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Amy E. Hirakis
Senior Counsel
Legal Department

April 8, 2019

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: Columbia Gas of Pennsylvania, Inc.
Energy Affordability for Low-Income Customers
Docket No. M-2017-2587711**

Dear Secretary Chiavetta:

Pursuant to the Commission Order entered January 17, 2019, and the Secretarial letter dated March 7, 2019, enclosed please find the supplemental information of Columbia Gas of Pennsylvania regarding Energy Affordability for Low Income Customers.

Should you have any questions, please do not hesitate to contact the undersigned at (717) 233-1351.

Very truly yours,

A handwritten signature in blue ink that reads "Amy E. Hirakis". The signature is written in a cursive, flowing style.

Amy E. Hirakis
Counsel for
Columbia Gas of Pennsylvania, Inc.

/kak
Enclosure

Cc Joseph Magee jimagee@pa.gov
Louise Fink Smith finksmith@pa.gov

Columbia Gas of Pennsylvania, Inc.

Energy Affordability for Low Income Customers

Docket No. M-2017-2587711

Re: January 17, 2019 Order requesting Supplemental Information and Data

Supplemental Information Request No. 1:

Review the 10% energy burden projections in the Report. If the utilities have corrected or updated data for 2012 to 2016 relative to these projections, the revised data should be provided as part of its supplemental information filing.

Response:

No revisions are necessary.

Columbia Gas of Pennsylvania, Inc.

Energy Affordability for Low Income Customers

Docket No. M-2017-2587711

Re: January 17, 2019 Order requesting Supplemental Information and Data

Supplemental Information Request No. 2:

Provide a cost forecast based on a 10% maximum energy burden for the years 2016 through 2021.

- The first cost estimate should be based only on charging all CAP customers the lesser of an average bill or 4, 6, or 10%¹ of the household's income for the yearly periods **from 2016 through 2021**.² This estimate should not take into consideration system change costs, additional CAP charges, CAP credit limits, minimum payment/bill requirements,³ or other costs not related to charging the CAP customer the lesser of an average bill or the designated percent of income.
- The second cost estimate should also be based on the average bill or the PIP CAP model **from 2016 through 2021** but include all other costs/savings related to this change. This includes utility CAP charges, minimum payment restrictions, CAP credit limits, and other CAP costs/savings described in the January 2019 Order. NGDCs and EDCs should identify all costs/savings related to this estimate separately.⁴

Response:

2(a)

The Company has calculated the overall cost of the CAP Program if all customers paid the lesser of 6% of their income or the budget bill amount. In this response, customers at zero income would receive a bill for zero dollars. Also, the response includes the total of pre-program arrears as forgiven, since no co-pay would be required. This equates to an additional \$180 per customer with pre-program arrears over \$180. In summary, the

¹ 10% for electric heating customers, 6% for gas heating customers, and 4% for electric non-heating customers.

² Stakeholders suggested using 2016 as a base year, instead of 2017, because this is the last year of the Energy Affordability Study.

³ Excluding minimum bill requirements means that customers reporting zero income, for example, would receive a \$0 bill.

⁴ Customers reporting zero income, for example, would receive a minimum bill if the utility currently requires minimum bill payments.

overall CAP costs would be less since the majority of Columbia CAP customers pay less than 6% currently. Based on this calculation, an average of 14,622 customers per year would pay an average of about \$35.00 more than they do now under Columbia's current CAP design.

	2016	2017	2018	2019	2020	2021
Current CAP Total	\$13,544,667	\$19,668,705	\$22,756,561	\$20,416,320	\$20,416,320	\$20,416,320
Shortfall At 6%	\$ 8,040,961	\$ 12,579,527	\$ 12,859,364	\$ 13,074,656	\$ 12,808,268	\$ 12,714,596
CAP Forgiveness	\$ 773,110	\$ 1,934,268	\$ 5,040,500	\$ 2,582,626	\$ 2,582,626	\$ 2,582,626
Admin Costs	\$ 1,027,252	\$ 1,189,172	\$ 1,000,000	\$ 1,110,000	\$ 1,110,000	\$ 1,110,000
Programming Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total 2 (a) - CAP Costs	\$ 9,841,323	\$ 15,702,967	\$ 18,899,864	\$ 16,767,282	\$ 16,500,894	\$ 16,407,222

2(b)

The Company has calculated the overall CAP costs at 6% with the same minimum payment restrictions of \$25.00 per month, the CAP plus at its current rate of \$3.00 per month and a co-pay of \$5.00 per month over three years toward pre-program arrears. For the same reasons noted above, the overall CAP costs would decrease from current levels.

