



**PEOPLES**<sup>™</sup>

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**VIA ELECTRONIC FILING**

July 20, 2018

Rosemary Chiavetta  
Executive Secretary  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105

**Re: Notification of Elimination of Program Component in the Peoples Universal Service and Energy Conservation Plan for 2015-2018**

**Docket M-2014-2432515: Peoples Natural Gas Company LLC and Peoples Natural Gas Company LLC – Equitable Division Universal Service and Energy Conservation Plan for 2015-2018**

Dear Secretary Chiavetta:

Pursuant to the Secretarial letter dated July 13, 2018 in the above referenced docket, attached is a revision to the Peoples' Universal Service and Energy Conservation Plan for the 2015-2018 period (the "USECP Plan"). The revision eliminates the Community Partnership for Weatherization previously offered in the Peoples Division (the "Program"). The funds associated with the Program will be allocated to the annual budget for LIURP weatherization on the Peoples Division.

Please contact me at (412) 208-6834 should you have any questions or concerns regarding this matter.

Sincerely,

*/es/ Jennifer L. Petrisek*

Jennifer Petrisek  
Senior Counsel

cc: Rita Black, Peoples

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of § 1.54 (relating to service by a party).

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/es/ Jennifer L. Petrisek

Jennifer L. Petrisek

Dated this 20<sup>th</sup> of July, 2018.

**Peoples Natural Gas Company LLC**

**UNIVERSAL SERVICE  
AND  
ENERGY CONSERVATION PLAN**

**2015-2018**

Amended 1/12/16 to reflect changes provided in the Final Order issued 12/17/15 at  
Docket M-2014-2432515

Amended 12/15/16 to reflect changes provided in the Final Order issued 12/8/16 at  
Docket M-2014-2432515

**Amended 7/18/17 to reflect the elimination of the Pilot LIURP Community  
Partnership for Weatherization program as approved in the Secretarial  
Letter of 7/13/18 at Docket M-2014-2432515**

Peoples Natural Gas Company LLC  
375 North Shore Drive  
Pittsburgh, PA 15212

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## **LIST OF ATTACHMENTS**

1. Attachment A – Needs Assessment
2. Attachment B - Summary of Major Modifications
3. Attachment C - Joint Settlement Agreement from the Merger Transaction proceeding
4. Attachment D - Customer Referral Guide
5. Attachment E - Income Guidelines
6. Attachment F - Energy Conservation Information

# **UNIVERSAL SERVICE AND ENERGY CONSERVATION PLAN**

**UPDATE: 7/18/18**

The Pilot LIURP Community Partnership for Weatherization has been eliminated as approved through Secretarial Letter on July 13, 2018. The Plan has been updated to remove the program description and to increase the LIURP budget by \$50,000 which is reflective of the amount formerly allotted to the Community for Partnership Program.

## **Overview**

On March 19, 2013, Peoples Natural Gas Company LLC (“Peoples”), Peoples TWP LLC (“Peoples TWP”) and Equitable Gas Company, LLC filed a Joint Application with the Pennsylvania Public Utility Commission (“Commission”) seeking authority to transfer certain assets between the Parties (the “Merger Transaction”). Upon closing of the transaction, Equitable Gas Company, LLC merged into Peoples on December 18, 2013<sup>1</sup>. The combined Peoples organization serves more than 640,000 customers in eighteen counties in Southwestern Pennsylvania. For certain regulatory purposes, the former Equitable system is operated as the “Equitable Division” and separate tariffs and accounting of the Equitable Division are maintained (for ease of reference, Peoples and Equitable Division may each be referred to as a “Division” and shall collectively be referred to as the “Company”). Immediately after the closing of the Merger Transaction, the Company began a best practices comparison review of the current components of the Peoples and the Equitable Division Universal Service and Energy Conservation Plans (“USP”). The best practices review included input from Peoples’ newly formed Universal Service Advisory Group as well as thoroughly vetting the Universal Service Programs and associated practices currently in place at both Divisions. Additionally, Peoples considered current practices of its affiliate, Peoples TWP, as well as those of several other regulated utility companies. The goal of the best practices review was two-fold: 1) to identify opportunities to improve existing Universal Service Programs and 2) to achieve efficiencies in program administration.

The Peoples Division’s previous USP was filed May 31, 2011 for the plan years 2012 through 2014<sup>2</sup>. On May 30, 2014, Peoples filed, and subsequently received approval for, a petition with the Commission to extend the due date of its new 2015-2017 plan to July 16, 2014<sup>3</sup> in order to provide sufficient time for Peoples to finalize its best practices program development. This Plan was developed by the Company to guide the implementation of Universal Service Programs for

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<sup>1</sup> Docket A-2013-2353647 - Joint Application of Peoples Natural Gas Co LLC (Peoples LLC), Peoples TWP LLC (Peoples TWP) and Equitable Gas Company LLC (Equitable LLC) for 1) the transfer of all issued and outstanding Limited Liability Co Membership Interest of Equitable LLC to PNG Companies, 2) to merge Equitable LLC with Peoples LLC, 3) to transfer certain storage and transmission assets of Peoples LLC to affiliates of EQT Corp, 4) to transfer certain assets between Equitable LLC and affiliates of EQT Corp; 5) for certain ownership changes associated with the transaction; 6) certain associated Gas Capacity and Supply Agreements and 7) Certain Changes in Tariff of Peoples LLC.

<sup>2</sup> Docket No. M-2011-2245355 – Peoples Natural Gas Company LLC Universal Service and Energy Conservation Plan for 2012-2014. Final Order issued December 5, 2012.

<sup>3</sup> Docket No. P-2014-2424357 Petition of Peoples Natural Gas Company LLC to Defer Filing Date of Proposed USECP for 2015-2017.

the combined organization. Therefore, this Plan, once approved, will replace the currently effective USP approved for the Equitable Division (at the time, Equitable Gas Company LLC) by the Commission on 8/29/2013<sup>4</sup>.

Both Divisions' USP includes the following Universal Service Programs: Customer Assistance Program ("CAP"), Low Income Usage Reduction Program ("LIURP"), Emergency Furnace and Houseline Repair Program, Customer Assistance Referral and Evaluation Services ("CARES"), and hardship funds. Additionally, the Peoples Division offers a Community Partnership Weatherization Program. In this Plan, a section entitled 'Best Practices Review' was added under each Universal Service Program in which the best practices review identified a change in current process or program administration that was beneficial. The Company also filed changes to its tariffs to implement a new customer contact model and Pilot E-CAP on July 24, 2015. These changes are incorporated into this Plan.

### **Plan Submission**

This Plan will be in effect during the period from January 1, 2015 through December 31, 2018 and will be implemented upon approval by the Commission.

In accordance with 52 PA Code §62.6 Universal Service Evaluations are to be conducted every six (6) years. Peoples Division's last Universal Service Evaluation was conducted in 2010 and the last evaluation for the Equitable Division was performed in 2011. An independent evaluation of the Universal Service Programs for both Peoples and Equitable will be submitted in 2017 in accordance with the USECP Filing Schedule issued by BCS in June of 2014.

### **Plan Modifications**

The proposed modifications, which are highlighted below, represent best practices that were identified within the Peoples' organization, including Peoples TWP, as well as within the larger Pennsylvania utility industry. In addition, this Plan incorporates key recommendations from the Joint Settlement Agreement in the Merger Transaction proceeding.

#### Customer Assistance Program

- Management of the Equitable Division CAP consistent with the Peoples Division's use of a third-party administrator.<sup>5</sup>
- Upon integration of the Equitable Division into Peoples' billing system, implement the streamlined CAP bill format for Equitable Division CAP customers.

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<sup>4</sup> Docket No. M-2012-2308007 - Equitable Gas Company LLC Universal Service and Energy Conservation Plan for 2013-2015.

<sup>5</sup> On June 20, 2014, the Equitable Division filed Tariff Supplement No. 7 with the Commission, with a proposed effective date of August 19, 2014. The Tariff Supplement reflected an adjustment to Rider D, Universal Service and Energy Conservation, to permit the Equitable Division to utilize Dollar Energy Fund, Inc. to administer the Equitable Division CAP, in accordance with Paragraph 74 Joint Settlement Agreement in the Merger Transaction proceeding.

