



**PEOPLES™**

MAKING YOUR LIFE BETTER.

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**VIA ELECTRONIC FILING**

January 3, 2020

Rosemary Chiavetta

Executive Secretary

Pennsylvania Public Utility Commission

P.O. Box 3265

Harrisburg, PA 17105

**Re: Docket No.: M-2018-3003177 - Addendum to Universal Service and Energy Conservation Plan**

Dear Secretary Chiavetta:

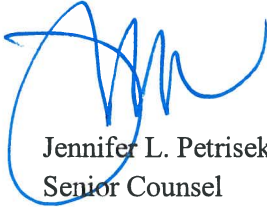
Enclosed for filing on behalf of Peoples Natural Gas Company LLC (“Peoples”) is an Addendum to Peoples’ proposed 2019 – 2021 Universal Service and Energy Conservation Plan (“USECP”). This proposed Plan is pending review by the Public Utility Commission at the aforementioned docket number.

In accordance with the Final Policy Statement and Order adopted on September 19, 2019 and entered on November 5, 2019 (the “Order”), the attached Addendum identifies how Peoples will implement the CAP Policy changes identified in the Conclusion Section of the Order identified as items 1(a) – 3, 9 - 12, and 15 - 17. Peoples notes that the proposed USECP filed on July 2, 2018 is already in compliance with the CAP Policy changes identified in the Conclusion Section of the Order identified as items 4 - 8 and 13 - 14.

As identified in the Addendum, Peoples notes that it has added additional plan years for budgeting and participation purposes to its proposed Plan, through 2024, to accommodate the new USECP filing schedule provided in the Order. Further, as a result of the approval of the Peoples Natural Gas base rate proceeding on October 29, 2019, the separate Peoples and Equitable divisions no longer exist. Therefore, budgets and participation, as shown in the USECP, have been adjusted accordingly. Further, Peoples has updated this USECP to denote a change in its third party administrator for the Low Income Usage Reduction Program (“LIURP”) which took place following the filing of this USECP. Peoples previewed the Addendum and Consumer Education and Outreach Plans with Bureau of Consumer Service and Office of Communications staff as recommended in the Final Policy Statement and Order. Coincident with this filing, Peoples will provide these documents electronically to the members of BCS, Office of Communications and Law Bureau as described in the Order.

Please contact the Rita Black (412-208-6530) or the undersigned should you have any questions or require further information regarding this filing.

Very truly yours,



Jennifer L. Petrisek  
Senior Counsel

cc (all via email):

Joseph Magee, Bureau of Consumer Services  
Jennifer Johnson, Bureau of Consumer Services  
Alexis Bechtel, Bureau of Consumer Services  
Christina Chase-Pettis, Office of Communications  
Shari A. Williams, Office of Communications  
Louise Fink Smith, Law Bureau  
Christy Appleby, Office of Consumer Advocate  
John R, Evans, Office of Small Business Advocate  
Richard Kanaskie, Bureau of Investigation & Enforcement  
Elizabeth Marx, Pennsylvania Utility Law Project

# **ADDENDUM**

## **Addendum -- Peoples Natural Gas USECP**

Peoples submits the following information related to the seventeen changes to the CAP Policy Statement, as described in the Final Policy Statement and Order entered on November 5, 2019. Please note that the responses below pertain to Peoples Natural Gas Company LLC (including the former Peoples and Equitable Divisions) as well as Peoples Gas Company LLC. Peoples Gas Company LLC is defined as a small NGDC and does not have currently effective USECP. However, the USECP filed on July 2, 2018 by Peoples Natural Gas Company LLC voluntarily included Peoples Gas Company LLC.

1. a. Establish new maximum tiered CAP energy burdens of 6% for natural gas heating, 4% for electric non-heating, and 10% for electric heating for FPIG tiers 51%-100% and 101%-150%. For FPIG tier 0% 50%, the maximum energy burdens should be 4% for natural gas heating, 2% for electric non-heating, and 6% for electric heating.

b. Minimum CAP payment requirements should be set in USECP proceedings rather than in the CAP Policy Statement. Utilities may propose alternatives to a flat minimum payment for each account type, such as basing them on the household's FPIG level.

RESPONSE: Peoples currently effective percentage of income amounts and proposed amounts, in compliance with the revised Policy Statement, are shown in the table below. Planned implementation is within 30 days of approval.

<b>Income Category</b>	<b>Current PIP</b>	<b>Proposed PIP</b>
0 to 50% FPL	8%	4%
51 to 100% FPL	9%	5%
101 to 151% FPL	10%	6%
151 to 200% FPL	11%	7% <sup>1</sup>

Please note the following regarding Peoples' proposed CAP design:

- Customers in CAP currently pay the lower of the percentage of income calculated payment or the average bill amount. This structure will continue under the proposed PIP.
- The current CAP minimum payment is \$25. This minimum payment is within the CAP Policy Statement guidelines as described on page 32 of the Final Order. As noted on page 37 of the Order, Peoples will review the current minimum payment of \$25 with its Universal Service Advisory Group ("USAG") at one of its 2020 meetings and will file to modify its CAP minimum payment if input from the USAG recommends such a change.
- Under its proposed PIP, Peoples will eliminate its pre-program arrearage copay (currently \$5) and its CAP Plus copay (currently \$5), as required by the description under 'CAP Payment Structures' found on page 31 of the Final Order.

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<sup>1</sup> The Commission's Final Policy Statement and Order did not specifically address participants in CAP above 150% FPL. This proposal, to modify the percentage of income payment for this income group, will be introduced in the Company's proposed USECP (Docket M-2018-3003177) and is not included in modifications to its existing USECP.

2. Utilities should allow CAP households to retain CAP enrollment when they transfer service within the utility's (or an affiliate's) service territory.

RESPONSE: Peoples does not currently require customers that move from one address to another to re-apply for CAP, assuming their current CAP agreement is not due for recertification. However, customers must call Peoples to advise of their new address and establish CAP at the new address. In order to provide a more seamless CAP transfer experience, Peoples is developing a report that will be reviewed by its Credit department to identify CAP customers who have moved to another address within the service territory so that CAP can be transferred to the new address. CAP payments may change due to usage at the new premises since customers in the program always pay the lower of their calculated percentage of income payment amount or the average bill. We expect this report and process to be implemented by 6/30/2020.

3. Utilities should accept income documentation of at least the last 30 days or 12 months, whichever is more beneficial to the household, when determining CAP eligibility at application or recertification. CAP applications and recertification letters should identify acceptable income timeframes and explain how each may benefit the customer.