	2016	2017	2018	2019	2020	2021
Current CAP Total	\$13,544,667	\$19,668,705	\$22,756,561	\$20,416,320	\$20,416,320	\$20,416,320
Shortfall At 6%	\$ 7,563,913	\$ 12,191,219	\$ 12,423,188	\$ 12,649,556	\$ 12,806,936	\$ 12,714,596
CAP Forgiveness	\$ 313,110	\$ 1,474,268	\$ 4,554,240	\$ 2,114,000	\$ 2,114,000	\$ 2,114,000
Admin Costs	\$ 1,027,252	\$ 1,189,172	\$ 1,000,000	\$ 1,110,000	\$ 1,110,000	\$ 1,110,000
programming Costs	0	0	0	0	60000	0
Total 2B	\$ 8,904,275	\$ 14,854,659	\$ 17,977,428	\$ 15,873,556	\$ 16,090,936	\$ 15,938,596

In both scenario's 2020 and 2021 were based on historical averages for shortfall and CAP forgiveness. CAP Enrollment trends were adjusted upwards mirroring recent history. Gas prices and weather would factor into actual shortfall and pre-program arrears.

Columbia Gas of Pennsylvania, Inc.

Energy Affordability for Low Income Customers

Docket No. M-2017-2587711

Re: January 17, 2019 Order requesting Supplemental Information and Data

Supplemental Information Request No. 3:

Provide estimates of the impact on enrollments and to customer assistance program costs if restrictions other than "low income" are eliminated for the years 2017 through 2021. These will be separate enrollment and cost forecasts from the 10% projections for the years 2017 through 2021 requested above.

Response:

The Company includes payment troubled as part of its CAP eligibility criteria. If that criteria is removed, the Company would have an estimated 104,000 customers eligible for CAP. Of the 104,000, approximately 39,000 have a budget bill that is less than 6% of their reported, often self-declared, income. The Company would not expect these customers to enroll in CAP since their payment would not decrease. Thus, the estimated costs provided in this response is based on 65,000 customers participating in CAP, as opposed to the approximately 104,000 customers that would be income eligible for CAP. Further, for purposes of this estimate: (1) the Company staggered the customer enrollment into CAP since not all customers will join CAP immediately; and (2) the company assumed minimum payments and co-pays would continue for the purposes of these projections. Based on these factors, the Company projects that CAP costs would increase by a minimum of \$31,700,000 in 2017, up to \$63,131,468 projected in 2021 when the majority of eligible CAP customers would be in CAP. A breakdown of these costs is provided in the table below. This would equate to an additional \$85.68/year per non CAP customer up to \$194.25/year per non CAP customer by 2021 as more customers enroll in CAP and less customers pay for CAP.

	2017	2018	2019	2020	2021
Current CAP Total	\$ 19,668,705	\$ 22,756,561	\$ 20,416,320	\$ 20,416,320	\$ 20,416,320
Shortfall	\$ 22,173,457	\$ 27,820,114	\$ 33,466,771	\$ 39,113,427	\$ 44,760,084
Arrears	\$ 7,904,727	\$ 9,917,732	\$ 11,930,737	\$ 13,943,742	\$ 15,956,747
Administration	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000
Total CAP Costs	\$ 51,381,106	\$ 62,136,825	\$ 67,464,447	\$ 75,132,310	\$ 82,800,173

Columbia Gas of Pennsylvania, Inc.

Energy Affordability for Low Income Customers

Docket No. M-2017-2587711

Re: January 17, 2019 Order requesting Supplemental Information and Data

Supplemental Information Request No. 4:

Provide monthly customer tallies for all CAP customers claiming zero income in 2016 and 2017, broken out by heating type, if possible.

Response:

All customers in Columbia's CAP program are residential heat customers. The Company maintains one household income per year and has not kept track of zero income customers separately, since it was not a required data point in the past. Therefore, the Company can provide a count of customers that were zero income at the end of the year and the months they were active in CAP during the year. With that caveat, the following are the number of customers claiming zero income for 2016 and 2017.

Month	2016	2017
January	148	302
February	159	281
March	191	347
April	193	284
May	214	358
June	234	350
July	230	338
August	258	369
September	248	346
October	259	366
November	263	347
December	261	333

VERIFICATION

I, Deborah Davis, Manager of Universal Services for Columbia Gas of Pennsylvania, Inc., hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements made herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: 4-8-2019

Deborah Davis
Deborah Davis
Manager of Universal Services
Columbia Gas of Pennsylvania, Inc.