- Implement a CAP Plus mechanism for Equitable Division customers.
- Establish standardized procedure for establishing the payment based on the percent of income or the customer's budget, whichever is the lower amount.
- CAP Plus for the Peoples Division was implemented effective November 1, 2014.
- In order to apply CAP credits on a consistent basis, thereby eliminating differences in program administration, billing system requirements, and employee training; CAP credits will be applied when the CAP bill is issued for all customers.<sup>6</sup>

#### Pilot Extended Customer Assistance Program

- Three year pilot program proposed to serve customers with significant balances and annual incomes in the 151 to 200% FPL range.
- The program will be focused on enrolling customers below 175% of FPL, but will be available for customers in need up to 200% FPL.

#### CARES/Hardship Funds

- Increase participation in events to facilitate referrals and enhance program awareness such as Be Utility Wise, Department of Aging Fairs, Legislative/Senior Fairs, and other like events.
- Investigate partnering with United Way's Southwestern PA 2-1-1 Information and Referral Program to streamline application processes and provide assistance to as many eligible customers as possible.

#### Low Income Usage Reduction Program (LIURP)

- Standardize program eligibility requirements and program administration across Divisions through the use of Conservation Consultants, Inc. ("Conservation Consultants") as third party administrator.
- Explore means to mechanize and track Department of Community and Economic Development ("DCED") funding with LIURP combined weatherization jobs to achieve maximum benefits.
- As part of Peoples 2012 base rate proceeding, Peoples agreed to allocate up to 25% of Peoples Division budget to provide weatherization services for non-CAP participants.
- Increase LIURP annual budget levels to \$2,050,000.

#### Merger Transaction Settlement Commitments Incorporated into this Plan

- Continue to fund the Equitable Division CAP consistent with its needs analysis approved in its current USP.
- Establish a Universal Service Advisory Group comprised of community-based organizations, low income advocates, the Office of Consumer Advocate and other interested stakeholders.

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<sup>6</sup> Peoples Division and Equitable Division Petition to Amend existing Universal Service and Energy Conservation Plans. This Petition requests (1) Temporary Deferment of Equitable Division's requirement to adjust Arrearage Forgiveness Calculation and (2) Adjustment of the Application of CAP Credits in the Peoples Natural Gas Programs. Filed with the Commission on July 10, 2014. Docketed at P-2014-2431703

- Management of the Equitable Division CAP consistent with the Peoples Division's use of a third-party administrator.
- Increase Peoples' contributions to Dollar Energy Fund, Inc. ("Dollar Energy") by 10% (donations and administration) annually for the next 5 years.
- Increase LIURP expenditures for the Peoples Division to \$1,250,000 per year. Increase LIURP expenditures for the Equitable Division to \$800,000 per year. These expenditure increases will remain in effect for 4 years (2014 through 2017).

## **Plan Attachments and Coordination Efforts**

A list of attachments to this Plan follows the Table of Contents.

An integral part of the Plan is the coordination of Universal Service Programs both within the Company and through external agencies. Company employees receive training on referral and outreach to encourage customers to apply for assistance. In addition, area agencies are encouraged to refer customers to the Universal Service Programs.

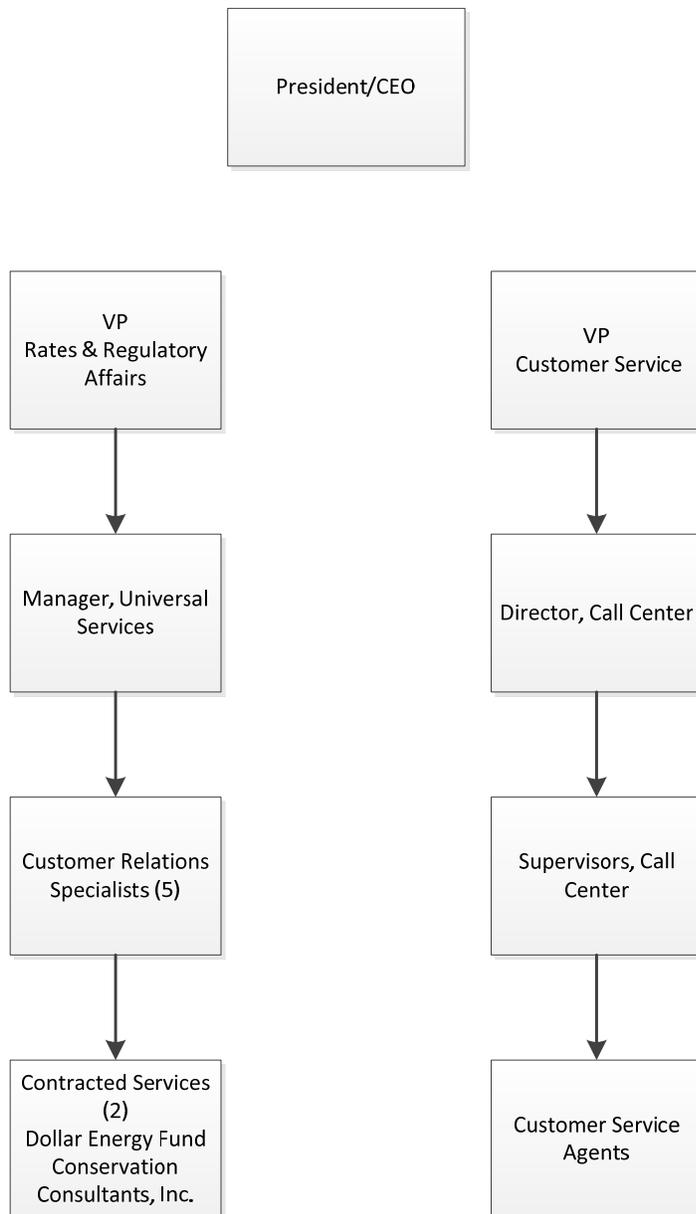
The steps used to identify eligible customers and methods of program coordination can be found listed in the first section, Customer Assistance Program. These steps apply to all of the Universal Service Programs in the Plan.

## **Organization**

Universal Service Programs are managed and directed by the Regulatory Section of the Company; the Manager of Universal Services and the Customer Relations Specialists have the primary responsibility for the administration of these programs. The Customer Relations Staff is reflected in the organization chart. This staff supports the Universal Service Programs of Peoples, including the Equitable Division, and Peoples TWP.

Currently, incoming calls from low income customers are answered by the internal Customer Service Center. Management of the Customer Service Center is provided by the Vice President, Customer Service. All agents receive training on the Company's Universal Service Programs in order to make appropriate referrals. Beginning October 1, 2015, all calls for Universal Service programs coming through the Company's Program Line (1-800-400-WARM) will be answered by a specially trained Universal Service Call Group at Dollar Energy Fund. In addition, known low income accounts, entering the Company's IVR (1-800-764-0111 Customer Service Line), that indicate their call is related to credit, termination or restoration of service will be automatically transferred to Dollar Energy Fund's call group for assistance.

## Internal Organization -- Universal Service Program Support



## **CUSTOMER ASSISTANCE PROGRAM (CAP)**

### **Program Description**

Peoples CAP is a special payment plan for low-income, payment-troubled customers. Through CAP, low income customers pay a percentage of their income for natural gas service. The reduced payment amount is designed to improve payment compliance and reduce collection activities.

Eligible customers agree to pay 8%, 9%, or 10% of their verified before-tax monthly income for natural gas service. The household income and family size determine which percentage of income the customer is to pay. In addition to the percentage of income amount, CAP customers will pay \$5 per month toward amortizing the balance that existed before being accepted into the program.