RESPONSE: Applications for the Company's CAP program are primarily completed via telephone and may also be completed at a local Dollar Energy Fund agency. In both cases, the information needed is verbally requested from the customer and documentation requirements are explained in this manner also, therefore there is not a paper application to revise. However, Dollar Energy Fund agents handling Peoples' CAP will be instructed to inform customers that income for the past 30 days or 12 months can be used to establish eligibility and the customer should provide the income documentation that is most advantageous to their situation. This process will be in place by 2/1/2020. CAP recertification letters will be reviewed with Peoples' USAG during one of its quarterly meetings in 2020 to seek input into modifications to the letters that would describe acceptable income documentation options. Changes suggested by the USAG will be implemented within 60 days of receiving such input.

4. Eliminate the provision in the CAP Policy Statement that low-income customers must be "payment troubled" to qualify for CAPs. Utilities may, however, impose such a requirement to prioritize CAP enrollments and control CAP costs if determined appropriate by the Commission.

RESPONSE: This provision is already in place. Any income eligible customer, for whom the CAP program is the most beneficial payment amount, can be enrolled into the program. To better clarify eligibility, Peoples has simplified the eligibility description in its current and proposed USECPs to be more reflective of its active practice.

5. Eliminate the provision in the CAP Policy Statement that a customer should designate the Low Income Home Energy Assistance Program (LIHEAP) grant to the utility sponsoring the CAP (Section 69.265(9)(i)) or be penalized for not applying for LIHEAP (Section 69.265(9)(ii) and (iv)). However, all CAP customers should participate in LIHEAP, if eligible. Eliminate the provisions in the CAP Policy Statement that a LIHEAP grant should be applied to reduce the amount of CAP credits (Section 69.265(9)(iii)).

RESPONSE: This provision is already in place.

6. Utilities should exempt CAP customers from late payment charges.

RESPONSE: This provision is already in place.

7. Utilities should provide CAP customers with (a) pre-program arrearage (PPA) forgiveness for each on-time and in-full monthly CAP payment regardless of in-CAP arrears and (b) retroactive PPA forgiveness for any month(s) missed once the household pays its in-CAP/in-program balance/debt in full.

RESPONSE: This provision is already in place.

8. Utilities may request Social Security numbers (SSNs) but not require them for household members when verifying identity for CAP enrollment. Utilities and entities acting on their behalf should offer and explain the options on CAP applications and other communications with customers.

RESPONSE: This provision is already in place.

9. Maximum CAP credit limits should be set in USECP review proceedings rather than in the CAP Policy Statement and should consist of a tiered structure based on the household's FPIG level (i.e., 0-50%, 51-100%, and 101-150%) which should provide lower income households with higher CAP credit limits. Utilities should notify CAP customers when they approach their CAP credit limits, instruct them to contact the utility if they meet any exceptions, and refer them to LIURP (if eligible)

RESPONSE: Peoples has CAP credit and usage thresholds that are monitored to ensure participants use gas responsibly and are notified as they approach annual CAP credits of \$500, \$750 and \$1,000. These notifications include referrals to LIURP weatherization. The validity of gas consumption patterns is reviewed and customers not using gas responsibly may be removed from participation in the program.

10. Utilities should establish online CAP applications and allow customers to submit documentation electronically.

RESPONSE: Peoples utilizes Dollar Energy Fund as its CAP administrator. Dollar Energy Fund also manages several other utility CAP programs, including First Energy, Columbia and Pennsylvania American Water. As it makes the most sense from a practical and customer point of view, Peoples will utilize the online application that is currently being developed by Dollar Energy Fund for its CAP customers. The online application is expected to be available to Peoples customers in the fall of 2020. Peoples will add a direct link from its website to Dollar Energy in order to allow for a smooth transition for customers wishing to access the CAP application. The availability of the online application will be promoted through the CAP Consumer Education and Outreach Plan.

11. Utilities should use a standardized zero-income form and develop other industry-wide standardized forms.

RESPONSE: The Zero Income form, found in Annex C of the Final Policy Statement and Order will be implemented by February 1, 2020.

12. Establish new maximum recertification timeframes for CAPs and strive to minimize disruptions in CAP participation.

- CAP households reporting no income should be required to recertify at least every six (6) months regardless of LIHEAP participation;
- CAP households with income that participate in LIHEAP annually should be required to recertify at least once every three (3) years;
- CAP households whose primary source of income is Social Security, Supplemental Security Income (SSI), or pensions should be required to recertify at least once every three (3) years; and
- All other CAP households should recertify at least once every two (2) years.

RESPONSE: The Company will increase its current recertification timeframes to the maximum recommended by the CAP Policy Statement effective June 30, 2020.

13. Utilities should initiate collection activity for CAP accounts when a customer has no more than two (2) in-program payments in arrears. Customers should not be removed or defaulted from CAP as a precursor to termination for non-payment.

RESPONSE: This provision is already in place.

14. Utilities should evaluate household CAP bills at least quarterly to determine whether the customer's CAP credit amount or billing method is appropriate.

RESPONSE: This provision is already in place. Accounts are reviewed on a monthly basis during billing in order to validate, and modify as necessary, the CAP payment to ensure affordability.

15. Utilities should work with stakeholders to develop Consumer Education and Outreach Plans.

RESPONSE: The Consumer Education and Outreach Plan, developed through a collaborative process which included members of Pennsylvania Utility Law Project, Office of Consumer Advocate, Bureau of Consumer Services Departments of Policy and Communication, as well as local agency representatives, is provided as an attachment to this addendum.

16. Utilities should use the definition of "household income" in Chapter 14 of the Public Utility Code.

RESPONSE: This provision will be implemented February 1, 2020 for new CAP enrollments and recertifications.

17. Utilities should be prepared to address recovery of CAP costs (and other universal service costs) from any ratepayer classes in their individual rate case filing.

RESPONSE: Universal service program costs are one component considered in base rate proceedings and are subject to examination and discussion among all parties to a case, particularly as it relates to rate design. The Company is prepared to discuss cost recovery of universal service programs in its next proceeding.

# **CONSUMER EDUCATION AND OUTREACH PLAN**

## Customer Assistance Program (CAP)

### Peoples Natural Gas and Peoples Gas Consumer Education and Outreach Plan

Purpose: To provide a multi-pronged approach to consumer education with the goal of connecting eligible populations, for whom CAP is the most beneficial plan, to enrollment. Emphasis will be placed on outreach activities and methods that provide education and begin the enrollment process simultaneously. All outreach activities are designed to increase awareness of income eligible programs which include available energy assistance as well as CAP. A detailed map of advertising and outreach efforts, including the number of expected impressions, is provided as an attachment.

