215) 456-0308
H. A. C. E. *	4907 Frankford Ave Philadelphia, PA 19124	(215) 437-7867
H. A. C. E. *	167 W. Allegheny Ave Philadelphia, PA 19140	(215) 426-8025
Hunting Park N. A. C.	3760 N. Delhi Street Philadelphia, PA 19140	(215) 225-5560
New Kensington CDC*	2515 Frankford Ave Philadelphia, PA 19125	(215) 427-0350

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Nicetown CDC	4300 Germantown Ave Philadelphia, PA 19125	(215) 329-1824
People's Emergency Center	325 N. 39th Street Philadelphia, PA 19104	(267) 777-5854
Strawberry Mansion CDC	2829 W. Diamond Street Philadelphia, PA 19132	(215) 235-7505
Southwest CDC	6328 Paschell Ave Philadelphia, PA 19142	(215) 729-0800
United Communities	2029 S. 8th Street Philadelphia, PA 19148	(215) 468-6111 ext.200
Urban League of Philadelphia	121 S. Broad Street Philadelphia, PA 19107	(215) 985-3220
Water Revenue Bureau	1401 J.F.K Blvd Philadelphia, PA 19101	(215) 686-2717
We Never Say Never	4427 Lancaster Ave Philadelphia, PA 19104	(215) 452-0440

*Spanish speaking assistance available (se habla espanol)

**Chinese and other language assistance available

Appendix D: Neighborhood Energy Centers

Energy Center	Address	Phone Number
ACHIEVEability	59 N. 60th Street Philadelphia, PA 19139	(215) 748-8838
Center in the Park	5818 Germantown Ave Philadelphia, PA	(215) 848-7722
Congreso De Latinos Unidos*	216 W. Somerset Street Philadelphia, PA 19124	(215) 763-8870
Diversified Community Services	1920 S. 20th Street Philadelphia, PA 19145	(215) 336-3511
Germantown Avenue Crisis Ministry	35 W. Chelton Ave Philadelphia, PA 19144	(215) 843-2340
Greater Philadelphia Asian Social Service Center**	4943 N. 5th Street Philadelphia, PA 19120	(215) 456-0308
H. A. C. E.*	4907 Frankford Ave Philadelphia, PA 19124	(215) 437-7867
Hunting Park N. A. C.	3760 N. Delhi Street Philadelphia, PA 19140	(215) 225-5560
New Kensington CDC*	2515 Frankford Ave Philadelphia, PA 19125	(215) 427-0350
Nicetown CDC	4300 Germantown Ave Philadelphia, PA 19125	(215) 329-1824
Strawberry Mansion CDC	2829 W. Diamond Street Philadelphia, PA 19132	(215) 235-7505
Southwest CDC	6328 Paschell Ave Philadelphia, PA 19142	(215) 729-0800
United Communities	2029 S. 8th Street Philadelphia, PA 19148	(215) 468-6111 ext.200
We Never Say Never	4427 Lancaster Ave Philadelphia, PA 19104	(215) 452-0440

*Spanish speaking assistance available (se habla español)

**Chinese and other language assistance available

Appendix E: LIURP Coordination

<u>Program/Organization & Description of Coordination</u>
<p><u>Habitat for Humanity</u></p> <p><u>PGW and Habitat for Humanity coordinate services through Habitat's Home Repair and Weatherization Program. Habitat's program focuses on individual neighborhoods and provides weatherization and structural repairs to support housing revitalization. Under this arrangement, PGW and Habitat share data as appropriate and identify customers who are enrolled or eligible for both Habitat's Home Repair and Weatherization Program and CRP Home Comfort. Habitat and PGW contractors identify pre-treatment and structural issues for Habitat to address, and PGW contractors focus on weatherization. Ten projects have been coordinated to date and there are several additional homes under review for coordination.</u></p>
<p><u>National Nursing Center Consortium</u></p> <p><u>PGW developed collaboration with National Nursing Center Consortium's Lead and Healthy Homes Program. NNCC provides home visits, consultations and home hazard remediation services for homes that have children under seven with asthma conditions, or have the presence of lead paint, pests, or other environmental hazards. PGW will share data to identify homes in both programs, give referrals and coordinate treatment when possible.</u></p>
<p><u>Pennsylvania CareerLink Philadelphia</u></p> <p><u>PGW has collaborated with the Philadelphia Workforce Investment Board and the Philadelphia Workforce Development Corporation through PA CareerLink Philadelphia to connect local unemployed workers with weatherization training programs and then onto employment with our CRP Home Comfort CSPs. To date, PGW CSPs have hired 32 local, unemployed entry-level workers through this collaboration.</u></p>
<p><u>Philadelphia Department of Public Health Green & Healthy Homes and Lead Poison Prevention Programs</u></p> <p><u>Through this collaboration, PGW and Healthy Homes share data on customers who are assigned in both programs. Healthy Homes is able to treat many health, safety and structural issues, which then allows CRP Home Comfort CSPs to comprehensively treat homes otherwise not feasible. Five projects have been coordinated to-date.</u></p> <p><u>Additionally, through this Green and Healthy Home Initiative collaboration, PDPH has offered to provide free trainings and certifications in identifying relevant health and safety issues to PGW's CRP Home Comfort CSPs. The hope is that this exposure to the relevant issues can be a potential first step in developing a more coordinated in-home collaboration that can achieve significant programmatic savings for all.</u></p>

Summary report:	
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<u>Move To</u>	11
<u>Table Insert</u>	22
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format Changes	0
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