### **Best Practices Review**

Each Division's CAP payment plans are established at 8%, 9%, and 10% of a household's before tax income. However, there were varying practices for minimum payments, budget payments, CAP bills, and recertification between the Divisions. The following changes are made in order to bring the best practices of each Division into a combined CAP:

- Establish minimum payment of \$25 to replace the current minimum payments of \$21 for Peoples Division and \$39 for Equitable Division.
- In cases in which a customer's calculated percentage of income payment amount is higher than the established budget amount for the account, Peoples Division allows the customer to pay the budget amount. This practice will be expanded to the Equitable Division upon conversion of the billing system (estimated implementation–July 2015) to provide the lowest available payment amount to CAP participants, thus encouraging good payment habits.
- The Peoples Division offers a streamlined CAP bill that clearly identifies the customer's payment amount and reinforces the benefits of CAP participation and timely payments. Upon conversion of the Equitable Division to the Peoples Division billing system, the Equitable Division's current traditional customer bill will be replaced with the improved CAP bill.
- In order to enhance the recertification process to ensure only eligible customers remain in CAP, the Peoples Division method of bi-annual recertification for LIHEAP recipients as well as customers on certain fixed incomes from pension, social security and disability will be applied to the Equitable Division as well. Annual recertification of all other CAP customers will be implemented for the Equitable Division upon conversion of the billing system.

- In order to apply CAP credits on a consistent basis, thereby eliminating differences in program administration, billing system requirements, and employee training, CAP credits will be applied when the CAP bill is issued for all CAP customers.<sup>7</sup>
- Standardize the usage monitoring level at 125% of normalized usage for both Divisions.

## **Modifications Since Last Plan**

### Arrearage Forgiveness

The Equitable Division USP includes the implementation of an accelerated Arrearage Forgiveness component that provided forgiveness of 1/36th of the customer's balance each month when the customer's required payment was received. Because the Peoples Division already provides the Arrearage Forgiveness benefit in this manner, the Company filed for a Petition for extension of implementation of this program component until the upcoming conversion of the billing system).<sup>7</sup>

### Modification of Minimum Payment

The CAP Policy Statement provides for a minimum CAP payment of \$15 to \$25. Peoples Division's minimum CAP payment is currently \$21. Peoples has not increased the minimum CAP payment since the program's inception. The minimum CAP payment for Equitable Division is currently \$39. In order to provide program consistency and to maintain a suitable payment amount in line with the CAP Policy Statement, a minimum payment amount of \$25, plus \$5 to be paid towards the pre-program arrears, will be implemented for both Divisions.

### Recertification

Under the Equitable Division's USP, recertification was not required from customers who received LIHEAP or LIHEAP Crisis grants during the program year. An annual recertification benchmark of 10% of the remaining CAP population was established. Following the Company's best practices review, the recertification practice used by the Peoples Division will be implemented for the Equitable Division as well.

### CAP Administration

The Joint Settlement Agreement in the Merger Transaction proceeding included a provision for Peoples to partner with a third party for CAP administration for the Equitable Division. The Peoples Division currently utilizes Dollar Energy Fund to administer its CAP Program. The Company proposes to incorporate the administration of CAP for the Equitable Division in the same manner following approval of the tariff filing to implement this change.<sup>8</sup> Use of Dollar Energy Fund as the administrator for CAP is expected to increase CAP enrollment for the Equitable Division and provide efficiencies for both companies.

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<sup>7</sup> Peoples Division and Equitable Division Petition to Amend existing Universal Service and Energy Conservation Plans. Filed with the Commission on July 10, 2014 at Docket No. P-2014-2431703.

<sup>8</sup> On June 20, 2014, Peoples' Equitable Division filed Tariff Supplement No. 7 to Tariff Gas PA PUC No. 46 at Docket No. A-2013-2353647 in order to effectuate this modification.

### CAP Credits

The Company filed a Petition to modify its existing Peoples Division USP to reflect the application of CAP Credits when a CAP bill is issued. This change will be implemented upon conversion to the billing system.<sup>9</sup> This application is consistent with Peoples/Equitable's current method of applying CAP credits.

### CAP Plus

CAP Plus was implemented for the Peoples Division effective November 1, 2014. CAP Plus for the Equitable Division is proposed through the filing of this Plan.

### Usage Monitoring

Usage monitoring for the Equitable Division will be conducted when a customer's annual usage exceeds 125% of normalized historical usage. Under the Equitable Division's current USP, the high bill audit process monitors accounts exceeding 110% of normalized usage.

## **Eligibility Criteria**

The CAP program is available to customers who are at or below 150% of the Federal Poverty Income Level (See Attachment E - Income Guidelines). The customer must have active residential heating service and be classified as "Payment-troubled." The Company defines a customer as payment troubled if any of the following exist:

- A household with a broken payment arrangement or termination notice.
- A household whose housing and utility costs exceed 45% of the household's total income. Housing and utility costs are defined as rent or mortgage, property taxes, gas, electric, water, telephone and sewage.
- A household who has \$100 or less disposable income after subtracting all household expenses from household income.
- A household who has an arrearage.

Prior CAP customers who apply for service within sixty (60) days of service termination or discontinuance with the Division for which service they are reapplying will continue to be considered active participants provided that they pay their CAP bill arrearage. An applicant with an outstanding balance may enroll in CAP upon initiation of service once restoration requirements are met.

Upon contact, a customer may be enrolled in CAP without providing income documentation if he/she is payment troubled and has received a LIHEAP payment within the past two years. Peoples will accept a customer's participation in an electric CAP program as verification of income if the customer provides written authorization for the CAP administrator to utilize income documentation submitted by the customer to enroll in the electric CAP. Customers who would like the CAP administrator to use income information on file for another utility's CAP

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<sup>9</sup> Docket No. P-2014-2431703 -- Peoples Division and Equitable Division Petition to Amend existing Universal Service and Energy Conservation Plans. Filed with the Commission on July 10, 2014 at Docket No. P-2014-2431703.

program will be mailed a form that can be signed and returned to complete CAP enrollment. Customers choosing not to return the form are required to provide income documentation. The Company will follow its collections procedures for customers who fail to meet their CAP payments in a timely manner. In all cases, the Company reserves the right to delay termination based on individual, extraordinary customer circumstances.

### **Low Income Home Energy Assistance Program – LIHEAP Coordination**

The LIHEAP and LIHEAP Crisis Program provide grants to eligible households to help with their utility bills. CAP participants should apply for LIHEAP and the Company provides information on how to apply for the grants. CAP participants are asked to direct payment of any LIHEAP cash benefit grant that they receive to Peoples. The LIHEAP Crisis Grant may be requested contingent upon state developed criteria and would be applied consistent with state guidelines.

### **Current Program Benefits**

- Affordable monthly payments based on ability to pay.
- Monthly CAP credits.
- Monthly arrearage forgiveness when timely CAP payments are received.
- Exemption from late payment charges and waived security deposits for CAP eligible applicants.
- Referrals to other Universal Service programs and assistance programs

### **Payment Plan**

Peoples utilizes a “Percent of Income Payment Plan” to establish a customer’s monthly payment. Applicants must provide proof of household income when applying for the CAP program unless they have received a LIHEAP grant within the past twenty-four months. Household income and family size will place customers in a percent of income matrix (see chart). The monthly income times the 8, 9, or 10 percent equals the minimum monthly payment. Customers who have an existing balance prior to entering CAP will have an add-on of \$5 per month to help offset arrearages.

Federal Poverty Status	Percent of Income
0 - 50%	8%
51 – 100%	9%
101 – 150%	10%

\* If the ratepayer's monthly CAP payment, as calculated above, exceeds the otherwise applicable monthly budget payment amount, the monthly budget payment amount will be accepted as the CAP payment. Currently, Peoples reviews the customer's payment amount during recertification to determine if the customer's budget or calculated payment plan continues to be the lowest payment available and provides the most benefit to the customer. Beginning in January 2016, Peoples will initiate a monthly manual CAP payment review process to provide a more timely review of CAP payment amounts. Such review will be based on annual usage to ensure customers maintain an affordable and stable payment amount over a 12-month period. In instances in which a change to the budget and/or calculated payment amount would result in a more beneficial payment amount for the customer, the payment amount will be changed and the customer will be notified through a letter. In order to maintain a stable payment, absent any special circumstances such as billing adjustments, the payment will be changed no more often than once every three months.