#### General Audience Education & Outreach Activities

Activity	Frequency
Annual focused bill inserts	Singular section of fall insert; expanded sections in November and December inserts
Website self-screening tool	Available 24/7
Website program information	Available 24/7
Social Media Advertisements	Multi-season messaging; aligning with colder weather; opening of energy assistance programs, etc.
Community education	Posters/handouts provided to schools, churches, agencies regarding LIHEAP and CAP.

#### Additional Target Audience Education & Outreach Activities

Activity	Details
Incoming callers screened for eligibility	Application for service; bill payment discussions; termination/restoration calls; PFA calls
Identification of limited income customers using online payment arrangement tool (e-account)	Direct outreach effort to explain benefits of CAP; offer enrollment. List of eligible customers generated weekly for outreach.
Hardship Grant applications at Dollar Energy Fund agencies	Benefits of CAP described; customers enroll remaining balances after grant into CAP.
LIHEAP recipient identification	List generated weekly of LIHEAP grants received that week on accounts that are not currently enrolled in CAP.
Limited Income Events	Provide representatives and materials to local events: senior fairs, resource fairs, etc.
Termination Notices	Contain eligibility information regarding CAP and energy assistance.
Plain English Notice (prior to Termination)	Mailed via US mail beginning spring of 2020.
Help at Peoples Now (HAPN Program)	Field employees utilize dedicated phone line to refer customers for assistance with CAP and energy assistance to avoid termination.

## Annual Training/Community Education Opportunities

Association	Training/Support
PA 211 Call Center	On-site training provided at least once per year regarding available energy assistance grants, CAP eligibility and enrollment processes.
Project Destiny (Pittsburgh's north side)	Multi-pronged support including regular training for field workers who visit customer homes; case management assistance to enroll customers in CAP, resolve terminations, etc.; participation in monthly resource meetings.
BeUtilityWise (Allegheny County & Johnstown)	Annual participation in planning, program development and presentations to attendees regarding CAP.
Allegheny Link	Participate in regular meetings with community partners to provide information on eligibility and enrollment.
Cornerstone (Beaver County)	Participate in meetings and provide presentations regarding Peoples' CAP.
Mission of Mercy	Two-day free dental clinic held at PPG Paints Area in downtown Pittsburgh in the summer. In 2019, over 1,300 were served. Peoples staff answers questions and offers information while also distributing program materials.
State Legislator Events	Multiple events in the fall of each year with local state reps. Provide presentations and one-on-one assistance, distribute materials, etc.
Resource Fairs	Held throughout the service territory on various dates in the fall/winter season. Peoples staff answer questions/distribute information. (historical examples: YWCA of Greater Pittsburgh, Allegheny Health Network Health Fair)
Aging Consortium Lunch/Presentation	Will begin in 2020/details TBD – partner with other utilities; hold first event in Johnstown/Altoona area;
Train the Trainer events	Will begin in 2020. Offer training to additional local agencies, community partners.

Outreach mailings	Targeting school districts with a high percentage of free/reduced lunch students; local churches
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### Special Needs/Limited English Proficiency/Protection From Abuse

- Outreach materials (posters/handouts) are prepared in both English and Spanish translations.
- Language Line used for LEP customers.
- All PFA customers screened for CAP.
- All customers receiving other Universal Service programs (LIURP, Emergency Repair Program, CARES) are screened for CAP.
- Support to vulnerable customers provided by CARES representatives when customers are having difficulty understanding and/or completing steps to enroll in CAP.
- Help at Peoples Now – Field employees provided with education and dedicated phone line to reach customer program staff to help customers that need CAP or other income eligible programs. Field employees also carry business cards to be given to customers to encourage them to call for assistance.

### CAP Enrollment Methods

Method	Availability
Via telephone (most commonly used method)	Monday through Friday from 7 a.m. to 5 p.m.; customers that must provide income documentation can submit those via email, fax, or US mail.
Dollar Energy Fund Screening Agency	Applications by appointment with local agency.
Self-service online application	Planned implementation through CAP administrator, Dollar Energy, third quarter of 2020. Applications will be available at <a href="http://www.dollarenergy.org">www.dollarenergy.org</a> ;

### Ease of Enrollment Efforts

- No income documentation required if customer has received LIHEAP.
- Customers who receive Hardship Grants that do not cover their entire balance are enrolled into CAP for remaining balance.
- Income submitted to other utility programs managed by CAP administrator (Dollar Energy Fund) can be used to avoid multiple submissions.
- Applicants to Duquesne Light's CAP can provide their permission for DLC to share their data with Peoples to enroll in CAP.





# REVISED USECP

**Peoples Natural Gas Company LLC  
And Peoples Gas Company LLC**

**UNIVERSAL SERVICE  
AND  
ENERGY CONSERVATION PLAN**

**2019-2024**

Amended 1/3/20 to reflect changes provided in the Addendum submitted  
in response to the Final Policy Statement and Order entered  
November 5, 2019 (Docket M-2019-3012599)

Additional modifications made as a result of the approval of Peoples  
Natural Gas' base rate increase, effective October 29, 2019  
(Docket No. R-2018-3006818)

Peoples  
375 North Shore Drive  
Pittsburgh, PA 15212

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## **LIST OF ATTACHMENTS**

1. Attachment A -- Independent Evaluation Performed by APPRISE
2. Attachment B -- Sample CAP Bill
3. Attachment C -- LIURP Customer Pledge and Action Plan Forms
4. Attachment D -- Energy Conservation Education
5. Attachment E -- Programs Booklet
6. Attachment F -- Consumer Education & Outreach Plan

# **UNIVERSAL SERVICE AND ENERGY CONSERVATION PLAN**

## **Overview**

The Peoples Natural Gas Company (Peoples) submitted its current Universal Service Plan on July 16, 2014<sup>1</sup>. It was approved by Final Order on December 17, 2015. The Plan incorporated the best practices of the Peoples and Equitable Divisions of Peoples Natural Gas and included an expansion of the Customer Assistance Program under a Pilot that allowed for participation for customers with significant balances and incomes between 151 and 200% of Federal Poverty Levels. The Company further amended the plan in 2016 to include an Emergency Furnace and Line Repair Program for the Equitable Division<sup>2</sup>.