Customers reporting 'zero income' can be enrolled or continue to participate in CAP by providing proof of support. Proof of support can be submitted as a letter or other documentation from a friend, family member or social agency that customer is receiving support for essential living expenses. Customers enrolled with 'zero income' will be billed the CAP minimum payment.

Currently, CAP payments received by customers that exceed the CAP amount due are used to reduce the CAP credit portion of the bill. Effective January 1, 2016, payments received from the customer exceeding the current CAP payment due will be used to reduce the following month's CAP payment amount.

## **Program Dimensions**

### **1. CAP Enrollment**

The current number of active CAP participants, as of June 30 2015 is 35,354. This includes 21,012 customers of Peoples Division and 14,342 customers of the Equitable Division. Enrollment is not limited to a predetermined level. Customers must be payment-troubled and low-income to be eligible. Income eligibility is established at or below of 150% of the federal poverty level. See "Customer Referral Guide," Attachment D.

### **2. Arrearage Forgiveness**

CAP customers with pre-program arrearages are eligible for Arrearage Forgiveness credits equal to 1/36<sup>th</sup> of their pre-program balance when the customer pays the required CAP payment. This program allows CAP participants to fully extinguish their pre-program balance over a three (3) year period. Arrearage Forgiveness credits are provided when the customer provides full payment of their CAP payment. Effective June 1, 2016, Arrearage Forgiveness benefits will be provided for each on-time and in-full monthly CAP payment, regardless of existing CAP arrearages.

### 3. Calculation of CAP Credits

CAP credits are applied on a monthly basis when the CAP bill is issued to the customer. Per 52 § 69.262, a CAP credit is defined as the difference between the CAP customer's actual usage bill and the CAP monthly bill.

### 4. CAP Plus Program

LIHEAP receipts for customers participating in the CAP program for the previous LIHEAP heating season will be divided by the total of (1) current active CAP participants; and (2) the projected average number of CAP participants to be added for the projected quarter to arrive at a CAP Plus amount which will be added to the calculated monthly CAP payment amount (as described in 'Payment Plan' above) for all participating CAP customers.<sup>10</sup>

### 5. CAP Administration and Use of Community Based Organizations

As recommended in its 2010 Universal Service Evaluation, Peoples integrated a specialized Universal Service group within its Customer Service Center to pre-screen customers for referrals to Universal Service Programs, including CAP. To further improve this process and to ensure customers can access all available programs in one phone call, beginning October 1, 2015, calls from customers with limited incomes will be answered by Dollar Energy Fund's Universal Service call group and will be referred for LIHEAP, LIHEAP-Crisis, Dollar Energy Fund Hardship Fund and LIURP program and other available programs during their initial call.

Dollar Energy Fund administers Peoples' CAP program which includes verification of eligibility, recertification and day to day account monitoring. The agency has a network of community based organizations that are available to complete CAP applications for eligible customers.

Community-based organizations will be encouraged to provide referrals to the CAP program. Community-based agencies will provide appropriate follow-up, education, budget counseling, and referrals in conjunction with the LIURP program.

CAP applications will be available through the program administrator and the Company's website. The Company is investigating partnering with Southwest PA 2-1-1 to assist customers in the CAP application process as well.

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<sup>10</sup> As provided in the Settlement to Peoples' 2012 base rate case (Docket No. R-2012-2285985), the Company withheld implementation of its approved CAP Plus mechanism until such time as clarification of the State LIHEAP Plan regarding the application of LIHEAP funds for CAP recipients was received and the Company met with the Joint Petitioners. DHS's State Plan provides for the application of LIHEAP funds to the CAP ask-to-pay amount. Based on this clarification and the outcome of the Columbia case (*PA Communities Organized for Change d/b/a ACTION United, Carol Collington & Nettie Pelton vs. PA Public Utility Commission*) the Company implemented CAP Plus for its Peoples Division effective November 1, 2014. CAP Plus for the Equitable Division will become effective with the approval of this Plan.

6. CAP Recertification – Recertification for participants is generally completed on an annual basis. Customers who have received LIHEAP in the past 24 months or who have certain fixed income types (pension, social security or disability) are recertified once every two years. Recertification begins with the issuance of a letter to the customer, 60 days in advance of the recertification date, requiring the customer to submit proof of income to remain active in the CAP program. A second, reminder letter, is mailed 30 days later. If at the end of the 60 day period, the customer has not provided the required income documentation. The customer will be dismissed from the CAP program.

## **Control Features**

To limit program costs, Peoples monitors CAP accounts monthly to ensure customers are complying with the terms of the program and are receiving the proper benefits from CAP and other Universal Service Programs.

- The minimum payment for a heating account is \$25 per month plus \$5 for the arrearage for a total minimum monthly payment of \$30.
- CAP participants who qualify for weatherization will receive priority in accordance with the criteria established for the Residential LIURP Program.
- A CAP customer who meets the eligibility criteria for LIHEAP will be encouraged to complete an application.
- Upon enrollment in CAP, participants will be advised of the importance of energy conservation and will receive information on conservation tips and weatherization programs. Customers with a history of high energy usage will be referred to the Company's weatherization program (LIURP) and any other appropriate programs. All participants will be advised that their usage will be reviewed on an ongoing basis and unjustified excess CAP usage may be billed to the CAP customer or the CAP customer may be removed from the CAP Program if such usage is considered by the Company to be outside of the intentions of the CAP program.
- The Peoples Division generates a daily report that allows the Company to identify CAP customers whose weather-normalized annual usage has increased by more than 25%. Upon conversion of the Equitable Division to the Peoples' billing system, the Equitable Division will implement this usage monitoring practice. When a CAP customer's account appears in the report, the Company representative will take the following steps:
  - The account will be reviewed and the customer will be contacted in order to determine if the increase in gas usage is justified. Justified usage may include: increase in household size, serious illness of a family member, or usage was beyond the household's ability to control. Special needs customers identified

through this process will be referred to the CARES program in accordance with 52 PA Code, § 69.261-267.

- Any customer with unjustified excess usage will be contacted and provided with conservation information, tips for decreasing usage, and referred to weatherization programs. Unjustified excess usage may be billed to the CAP customer or the CAP customer may be removed from the CAP Program.
- In addition to usage monitoring, Peoples Division monitors customers who exceed \$1,000 in CAP credits. In advance of reaching the \$1,000 threshold, customers will be notified of their current use of CAP credits and offered information about the LIURP weatherization program when they reach 50% or \$500 in CAP credits and again at 75% or \$750 in CAP credits annually. Such notification will include a description of the customer's responsibility to monitor their gas usage and advisement that the customer may be held responsible for CAP credits exceeding the \$1,000 CAP credit limit. This process will be implemented for the Equitable Division upon conversion of the billing system.
  - When an account exceeds the \$1,000 CAP credit threshold, the account is reviewed and the customer is contacted in order to determine if excess CAP credits are justified. Justification may include: an increase in household size, serious illness of a family member, or usage was beyond the household's ability to control. Special needs customers identified through this process will be referred to the CARES program in accordance with 52 PA Code, §69.261-267.
  - Unjustified CAP credits in excess of \$1,000 may be reversed and the resulting bill will be the responsibility of the CAP participant.

### **Default, Termination Conditions and Requests for Removal**

The Company monitors accounts for changes in family size or income, timely payments, appropriate usage and timely meter readings. A CAP participant's failure to comply with one or more of the following may result in the Company ending the customer's opportunity to receive service under CAP:

- Failure to allow access to or provide customer meter readings in four consecutive months.
- Failure to report changes in income or family size.
- Failure to recertify as requested and/or to meet eligibility requirements.
- Failure to make payments may result in the Company undertaking collection activities which may lead to termination of service. To avoid termination, the customer must pay the amount set forth in the termination notice prior to the scheduled termination date. If a CAP account is terminated, the customer must pay all missed CAP payments to restore service and remain in CAP.

- Use of natural gas, while on the CAP Program, for recreational purposes.