The Company has an active Universal Service Advisory Group (USAG) whose members include representatives from Office of Consumer Advocate, the PA Public Utility Commission's Office of Investigation & Enforcement and Bureau of Consumer Services, Public Utility Law Project, and local community partners such as Women's Center and Shelter of Pittsburgh, Salvation Army, Allegheny County Department of Aging, United Way PA 2-1-1, Catholic Charities and others. The USAG meets quarterly in January, April, July and October. The group provides valuable input into the outreach methods and communication efforts for the Company's Universal Service programs. It also has an important role in advising the Company on appropriate budgets, eligibility and program parameters. The input of the USAG was crucial to the development of this Plan and the changes proposed are reflective of the engagement of the group. The group's goal is to ensure the programs offered by the Company increase affordability, reach the vulnerable populations who need them and are managed effectively.

This Plan no longer includes the LIURP Pilot Community Partnership program. This program was designed to provide financial support to local organizations that offered energy conservation events and or programs in the Peoples Division service territory. The annual budget was \$50,000. When the program was launched in 2011, interest from partnering organizations was high and Peoples was able to support some very valuable conservation education programs. Over time, the number of proposals for support have continued to drop and in 2017, Peoples sponsored only one project and used the remaining funds to provide energy conservation programs developed and presented by Peoples' Energy Consultants. Therefore, the Company proposed, and the USAG agreed, that these annual funds would be better spent in the LIURP weatherization program, providing more available dollars to increase random inspections as well as health and safety spending. A letter of notification was submitted to the Bureau of Consumer Services on June 26, 2018 regarding the elimination of this program and use of these funds in the LIURP weatherization program. The transfer of the \$50,000 from the Community Partnership for Weatherization Program to LIURP is reflected in the LIURP budgets provided in this Plan.

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<sup>1</sup> Docket M-2014-2432515

<sup>2</sup> Dockets P-2016-2562220 and M-2014-2432515

## **Plan Submission**

This Plan will be in effect during the period from January 1, 2019 through December 31, 2021 and will be implemented upon approval by the Commission.

## **Plan Modifications**

This Plan contains budgets and descriptions of the Universal Service programs offered by Peoples Gas Company LLC (formerly Peoples TWP) which is an affiliate of Peoples Natural Gas. As a small Natural Gas Distribution Company in Pennsylvania, Peoples Gas Company LLC is not required to submit a formal Plan for approval. However, because the processes and procedures of the Plan are so closely tied to that of Peoples Natural Gas, and because the third party administrators for the programs are the same, the Company has chosen to include information on both companies' programs in this Plan.

The proposed modifications, which are highlighted below, represent the Company's efforts to continually improve the effectiveness and efficiency of its Universal Service Program offerings. Proposed changes were developed from feedback received in the Independent Evaluation of 2017 and the input of the Company's USAG. The CAP Plus modification provided in this Plan was developed following data analysis and discussion of a working group whose members were Office of Consumer Advocate, PA PUC Office of Investigation and Enforcement and members of Public Utility Law Project (PULP). This CAP Plus modification is intended as an interim measure to positively impact affordability until the Commission provides further guidance regarding CAP designs following its study of affordability in Pennsylvania.

### Customer Assistance Program

- Partnership with Duquesne Light to assist customers in enrolling in CAP for both companies with one income documentation submission.
- The CAP Plus calculation has been modified in an effort to maintain the affordability of CAP. The CAP Plus amount will continue to be calculated under the same methodology (i.e. LIHEAP receipts divided by CAP participants to arrive at a monthly CAP Plus charge), however the level of CAP Plus added to CAP participant bills will be limited to \$5 if the calculated amount exceeds \$5.
- Provision added to allow customers to re-enter CAP up to 9 months after termination or removal, maintaining the same pre-CAP amount as existed prior to their exit.
- Limit the use of LIHEAP receipts in lieu of providing income documentation for CAP enrollment to those funds received in the current (or prior if the season has recently closed) LIHEAP season. This reduces the timeframe for which LIHEAP receipts can be used to indicate eligibility from 2 years to approximately one year.

### CARES/Hardship Funds

- Company will make all efforts to partner with electric companies to provide services to vulnerable customers within the residence to obtain documentation for possible programs participation and provide resources.

### Low Income Usage Reduction Program (LIURP)

- Increased allowance per job to include remediation of the heating system in addition to implementing pre-determined measures and in some cases for health and safety measures that allow the Company to move forward with weatherization project that might have otherwise been prohibited.
- Provide for an increase of random inspections above 25% of annual jobs to allow for a more effective quality control of the program measures installation, new contractors and/or of those situations in which the Company deems it appropriate to provide additional oversight to a contractor/(s).

### Pilot LIURP Emergency Furnace & Line Repair Program

- Increase the annual budget for the Equitable Division from \$275,000 to \$400,000.
- Increase the annual budget for Peoples Gas Company LLC from \$50,000 to \$60,000.
- Increase all annual budgets by 3% for each subsequent year to reflect increases in labor and material costs.
- Include costs of minor restoration that is necessary to ensure safety for gas line replacements that include excavation.

## **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. Employees receive training regarding sensitivity to those with special needs as well as program availability and eligibility. Employees of the Customer Service Center as well as Field Operations make referrals to the Customer Relations team via email or phone. In addition, area agencies are a key source of outreach efforts to customers and are supported through materials and/or presentations provided by the Company.

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 Customer Relations Department which is housed in the Operations organization of the Company. The organizational chart for Customer Relations is provided at the end of this section. While the programs themselves are managed exclusively in the Customer Relations department, the important work of outreach and referrals occur throughout the Company.

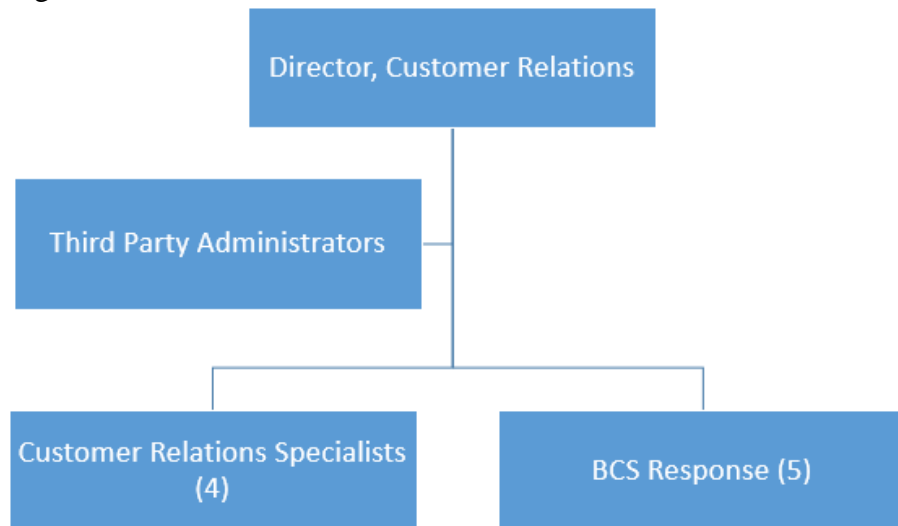
Incoming calls to the Company from low income customers are answered in the Customer Service Center, Monday through Friday from 7 a.m. to 5 p.m. Management of the Customer

Service Center is provided by the Sr. Director of Customer Service. All agents receive training on the Company's Universal Service Programs in order to make appropriate referrals. Customers who appear to be eligible and in need of the Customer Assistance Program are transferred directly to Dollar Energy Fund, the Company's CAP administrator, for immediate assistance. CAP participants who need the assistance of a Dollar Energy Fund Hardship Grant are directly transferred to Dollar Energy Fund to apply for the grant over the phone and are not required to visit an agency. Customers who are in need of other Universal Service programs such as weatherization, emergency heating assistance or CARES are referred by the Customer Service Center to the Customer Relations department for follow up.

In addition to the organization which supports the connection of customers with available assistance, customers can additionally self-refer. Through the Company's website, customers can contact the Company through the 'Peoples Helps' email line which is managed by the Customer Relations department. Customers creating an online payment arrangement through the Company's e-account portal, and who present with income less than 150% FPL are identified and their accounts are forwarded on a weekly basis to the CAP administrator for outreach for potential CAP enrollment and to offer other Universal Service programs as appropriate.

In order to ensure we reach the most vulnerable, an employee-only phone line has been implemented for the Field Operations team. Field technicians can dial directly into the Customer Relations department to make the Company aware of customers in difficult circumstances so help can be provided. Field employees also receive a stock of customer care cards that are essentially business cards with the Company's phone number and a list of programs to hand out to customers who could benefit from these programs. Customer Relations staff members additionally provide 'on call' service to Operations after normal working hours and on weekends. This service allows us to coordinate assistance for vulnerable customers, particularly if an issue arises in colder weather that affects heat to the home.

Customer support has high visibility in the Company as seen through regular presentations to the management team. Educating employees on Universal Service programs is a key focus of Peoples' Making Life Better mission.



## **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 4%, 5%, 6% or 7% 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. If the average bill for the premises is lower than the calculated percentage of income payment, the customer's CAP payment will be the average bill amount.

### **Findings and Recommendations from Independent Evaluation**

1. Phone and Agency Enrollment – Most customers enroll in CAP over the telephone by calling DEF. Customers appear to appreciate the convenience of the telephone enrollment and very few customers visit an agency to enroll in CAP. However, there may be additional cases where agency enrollment may provide important benefits to the customer such as quicker enrollment or more education and referrals, and should be recommended.
2. Income Verification – Peoples has reported that they are working to make it even easier for customer to provide income documentation, by creating additional mechanisms for customers to submit the information.
3. Recertification – As with enrollment, customers appear to appreciate the ability to recertify by mailing in their documentation rather than visiting an agency. However, it may be beneficial for Peoples to suggest that certain customers visit an agency to recertify to obtain a better understanding of the program, the importance of making the monthly CAP payment, and additional resources that may be available to assist them in meeting their needs.
4. CAP Bill – Peoples has designed a CAP bill that provides a clear presentation of the monthly CAP payment, the five dollar contribution for arrearages and the CAP credit as the difference between actual usage and the CAP payment. Peoples could add information on the amount of arrearage forgiveness that will be received when they pay their bill to make this even more apparent.
5. CAP Plus – The CAP Plus adder impacts energy burden and affordability. Peoples should continue to monitor this adder and asses how increases impact affordability, especially for the lowest income customers.
6. Affordability – The CAP survey and the transactions data analysis clearly showed that the program has improved affordability for participants.
7. Bill Payment – CAP also had a positive impact on bill payment.
8. CAP Satisfaction – Customers reported that CAP was very important in helping them to meet their needs and their satisfaction was high.

## **Modifications Since Last Plan**

Peoples implemented the suggestion provided in finding number 4 above regarding the CAP bill. A message has been added to CAP bills, directly below the CAP payment amount, to remind customers of the Arrearage Forgiveness benefit they will receive by making the payment. Please refer to Attachment B for an example of this bill message.

In response to finding number 5, Peoples engaged the regulatory focused members of its Universal Service Advisory Group to review, analyze and discuss potential CAP Plus modifications to address the affordability impact on the lowest income participants in its program. This working group analyzed data and held discussions that led to the modification of the CAP Plus mechanism that is described in this Plan.

The Company also considered the suggestion from the independent evaluation that some customers will be better served through enrolling in CAP in person. While this option has always existed at any Dollar Energy Fund agency, the Company has taken steps to increase the visibility of this option and to encourage its phone agents to offer this option to customers. There has also been a change to agency compensation, providing for agency reimbursement for the cost of completing a CAP application, regardless of whether the customer is ultimately enrolled. The Company has provided CAP training at Catholic Charities of Allegheny County so that customers can apply for CAP in person.

In order to ensure income eligibility, the Company has changed the LIHEAP eligibility provision of its CAP enrollment process to limit the use of LIHEAP in lieu of income documentation to customers who have received a LIHEAP cash or Crisis grant within the current or most recent program year. Prior to this change, customers could enroll into CAP without submitting income documentation if the Company had received LIHEAP funds in the past two years.

## **Eligibility Criteria**

The CAP program is available to customers who are at or below 200% of the Federal Poverty Income Level (See Attachment E - Income Guidelines). The customer must have active residential heating service.

Customers with incomes between 151 and 200% of Federal Poverty Level must additionally have at least one broken payment arrangement and a significant arrearage. A significant arrearage is generally defined as a balance of \$800 or more, but flexibility is given in the evaluation of individual circumstances. Customers in this income group must apply for a Dollar Energy Hardship Fund Grant to be applied to their account balance prior to entering the CAP program if such funds are currently available.