### Appeal Process

CAP applicants may appeal the denial of eligibility. If the CAP applicant is not satisfied with the Company’s initial eligibility determination, the Company will follow the dispute procedures at 52 PA. Code §56.151 and 56.152. The CAP applicant may also appeal the denial of eligibility to the PUC’s Bureau of Consumer Services in accordance with 52 PA Code §56.161-56.165.

### Needs Assessment

Refer to Attachment A for the Needs Assessment which reflects the estimated number of customers whose household incomes are at or below 150% of Federal Poverty Level for each of the Divisions.

Projected Enrollment	Peoples Division	Equitable Division
2015	21,000	14,000
2016	21,500	15,000
2017	22,000	16,000
2018	22,500	17,000

### Program Budget

- The CAP Program is funded by Peoples’ customers and administered by the Company. The chart below contains the projected expenditures for 2015-2018 period. Cost recovery of particular CAP components is provided through Rider F of Tariff 45 for the Peoples Division and Rider D of Tariff 46 for the Equitable Division. Recoverable costs include CAP credits, Arrearage Forgiveness, and third-party administration. The budgets provided below include Rider eligible expenditures as well as non-Rider eligible items. The Riders are subject to an annual reconciliation to actual experience.

	Peoples Division	Equitable Division
2015	\$5,583,793	\$3,606,966
2016	\$5,686,285	\$3,704,236
2017	\$5,790,850	\$3,804,424
2018	\$5,897,531	\$3,907,618

### Plans to Use Community Based Organizations

Peoples’ CAP program is managed by Peoples’ staff and administered by Dollar Energy Fund. Dollar Energy Fund will contract with community based organizations throughout PNG’s service territory. While enrollment over the phone is preferred by most customers, the Company

recognizes the need to continue to work closely with community-based organizations to provide appropriate follow up, information on education, budget counseling and referrals in conjunction with LIURP. In addition, Peoples will refer eligible customers to appropriate programs and services including, but not limited to, sources of third-party funding, budget counseling, and consumer education. Peoples will coordinate with the Southwestern PA 2-1-1 referral system to expand program outreach and to accept CAP referrals.

### **Organizational Structure of Staff responsible for CAP**

See Organization Chart on Page 5

Vice President, Rates and Regulatory Affairs  
Manager, Customer Relations  
Customer Relations Specialists  
Dollar Energy Fund-Program Administrators

### **Outreach and Intake Efforts for CAP**

Peoples will provide outreach for CAP and other Universal Service Programs through the Customer Service Center, the Company website and other forms of media as listed below. Fliers are included with termination notices to inform customers of available programs. Bill inserts, press releases and other information are also provided to the public to encourage referrals. Community-based agencies receive information on these programs and are encouraged to make referrals as well. A “Customer Referral Guide” is distributed to social service agencies, community leaders and Company personnel. Meetings are held with social service agencies, elected officials and other community groups to provide current information on available programs. See Attachment D. Information on the programs can also be found on the Company’s website. Peoples will also utilize the Southwestern PA 2-1-1 for referrals and provide updated information to the Company’s Universal Service Advisory Group.

Peoples continues to consider ways to streamline the application and recertification process for all programs so that customers may complete one application to participate in multiple programs and existing proof of income may be used for multiple programs.

### **Identification of Specific Steps to Identify and Enroll Low-Income Customers**

Potentially eligible customers are identified through their income information that is documented in the Company’s billing system. Customer Service Center Representatives receive training on identification of potential referrals to all Universal Service Programs. In the Peoples Division, Universal Service Call Group will pre-screen customers for the program prior to referring them

to the administrator for enrollment. Information on income eligibility and program dimensions is provided in training and employee resource materials.

### **Integration of Programs**

Effective October 1, 2015, the Company's Universal Service Call Group, managed by the Dollar Energy Fund, will pre-screen potentially eligible customers. The customers will be routed to this Call Group by the following methods: internal routing- upon identification of receiving LIHEAP, CAP or Dollar Energy Fund; external routing through calling the Company's Universal Service line: 1-800-400-WARM. All customers who are referred to the Universal Service 800 number are screened to determine eligibility for all available internal and external assistance programs including, but not limited to, CAP, LIURP, LIHEAP, CARES and Hardship Funds.

Field Metering Service Personnel also make referrals to Universal Service Programs. The Company provides Customer Service Center representatives with information and referral mechanisms for all of the Universal Service Programs and includes income guidelines and eligibility criteria. Personnel are provided with "A Customer Referral Guide" that lists all of the program dimensions is disseminated and also available on-line. Refer to Attachment D.

## **PILOT EXTENDED CUSTOMER ASSISTANCE PROGRAM (E-CAP)**

### **Program Description**

Peoples E-CAP is a three year pilot special payment plan for low-income, payment troubled customers with household incomes between 151 and 200% FPL. Eligible customers agree to pay 11% of their verified before tax monthly income for natural gas service. In addition to the percentage of income payment, E-CAP customers will pay \$5 per month toward amortizing the balance that existed before being accepted into the program.

### **Eligibility Criteria**

Pilot E-CAP is available to customers whose household income is between 151 and 200% FPL. The customer may be an active heating customer or an applicant with a prior significant balance. Enrollment will be focused on customers with balances of \$800 or more, but customers with lesser balances may be enrolled if circumstances warrant. The customer must demonstrate they are “payment troubled” through a prior broken payment arrangement, an active termination notice or lack of utility service. Additionally, the customer must apply for a Dollar Energy Grant to reduce the delinquent balance prior to entering E-CAP if such funds are available.

The Company will follow its collections procedures for customers who fail to meet their E-CAP payments in a timely manner. In all cases, the Company reserves the right to delay termination based on individual, extraordinary customer circumstances.

### **Program Benefits**

- Affordable monthly payments based on ability to pay.
- Monthly CAP credits.
- Monthly arrearage forgiveness when timely CAP payments are received.
- Exemption from late payment charges and waived security deposits for E-CAP eligible applicants.
- Referrals to other Universal Service programs and assistance programs.

### **Payment Plan**

The affordable E-CAP payment will be the lower of 11% of verified before tax monthly income or the account specific budget payment. E-CAP participants will be subject to CAP-Plus. In addition to the calculated E-CAP payment, participants will pay \$5 per month towards their pre-program arrears.

### **Program Dimensions, Control Features, Default Conditions and Appeal Process**

All parameters of the existing CAP program, as provided on pages 9 through 13 will be additionally applicable to participants of E-CAP.

## Needs Assessment & Program Budget

In preparation for the introduction of Pilot E-CAP through its tariffs, Peoples identified the number of potentially eligible customers based on account specific income and balance information. Based on current account data, the Company projects 2,759 customers from the Peoples Division and 2,200 from the Equitable Division will be eligible to participate in E-CAP.

<b>Participation</b>	<b>Peoples Division</b>	<b>Equitable Division</b>
2015	1,300	1,100
2016	1,400	1,200
2017	1,500	1,300
2018	Beyond Pilot Period	Beyond Pilot Period

<b>Annual Budget</b>	<b>Peoples Division</b>	<b>Equitable Division</b>
2015	\$321,950	\$391,050
2016	\$386,000	\$469,000
2017	\$450,700	\$547,400
2018	Beyond Pilot Period	Beyond Pilot Period

## Outreach, Identification of Customers and Integration of Programs

Refer to the information provided on the CAP program on pages 14 through 16 of this Plan.

## **LOW INCOME USAGE REDUCTION PROGRAM (LIURP)**

### **Program Description**

Peoples' LIURP Program is designed to help low income customers who have problems coping with high gas bills. Program goals are to make the home more energy efficient, control high usage and achieve bill reduction through energy savings.

### **Best Practices Review**

The LIURP programs offered by the Peoples Division and the Equitable Division were very similar. The key difference between the two programs was the annual minimum usage and the minimum arrearage required to participate. The Equitable Division required customers to have an annual usage exceeding 160 MCF and \$750 in arrears in order to receive services under its LIURP. The Peoples Division LIURP required 140 MCF in annual usage and an arrearage of \$200. In order to expand the availability of this important program to more customers, Peoples has established a minimum annual usage requirement of 140 MCF. A minimum arrearage is not required, but customers with higher balances and/or have the lowest household income are prioritized to receive services in the program.