Prior CAP customers who apply for service within nine months of service termination or discontinuance 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 has received a LIHEAP payment within the current or most recent LIHEAP program year. Peoples will accept a customer's participation in an electric or water CAP program as verification of income if the customer provides authorization for the CAP administrator to utilize income documentation submitted by the customer to enroll in another CAP program managed by the administrator (i.e. First Energy, Pennsylvania American Water) or authorizes another utility CAP program to share income information for the purposes of enrollment. If a customer enrolls in Duquesne Light's CAP program and provides their permission for their information to be shared, the Company will receive the customer's information from Duquesne Light and will complete enrollment on behalf of the customer. The customer may submit income for the past 30 days or 12 months, whichever is more beneficial to the household, for the determination of eligibility to participate in CAP.

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. The Company mails annual reminder letter to CAP participants who have not yet received a LIHEAP grant within the program year. 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 current or prior program year (if the program recently closed). Household income and family size will place customers in a percent of income matrix. The monthly income times the 8, 9, 10 or 11 percent equals the minimum monthly payment, unless the budget amount for the premises is less, in which case the budget amount will become the CAP amount

<u>Federal Poverty Status</u>	<u>Percent of Income</u>
0 - 50%	4%
51 – 100%	5%
101 – 150%	6%
151 – 200%	7%

Customers’ CAP payments are reviewed on a monthly basis, during the billing process, to ensure the customer’s CAP payment is the lowest payment for which the customer is eligible (i.e. budget or percentage of income). If a payment change is needed, it is effective the following month. A bill message on the current bill advises the customer the CAP payment for the following month will be changing in order to alert them to review the next bill closely. 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 completing the Zero Income Form.. Customers enrolled with ‘zero income’ will be billed the CAP minimum payment and will be required to recertify their income status in 6 months. 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 December 31, 2019 is provided in the table that follows. 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 200% of the federal poverty level.

<b>Peoples Natural Gas</b>	<b>Peoples Gas Company LLC (formerly PTWP)</b>	<b>Total</b>
30,100	2,770	32,870

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 makes each on-time and in-full monthly CAP payment, regardless of 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 Administration and Use of Community Based Organizations

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.

The Company also utilizes utility partnerships and agencies such as Catholic Charities for CAP enrollment to simplify the process for customers and increase the likelihood customers will enroll in CAP programs with each of their utility providers.

5. CAP Customers who have enrolled on the basis of LIHEAP or who have certain fixed income types (pension, social security or disability) are recertified once every three years. Other income types will recertify once every two years. Customer reporting no income are required to recertify at least every (6) months. The exception to this requirement are those households whose sole income is unearned income for a child. In those cases, recertification, dependent on the type of income received by the child, will follow the recertification schedule provided for that type of income. Recertification begins with the issuance of a letter to the customer, 60 days in advance of the recertification date, requesting 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.
6. Final Bills – Final bills are calculated by determining gas usage from the last bill date to the end of service date and applying currently effective residential rates. In addition to the current portion of the final bill, the formerly frozen pre-CAP balance becomes due.

### **Control Features**

To limit program costs, Peoples, through its administrator, monitors CAP accounts 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 (prior to the addition of the currently effective CAP Plus amount).

- CAP participants who qualify for weatherization will receive priority in accordance with the criteria established for the 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 or excess CAP credits may result in removal from the CAP Program if such usage is considered by the Company to be outside of the intentions of the CAP program.
- A daily report allows the CAP Administrator to identify CAP customers whose weather-normalized annual usage has increased by more than 25% for Peoples Natural Gas or 20% for Peoples Gas Company LLC. 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 result in the CAP customer being removed from the CAP Program.
- In addition to usage monitoring, Peoples 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.
  - 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 result in removal from participation in CAP.

### **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 CAP arrears prior to the scheduled termination date. If a CAP account is terminated, the customer must pay all missed CAP payments to restore service.
- Use of natural gas, while on the CAP Program, for recreational purposes such as, but not limited to pool heaters and gas grills is prohibited. Customers using gas for recreational purposes will be removed and can be re-enrolled upon verification that the natural gas connection to the recreational appliance has been removed.

### **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**

Please refer to the Needs Assessment conducted in the Independent Evaluation which is provided as Attachment A. The Needs Assessment executive summary is provided on pages xvi through xvii. The full needs assessment is provided on pages 38 through 43.

### **Program Budget**

- The CAP Program is funded by Peoples' customers and administered by the Company. The chart below contains the projected expenditures for 2019-2024 period. Cost recovery of

particular CAP components is provided through the Universal Service Riders of Peoples Natural Gas and Peoples Gas Company LLC. Recoverable costs include CAP credits, Arrearage Forgiveness, and third-party administration. The budgets provided below are based on 2019 actual participant income and using average CAP usage to calculate CAP credits, average pre-CAP balances to calculate Arrearage Forgiveness and contractual costs for CAP administration as projected on a yearly basis. The Riders have other adjustments, such as bad debt adjustments, that determine the actual amount recoverable. The Riders are subject to an annual reconciliation to actual experience. The rates used in the calculation of CAP credits are effective January 1, 2020 and therefore include the base rate increase approved for Peoples Natural Gas in late October 2019. Year end 2019 participation is used as the basis for the calculation.

	<b>Peoples Natural Gas</b>	<b>Peoples Gas Company LLC (PTWP)</b>	<b>Total</b>
<b>2019</b>			
<b>2020</b>	\$16,494,998	\$1,721,509	\$18,216,507
<b>2021</b>	\$16,528,386	\$1,724,811	\$18,253,197
<b>2022</b>	\$16,562,775	\$1,728,212	\$18,290,987
<b>2023</b>	\$16,598,196	\$1,731,715	\$18,329,911
<b>2024</b>	\$16,634,679	\$1,735,323	\$18,370,002

### **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 offer in person enrollment for those who prefer and/or are more suited to this approach. Customers can apply in person at Dollar Energy Fund agencies and some Catholic Charities offices. The Company continues to look for other opportunities to expand availability of in-person CAP applications in partnership with Duquesne Light. Peoples continues 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 refers eligible customers to appropriate programs and services including, but not limited to, sources of third-party funding, budget counseling, and consumer education.

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

Peoples' CAP program is managed by the Customer Relations department and is administered by Dollar Energy Fund. The Company visits the CAP administrator on a monthly basis, reviewing recorded calls for quality assurance, verifying CAP program control processes are completed in a timely basis and meeting with supervisory staff to review current processes including training materials for agents, correspondence used for customers and other pertinent components of CAP administration. The Company also holds a biweekly conference call with DEF management staff

to share updates on program availability (i.e. LIHEAP opening/closing), discuss current trends and to gain status updates on outreach efforts. In addition, the Company will, on an annual basis, review a selection of randomly chosen accounts for income documentation verification.