### **Modifications since last Plan**

In the Joint Settlement Agreement in the Merger Transaction proceeding, Peoples agreed to increase the spending for its combined LIURP program to a total of \$2,050,000.

Peoples has contracted with Conservation Consultants, Inc. to administer the Equitable Division LIURP program, consistent with program administration for Peoples' existing LIURP.

Peoples and the Universal Service Advisory Group are examining ways to encourage partnerships and increase landlord participation in the LIURP program.

### **Eligibility Criteria**

Note: CAP participants will receive priority to receive LIURP but must meet the following criteria as well:

1. Total family income does not exceed 150% of Federal Poverty Guidelines. (Up to 20% of the annual program budget may be allocated to customers with incomes from 151- 200% of the federal poverty level on a case-by-case basis.) Customers with lowest income and highest arrearages will be prioritized for participation.
2. Residential, gas-heating customer.

3. Customer has not moved and has not had gas service terminated within the last year.
4. Customer has annual consumption greater than 140 MCF.
5. Renters must have the gas account in their name and receive landlord permission to participate.

Note: Rental units must be metered separately and have individual heating systems.

### **Home Weatherization**

An energy auditor visits the customer's home and conducts a thorough investigation. The auditor assesses areas where heat is escaping and cold is entering the house and also notes any previous weatherization measures that were installed and evaluates their effectiveness. The auditor asks customers to provide additional information that can assist them during the home inspection.

The information that is gathered by the auditor determines what measures will most benefit the customers' homes. Measures are installed based on established payback criteria and may include:

- Heating system improvements and replacements
- Attic, sidewall, and other types of insulation
- Caulking and weather-stripping
- Air sealing
- Hot water treatments including tank improvements, wrapping and replacements
- Minor repairs that relate to weatherization

A general guideline of \$500 per job for health and safety is provided. Health and safety measures exceeding this figure will be considered on a case-by-case basis.

### **Energy Education**

In addition to weatherization services, LIURP provides customer education to encourage ongoing conservation. When energy conservation measures are being installed, an educator will explain the weatherization program in more detail and provide conservation and energy efficiency suggestions. The educator may provide "hands on" demonstrations of conservation measures such as lowering the thermostat and, replacement of furnace filters. The educator also provides written reference materials for the customers.

If the customer has had an unusually high increase in consumption, a follow up telephone call or visit may be scheduled one year after the program measures have been completed.

**Needs Assessment**

Refer to the Needs Assessment provided in Attachment A which reflects the number of low-income customers for both Divisions. Also provided in Attachment A is a listing of the number of known low income customers whose annual usage exceeds 140 MCF.

**Projected Enrollment Levels**

	<u>Peoples Division</u>	<u>Equitable Division</u>	<u>Total</u>
<b>2015</b>	245	165	410
<b>2016</b>	245	165	410
<b>2017</b>	245	165	410
<b>2018</b>	245	165	410
<b>Total</b>	980	660	1,640

These projections are based on average spending per home for the last three years.

**Program Budget**

2015	\$2,182,000
2016	\$2,182,000
2017	\$2,182,000
2018	\$2,232,000 <sup>11</sup>

The above figures include installation of program measures, Customer Relations Staff, contract labor, administrative expenses, agency meetings, equipment, outreach, and educational materials.

**Plans to use Community Based Organizations**

Peoples’ LIURP program is managed in-house and administered through Conservation Consultants Inc., a non-profit agency. Conservation Consultants will conduct energy audits, contract with non-profit community action agencies and private contractors as appropriate to install weatherization measures provide consumer education and perform post-installation

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<sup>11</sup> Reflects the increase of the LIURP budget by \$50,000 as a result of the elimination of the Pilot LIURP Community Partnership for Weatherization as approved by Secretarial Letter on July 13, 2018.

inspections. In addition, up to 25% of the homes weatherized will be subject to random inspections. See Attachment F for conservation information.

### **Organizational Structure of Staff responsible for LIURP**

See Organizational Chart, page 5.

Vice President, Rates and Regulatory Affairs  
Manager, Customer Relations  
Customer Relations Specialist  
Customer Service Center Representatives  
Conservation Consultants, program administrators  
Energy Consultants

### **Outreach and Intake Efforts for LIURP**

Customers who participate in the CAP program and meet LIURP eligibility criteria are referred to LIURP during the CAP intake process. Referrals are also made by community-based organizations, CARES, Customer Service Center and field customer service personnel. In addition, Peoples coordinates its LIURP Program with existing community-based programs including Rebuilding Together Pittsburgh, Habitat for Humanity, Re-Energize Pittsburgh and others. Peoples also will join with the electric companies in the service territory to provide extended services to the customer. Outreach efforts for LIURP are listed under the CAP Program.

In addition, the Company will attempt to coordinate and track funding from qualified State funded weatherization programs and electric utility weatherization/conservation programs.

### **Steps to Identify and Enroll Low Income Customers**

Eligible customers are identified through the CAP Program and, in conjunction with the other Universal Service Programs, and enrolled in the LIURP program in accordance with program guidelines.

### **Integration of Programs**

The Low Income Usage Reduction Program will be integrated with the federal and state weatherization programs, electric utilities weatherization programs and with programs offered by Conservation Consultants, Inc. It will also be coordinated with our Community Weatherization Partnership Program when possible. Other integration methods are as outlined under the CAP Program.

## **CUSTOMER ASSISTANCE REFERRAL AND EVALUATION SERVICES (CARES)**

### **Program Description**

The CARES program provides comprehensive services for customers who may have an inability to pay their gas bills and/or have special needs such as a serious medical condition, a mental health condition, limited learning ability, recent unemployment, single parent issues, etc. Customer Relations Specialists address all CARES referrals including those relating to Protection from Abuse Orders as outlined in 66 PA CSA, Chapter 14. Customer Service Center agents (“CSC agents”) refer special needs customers to the Customer Relations Specialists (“Specialists”) for assessment, assistance and additional referrals.

Referrals to the program are received from a variety of sources, including CSC agents, field customer service personnel, social service staff, community based organizations, and the Commission. CSC agents also refer customers who have Protection from Abuse Orders to CARES.

The CARES program is intended for customers with immediate needs. Specialists provide short-term assistance to assure customers not only receive all necessary referrals to other programs, but are able to access those resources. The program referrals include Peoples’ Universal Service Programs, available energy assistance sources, and public assistance such as Supplemental Nutrition Assistance Program (“SNAP”) and Medicaid. Specialists maintain an ongoing caseload and devote a considerable portion of time working with appropriate agencies

Specialists network with community and social service organizations throughout Peoples’ service territory to better enable customers to receive appropriate referrals and third party assistance and funding. Some of these agencies and committees include:

- Health and Welfare Council
- Department of Aging
- Allegheny County Community Services Advisory Council
- Health Department
- Pennsylvania Department of Human Services
- Tri-Valley Energy Partners
- Social Service Agency Providers Council
- Cambria County Energy Crisis Council

Specialists also participate in awareness programs and fairs sponsored by social service agencies and elected officials. They are also active on networking committees such as:

- Be Utility Wise
- Air Conditioner Contractors Association of America (ACCA) Furnace Inspection Program
- Homeless Prevention & Rapid Re-Housing Program
- Southwestern PA 2-1-1

Peoples' Customer Relations Specialists work with area social service agencies to provide third party assistance for our customers. As a result, eligible customers receive a substantial amount of financial assistance from third party social service agencies such as Catholic Charities, Salvation Army, and St. Vincent de Paul Society in addition to traditional energy assistance programs.

#### Gatekeeper Program

The CARES program also includes the Gatekeeper program which is designed to aid older adults and special needs customers who need help, but may not be able to access it themselves. Customer contact personnel are trained as “gatekeepers” to recognize certain danger signals such as changes in behavior, signs of confusion, or disability. Gatekeepers report the situation to the Specialist, who will make appropriate referrals to third party agencies such as the local Area Agency on Aging, or alert family members as needed.

#### Thermostats & Alternative Bills for Visually Impaired Customers

Thermostats for vision impaired customers are available for those who have been medically identified as having severe vision impairment. Peoples provides and installs these devices free of charge. Customers can also request large print bills or Braille bills depending upon their circumstances.

#### Earned Income Tax Credit Educational Outreach

Peoples will promote the Earned Income Tax Credit Program (“EITC”) to educate eligible customers on the availability of the EITC and how to obtain the credit through the filing of their income taxes. Customers will be informed about the program through bill inserts, Peoples' website and through referrals from our CSC Agents and Specialists.

#### Low Income Home Energy Assistance Program Outreach

The Low Income Home Energy Assistance Program or LIHEAP is an important component of the CARES program. Peoples identifies income eligible customers and promotes the program through bill inserts, radio and television ads, press releases, press conferences, and letters sent to

customers. The Company also partners with Columbia Gas Company along with former Steeler Franco Harris to provide outreach to encourage eligible customers to apply for the program. Peoples' customers may call the Universal Service 800 number to request an application.

As previously mentioned, in order to assist customers in accessing all available Universal Service Programs and other forms of assistance, Peoples staffs a Universal Service 800 number. This telephone line is available throughout the year, and referrals are made for programs that are open at any given time including, but not limited to, CAP, LIHEAP, LIHEAP-CRISIS, LIURP, CARES and Dollar Energy Fund.

Peoples continues to partner with state, federal and other advocacy groups to encourage full funding for LIHEAP.

### **Best Practices Review**

While both Divisions provide CARES services to vulnerable populations, income and payment requirements varied between the Divisions. The CARES program for the Peoples Division required customers to have incomes at or below 200% of the Federal Poverty Level and be payment troubled in addition to having demonstrating special needs. The CARES program for the Equitable Division did not have an income requirement. Any special needs customer in danger of losing heating service due to non-payment or heating equipment failure could be served through its CARES program. Recognizing that serving the special needs population is the key component of CARES, Peoples has expanded the eligibility for CARES in its Peoples Division to coincide with the practice of its Equitable Division.

### **Modifications Since last Plan**

#### Earned Income Tax Credit Educational Outreach

Peoples will increase the outreach for the Earned Income Tax Credit Program through expanded use of bill inserts and website information. Peoples will also investigate partnerships with other organizations such as Southwestern PA 2-1-1 to increase customer awareness of the tax credit.

#### Low Income Home Energy Assistance Program

Peoples implemented a web portal to enable the PA Department of Human Services and social service agencies to access the Company's system to facilitate determination of program eligibility. Peoples provided training and conducted outreach to increase visibility and encourage usage of the portal.

### **Eligibility Criteria**

Any special needs customer in danger of losing heat due to non-payment or heating equipment failure may be referred to the CARES program for assistance. Customers with PFAs are also

referred to CARES. Customers identified through the Gatekeeper program, regardless of financial need, may be referred to CARES.

Income guidelines for the LIHEAP and Crisis programs are established by the Pennsylvania Department of Human Services and may change annually. LIHEAP eligibility is currently established at 150% of the federal poverty level and is proposed to be 150% for the 2014-2015 heating season.

### **Needs Assessment**

A Needs Assessment by Division is provided in Attachment A which reflects the projected number of customers below 200% of FPL. The number of CARES referrals received in a given year varies, but a historical review of the program reflects that assistance is provided to an estimated 500 customers per year for the Peoples Division and 600 customers per year for the Equitable Division. In addition to these CARES cases, outreach is provided to low-income customers to increase participation in energy assistance programs and EITC.

### **Program Budget**

The total estimated funding amounts for the CARES program including salaries for Customer Relations Specialists, Manager/ Supervisor, contract labor; administrative expenses, outreach, workshops, fairs /festivals and handout materials.

	Peoples Division	Equitable Division
2015	\$212,729	\$159,257
2016	\$216,819	\$163,348
2017	\$221,032	\$167,560
2018	\$223,983	\$171,983

### **Plans to Use Community Based Organizations**

The CARES Program is administered internally through the Specialists who network with agencies throughout the Peoples' eighteen county service territory to stay informed of available programs and to better serve low income customer needs.

### **Organizational Structure of Staff responsible for CARES**

See Organizational Chart, page 5

Vice President, Rates and Regulatory Affairs  
Manager, Customer Relations

Customer Relations Specialist  
Customer Service Center Representatives  
Community Based Organizations

### **Outreach and Intake Efforts for CARES**

The Specialists promote the Universal Service Programs by maintaining contact with community service organizations throughout the Company's service territory. The Company also promotes the programs through focused articles in bill inserts, providing information on its website, conducting informational sessions and distributing the "Customer Referral Guide" for use by the social service agencies, and customer contact employee training. See Attachment D.

### **Identification and Referral of Low Income Customers**

In addition to the steps outlined under the Customer Assistance Program, CARES customers are also identified through the Company's Gatekeeper program.

### **Program Integration**

See Integration Methods as outlined under the Customer Assistance Program.

## **PEOPLES HARDSHIP FUND**

### **Program Description**

The Peoples Natural Gas Company LLC Hardship Fund is a partnership with the Dollar Energy Fund. Dollar Energy Fund was founded in 1983 and currently partners with thirteen utilities in Pennsylvania. Dollar Energy Fund is an independent, non-profit organization that provides utility bill financial assistance to customers who are on a low or fixed income. Dollar Energy Fund receives donations from utility investors and individual customers. Peoples contributes up to \$550,000 annually to match customer donations and contributes up to \$110,000 for administrative costs; of that amount \$330,000 is allocated for Peoples customers and \$220,000 for Peoples/Equitable Division customers with \$66,000 and \$44,000 in administrative costs for each Division.

Effective October 1, 2015, the available funds for the two Divisions will be combined to provide one Hardship Fund for the purposes of providing grants to customers of either Division. This change is made to provide equal opportunities to customers in the combined service territory to access funding as well as to provide administrative efficiencies.

### **Eligibility**

The Dollar Energy Fund reviews and modifies its eligibility guidelines annually. As a fund of last resort, if gas service is off and the applicants are eligible for LIHEAP and Crisis benefits, they must apply for these benefits, when available, before applying for Dollar Energy Fund. The Dollar Energy Fund Program year is open from October 1<sup>st</sup> to September 30<sup>th</sup>, and grants are provided until available funds are exhausted. Customers must be at or below 200% of the poverty level to qualify for a grant. In addition, the customer must have made a sincere effort of payment, which is defined as having paid at least \$150 toward their utility bill over a ninety-day time period. Applicants under the age of sixty-two must have a balance of at least \$100 on their account to be eligible to apply. Applicants over sixty-two years of age may have a zero balance or greater to be eligible to apply and must have made at least one \$100 payment in the last six months. The applicant's account must be a residential heating account. Non-heat accounts and commercial accounts are not eligible for assistance from the Dollar Energy Fund.

### **Modifications since Last Plan**

Since the last plan, Peoples has broadened its outreach to increase the visibility of Dollar Energy Fund and to encourage donations to the Fund. Examples include partnerships with the Altoona Curve, Hearth and Home Furnishings, Pittsburgh Pirates, Lernerville Speedway and KDKA Television.

## Needs Assessment

Participation in the Hardship Fund is impacted by customer donations. A historical review of both divisions was used to estimate the number of customers who will receive assistance from the Hardship Fund. The Needs Assessment in Attachment A provides the number of potentially eligible customers based on the 200% FPL eligibility guideline for the Hardship Fund. Peoples estimates 1,500 customers from the Peoples Division and 900 customers from the Equitable Division will receive grants from the Hardship Fund annually for the next four years.

## Enrollment Levels

During the 2013-2014 program year, Peoples customers, including those of the former Equitable Gas Company, received a total of \$1,000,000 in grants. This includes the matching grant from Dollar Energy Fund.

## Budget

Peoples contributes up to \$550,000 annually for the program and can provide up to \$110,000 for administrative costs. The Company continues to explore ways to increase customer donations to assist in meeting the matching funds as well as to encourage Dollar Energy Fund to increase its fund raising programs.