### **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. Meetings are held with social service agencies, elected officials and other community groups to provide current information on available programs. 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. The CAP Administrator makes outbound calls to all customers who establish a payment arrangement through the Company's e-account which is reflective of income at or below 150% FPL.

### **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. Following pre-screening for eligibility and appropriateness of CAP program for the customer's situation, the call agent refers them to the administrator for enrollment via phone or provides information to the customer about applying in person if that options is more preferable or suitable to the customer. Customers in need of CAP who appear to have challenges to traditional enrollment and require more support can be referred to the Company's CARES program for additional assistance. Information on income eligibility and program dimensions is provided in training and employee resource materials.

### **Integration of Programs**

All customers calling Peoples' general customer service number (1-800-764-0111) or its Universal Service line (1-800-400-WARM) are screened for eligibility and appropriateness of Universal Service Programs including, but not limited to, CAP, LIURP, LIHEAP, CARES and Hardship Funds.

Field Service Personnel also make referrals to Universal Service Programs through a direct, employee only line that is answered by the Customer Relations department on an immediate basis. 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.

## **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.

### **Independent Evaluation Findings & Recommendations**

1. Energy Education – Peoples has developed an extensive education program for their LIURP participants. They implemented a Pledge Form to involve the customers with the contractor and an Action Plan form that lists the actions that the customer committed to take to further reduce gas usage. Peoples contracts with energy consultants who perform random inspections and provide additional energy education to the customers about the work completed and additional actions the customers can take to save energy.
2. Energy Savings – Peoples has achieved high savings from LIURP, averaging about 20 percent of the customers' pre-treatment natural gas usage. However, given the high level of pre-treatment usage, and the investment level, Peoples should consider whether it may be possible to achieve even higher savings through targeting and the services that are provided.
3. Targeting – Peoples should consider whether they want to make additional efforts to serve the highest of the high users or the customers who are most payment troubled. They could target a subset of high-usage list for additional outreach to encourage participation.
4. Energy Efficient Measures – Peoples should assess whether they are opportunities to reduce the number of heating system replacements and increase the emphasis on air sealing and insulation.
5. Coordination – Peoples works to complete jobs that are combined with the PA Department of Community and Economic Development Weatherization Program and with electric companies. When jobs are coordinated with State Weatherization or electric companies, Peoples is typically responsible for replacing the heating appliance if replacement is necessary. They completed 17 combined jobs in 2014, 23 combined jobs in 2013, and 33 combined jobs in 2012. Peoples should continue to work with the electric companies, as planned, to try to increase coordination, thus providing improved energy efficiency through a holistic approach.

### **Modifications Since Last Plan**

As described in the Independent Evaluation findings, the Company implemented a pledge form and an action plan form with the goal of enhancing the customer's commitment to conservation as well as the contractor's commitment to usage reduction. The pledge and action plan forms are provided as Attachment C.

Individual project budget guidelines were expanded to allow for remediation of the heating system in addition to implementing the pre-determined usage reduction measures to maximize the efficiency gained in the project. The program also provides a more generous allowance for health and safety items (those measures that do not offer a usage reduction outcome). This allows for the completion of jobs that may have otherwise required the company to forego the project and additionally benefits the overall health and safety of the household.

Participants who do not experience a reduction in pre-treatment usage (non-savers) participate in a Non-Savers Survey which attempts to identify the reasons for the current usage while additionally providing energy conservation education.

The Company accepts Weatherization Assistance Program (WAP) and First Energy Companies' audit forms for those jobs performed as a partnership to reduce the paperwork requirements of the contractors and further encourage coordination of services.

Peoples Natural Gas received approval for a base rate increase effective October 29, 2019. This approval included an increase of \$650,000 to the annual LIURP budget. This change is reflected in years 2020 through 2024 below.

### **Eligibility Criteria**

As recommended by the Independent Evaluation, participation will be targeted to customer that are the highest users.

- Prioritize customer participation to the lowest income and highest arrears.
- 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.)
- Residential, gas-heating customer.
- Customer has not moved and has not had gas service terminated within the last year (to ensure sufficient pre-treatment usage information is available to evaluate the effectiveness of weatherization measures).
- Customer has not received weatherization services provided by the Company within the past 7 years.
- Customer has an annual consumption greater than 140 MCF/year for the Peoples and Equitable Divisions of Peoples Natural Gas. Customers of Peoples Gas Company LLC (formerly Peoples TWP) may participate if annual consumption exceeds 120 MCF/year.
- Renters must have the gas account in their name and receive landlord permission to participate. 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 goal of energy reduction in the customer's home. 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 with the understanding that the auditor may recommend measures of up \$1,000 if necessary. If health and safety measures are identified exceeding \$1,000, the measures are reviewed for approval on a case-by-case basis.

State Weatherization (WAP) and First Energy Companies' audit forms are accepted by the Company for coordinated jobs.

Random inspections provide the necessary feedback to better serve customers, evaluate contractor performance and identify areas of improvement. Random inspections will be performed on a minimum of 25% of jobs completed annually.

### **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 heating system thermostat, lowering the water heater setting and regular replacement of furnace filters. The educator provides written reference materials for the customers. The contractor will also review a pledge form with the customer to emphasize the commitment to energy reduction.

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.

Please refer to Attachment D for a conservation booklet that is commonly used for energy education.

## Needs Assessment

Please refer to the Needs Assessment conducted in the Independent Evaluation which is provided at Attachment A. The Needs Assessment executive summary is provided on pages xvi through xvii. The full needs assessment is provided on pages 38 through 43.

### Projected Enrollment Levels

	<b>Peoples Natural Gas</b>	<b>Peoples Gas (formerly PTWP)</b>	<b>Total</b>
<b>2019</b>	271	40	311
<b>2020</b>	417	40	457
<b>2021</b>	344	40	384
<b>2022</b>	344	40	374
<b>2023</b>	344	40	374
<b>2024</b>	344	40	374
<b>Total</b>	2,064	240	2,304

These projections are based on average spending per home, including the implementation of heating appliance replacement (if necessary) and installation of necessary usage reduction measures.