	Peoples Division	Equitable Division
2015	\$396,000	\$264,000
2016	\$396,000	\$264,000
2017	\$396,000	\$264,000
2018	\$396,000	\$264,000

## Community Based Organizations

Dollar Energy Fund partners with community-based organizations to accept applications. Peoples' customers may be referred to any Dollar Energy Fund community based screening agency to complete an application. Dollar Energy Fund developed an on-line application process entitled "I-Partner" which enables the Company to review grant applications more quickly. Peoples plans to continue to use Dollar Energy Fund Community Based Organizations as a means for customers to apply for Dollar Energy Fund grants. These agencies work closely with the Company and refer eligible customers to CAP, LIURP and CARES as well. The Company will continue to explore ways to streamline the application process for its customers.

## **Organizational Structure of Staff responsible for Hardship Funds**

See Organizational Chart, page 5

Vice President Rates and Regulatory Affairs  
Manager Customer Relations  
Customer Relations Specialists  
Dollar Energy Fund

## **Outreach Efforts**

Peoples promotes Dollar Energy Fund and encourages customer donations in a number of ways including:

- Providing information about the program in bill inserts new customer welcome packet, press releases, and bill messaging to encourage customers to contribute to the Dollar Energy Fund by adding a dollar or more to their utility payment.
- A Dollar Energy Fund Pledge form is provided on the back of the bill to allow customers to designate a particular donation amount to be added to their bills on a monthly basis.
- Dollar Energy Fund is promoted on the Company's website and is available for customers who elect to receive their bills electronically.
- Sponsorship of the Dollar Energy Fund Warmathon, FAN Golf Outing Classic and Annual Luncheon. Warmathon activities included an advertisement to encourage donations and participation in the Warmathon "Call-in" campaign.
- Promotional activities with Lernerville Speedway including radio interviews, advertisements and special recognition during the races.
- Sponsorship of promotional events at the Altoona Curve, Minor League Baseball Team.
- Development of a signature event in partnership with Hearth and Home entitled the Warm Your Hearth...Touch a Heart Campaign featuring television advertisements, annual reception, silent auction and matching donations from Hearth and Home.
- Peoples employee support is encouraged through donations that are made on "Casual Fridays."
- Pittsburgh Pirates "Bring on the Heat" campaign where Peoples pledges a donation to Dollar Energy Fund for each strikeout.

Customers referred to the Universal Service Programs are screened for Dollar Energy Fund eligibility and referred to the program. Training is conducted for Customer Service Supervisors and representatives so that they can make referrals to eligible customers.

## **Identification of Eligible Customers**

See information outlined under Customer Assistance Program.

## **Integration of Programs**

See Integration Methods as outlined under the Customer Assistance Program.

## **LIURP PILOT -- EMERGENCY FURNACE / SERVICE LINE REPAIR ASSISTANCE**

### **Peoples Division**

#### **Program Description**

The Peoples Division Emergency Furnace/House and Service Line Repair Program has been operational since June 2011. Since that time, the program has provided assistance to 239 customers.

Many low income customers are faced with the prospect of going through the winter months without heat because they cannot afford to have their furnace or service lines repaired and there are very few programs to provide assistance and support. While the Peoples/Equitable Division offers a similar program, funding is extremely limited and is expected to be exhausted within the next two years.

Through the LIURP Pilot, this program will be reported upon annually in conjunction with the annual LIURP report. Coordination of weatherization benefits through LIURP with participation in this program will be prioritized. Customers seeking assistance for heating and service related emergencies will be evaluated for LIURP participation. Minimum usage standards for LIURP participation may be waived for participants in order to provide access to weatherization services through this emergency program. Participation and cost details will be provided annually to BCS through an appendix to the LIURP report. Participants who are LIURP eligible and receive weatherization services initiated by their emergency heating need will be fully included in the LIURP report for the purposes of calculating savings.

#### **Eligibility Criteria**

Customers must be at or below 200% of the federal poverty level and have a need for emergency repairs to their heating system or house/service lines.

#### **Needs Assessment**

The Needs Assessment Provided in Attachment A includes a projection of the number of customers served by the Divisions with incomes at or below 200% of FPL. Based on historical data, an average of 140 customers per year receives either furnace or line repair services through this program. Because equipment and line failures cannot be predicted and funding for the program is capped at \$400,000 annually, Peoples assumes the number of participants in this program will continue to be consistent with historical figures.

#### **Projected Enrollment Levels**

It is expected that this program will assist approximately 140 customers per year; or 560 customers over the next four years.

## **Program Budget**

	Peoples Division
2015	\$400,000
2016	\$400,000
2017	\$400,000
2018	\$400,000

## **Organizational Structure**

See Organizational Chart on page 5.

## **Outreach and Intake Efforts**

Peoples will coordinate the emergency program with existing programs through Department of Community Economic Development (“DCED”) and LIHEAP Crisis and will accept referrals from community based organizations, Company representatives and other third parties.

## **Identification of Low Income Customers**

As this is an emergency assistance program, customers self-identify or are referred by local community service agencies or Company field personnel.

## **Program Integration**

The program will be administered by Conservation Consultants, Inc. In order to realize efficiencies and better coordinate with other programs, the agency will utilize subcontractors who are currently working to implement the Peoples’ LIURP program. Peoples requires that all contractors received appropriate clearances prior to participating in the Company’s program.

## **Equitable Division – Updated 12/15/16**

### **Program Description**

The Equitable Division had a limited fund to support customers with heating appliance or line emergencies. Eligible customers can receive assistance of up to \$750 for a line repair or \$1,250 towards a furnace repair or replacement. The balance in the fund as of November 2016 was \$21,000. By Order issued 12/8/16, the Equitable Division will now have an annual funding mechanism of \$275,000 through its Universal Service Rider and will operate this program in the same manner and following the same eligibility requirements, processes and procedures as the

Peoples Division program. All existing funds will be exhausted before any funds from the Rider are used.

Many low income customers are faced with the prospect of going through the winter months without heat because they cannot afford to have their furnace or service lines repaired and there are very few programs to provide assistance and support.

Through the LIURP Pilot, this program will be reported upon annually in conjunction with the annual LIURP report. Coordination of weatherization benefits through LIURP with participation in this program will be prioritized. Customers seeking assistance for heating and service related emergencies will be evaluated for LIURP participation. Minimum usage standards for LIURP participation may be waived for participants in order to provide access to weatherization services through this emergency program. Participation and cost details will be provided annually to BCS through an appendix to the LIURP report. Participants who are LIURP eligible and receive weatherization services initiated by their emergency heating need will be fully included in the LIURP report for the purposes of calculating savings.

### **Eligibility Criteria**

Customers must be at or below 200% of the federal poverty level and have a need for emergency repairs to their heating system or house/service lines.

### **Needs Assessment**

The Needs Assessment Provided in Attachment A includes a projection of the number of customers served by the Divisions with incomes at or below 200% of FPL. . Because equipment and line failures cannot be predicted, a three year average of need for the Peoples Division was used as the basis for the annual projection for the Equitable Division. The average number of customers receiving support from the Peoples program was adjusted according to poverty levels in the Equitable Division to arrive at an projection of 109 customers who will receive help annually.

### **Projected Enrollment Levels**

As of 12/15/2016, it is expected that this program will assist approximately 109 customers per year; or 218 customers over the next two years.

### **Program Budget**

	Equitable Division
2015	\$35,000
2016	\$35,000

2017	\$275,000
2018	\$275,000

### **Organizational Structure**

See Organizational Chart on page 5.

### **Outreach and Intake Efforts**

Peoples coordinates the emergency program with existing programs through Department of Community Economic Development (“DCED”) and LIHEAP Crisis and will accept referrals from community based organizations, Company representatives and other third parties.

### **Identification of Low Income Customers**

Customers will be identified through the receipt of LIHEAP, Dollar Energy Fund and other assistance programs.

### **Program Integration**

The program is administered internally. In order to realize efficiencies and better coordinate with other programs, the Company attempts to use subcontractors who are currently working to implement the Peoples’ LIURP program. Peoples requires that all contractors received appropriate clearances prior to participating in the Company’s program.