### Program Budget

	<b>Peoples Natural Gas</b>	<b>Peoples Gas (formerly PTWP)</b>	<b>Total</b>
<b>2019</b>	\$2,100,000	\$280,000	\$2,380,000
<b>2020</b>	\$3,342,154*	\$368,222*	\$3,710,376
<b>2021</b>	\$2,750,000	\$280,000	\$3,030,000
<b>2022</b>	\$2,750,000	\$280,000	\$3,030,000
<b>2023</b>	\$2,750,000	\$280,000	\$3,030,000
<b>2024</b>	\$2,750,000	\$280,000	\$3,030,000
<b>Total</b>	\$16,442,154	\$1,768,222	\$18,210,376

\*Please note 2020 budgets include projected carryover dollars from 2019.

The above figures include installation of program measures, third party contract labor, administrative expenses, agency meetings, equipment, outreach, and educational materials. The Peoples Division budget reflects an increase of \$50,000 annually which represents the elimination of the LIURP Pilot Community Partnership for Weatherization program and the transfer of that program's budget to LIURP.

Figures provided include shareholder funds where applicable.

## **Plans to use Community Based Organizations**

Peoples' LIURP program is currently managed in-house and administered through CLEAResult. As its current administrator, CLEAResult 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 inspections. Partnering with state weatherization and other utility programs are emphasized to maximize the benefits to the consumer. In addition, at least 25% of the homes weatherized will be subject to random inspections.

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

See Organizational Chart, page 4.

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

The company promotes LIURP through internal and external efforts. Training is provided to customer interaction personnel including agents in the customer service center and customer service field personnel. Engagement with organizations who service customers throughout the service territory, the company website which includes a video library on conservation, published articles on easy conservation steps and safety information. Bill inserts are also used to share information about LIURP and identify eligible participants.

All customers who contact the Company for assistance from the Emergency Furnace and Line Repair program are screened for LIURP eligibility.

Customers who participate in the CAP program and meet LIURP eligibility criteria are referred to LIURP during the CAP Intake Process and during the reviews for use of CAP credits and/or increased annual usage. Additionally, agents in the customer service center routinely refer customers they encounter with high usage.

Peoples' coordinates its LIURP Program with existing community-based programs including Beaver County Redevelopment Authority, Re-Energize Pittsburgh, LIHEAP/ Crisis program, WAP (Weatherization Assistance Program) and others as each individual circumstance permits.

CLEAResult, the LIURP Administrator, receives a list from the Company of potentially eligible customers at the beginning of each calendar year. CLEAResult uses this list to contact customers via mailings and phone calls to inform the customer about the program and offer enrollment.

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

Eligible customers are identified through company internal reports and other universal service programs such as the CAP, CARES and LIHEAP programs. Customers are enrolled in the LIURP program in accordance with program guidelines.

The company provides training to employees who interact with the customers so that they can be informed about program eligibility requirements. In addition, the company makes all efforts to educate agencies who serve our customers so that they may refer potential participants.

### **Integration of Programs**

Peoples continues to look for ways to increase coordination with the federal and state weatherization programs, electric utilities weatherization and Act 129 programs. Additionally, when opportunities offered by other non-profit organizations are available, the Company seeks coordination with these third party efforts as well.

Peoples will also integrate the program through internal processes such as CAP intake, recertification, CAP usage review process, LIHEAP recipients and the Emergency Furnace/Line replacement program. In addition, the company reinforces the use of an internal Universal Service e-mail to increase referrals.

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

### Program Description

The Peoples companies Emergency Furnace/House and Service Line Repair Program serves customers with limited income and who are experiencing a crisis and possibly going through the winter months without heat because they cannot afford to have their furnace or service lines repaired. Additionally, the Company may consider replacement or repair of water heaters, in cases of vulnerable customer needs, safety issues that arise during a furnace replacement and/or as required by the replacement of a heating system, as eligible under this program.

Program budgets for 2019 were as follows:

Peoples Natural Gas	Peoples Gas Company LLC (formerly PTWP)	Total
\$800,000*	\$50,000	\$850,000

\*\$400,000 budget for Equitable Division was approved in 2019 (M-2014-2432515), resulting in an overall budget for Peoples Natural Gas of \$800,000 annually.

These budget levels were also in place during 2017 and were fully exhausted. Early 2018 was colder than normal, resulting in a high number of heating system failures and an increased need for assistance from the program. The budgets included in this Plan were developed using average costs per job type (i.e. furnace, boiler, service line) and activity levels.

The program will allow for restoration of sidewalks, driveways and/or soft ground when necessary to ensure safety following excavation. Restoration costs covered by the program will be limited to those directly necessary to avoid an unsafe condition. All jobs that have the potential to require restoration will be evaluated to determine the prospective level of excavation related costs in determining whether the repair/replacement project can be covered under the Company's program.

The company partners with the Air Conditioners Contractors of Western PA (ACCWPA) to provide cleaning and tune up and a safety check prior to the heating season, of the heating appliance for small number of participants (30 in 2017). While the ACCWPA volunteers their time to provide the service, customers may receive financial assistance through the Company's program to resolve a repair or provide a replacement if a safety issue with the heating system is identified. Participants in the program are required to be homeowners within 200% of FPL.

### Eligibility Criteria

- Must be a homeowner. Renters are not eligible for the program.
- Total household income may not exceed 200% of FPL.
- Must have a need for emergency repairs and/or replacement of the heating system, hot water heater and/or gas lines. Non-emergency repairs and replacements are not covered by this program.

- Residential, gas-heating customer
- Customers should apply for LIHEAP/Crisis if the program is available.

The Company may refer eligible customers to LIHEAP Crisis when that program is available. This referral process allows Peoples to protect available funds of the program for use by those with immediate needs that cannot await LIHEAP Crisis as well as those customers who do not meet LIHEAP Crisis income qualifications (i.e. 151 to 200% FPL).

All potential repairs or replacements are evaluated by a contractor on behalf of the company to determine if the project is suitable to be covered by the program.

### Needs Assessment

Based on historical participation the Peoples companies estimate to serve 320 customers from the Peoples Natural Gas and 25 customers from the Peoples Gas Company LLC to receive assistance through this program on an annual basis.

### Projected Enrollment Levels

Because the prices for labor and materials consistently increase, and with the addition of limited restoration costs on an as necessary basis, the number of customers assisted will vary in relation to the types and costs of projects completed in a given year.

### Program Budget

	<b>Peoples Natural Gas</b>	<b>Peoples Gas Company LLC (formerly PTWP)</b>	<b>Total</b>
<b>2019</b>	<b>\$800,000</b>	<b>\$60,000</b>	<b>\$860,000</b>
<b>2020</b>	<b>\$824,000</b>	<b>\$61,800</b>	<b>\$885,800</b>
<b>2021</b>	<b>\$848,720</b>	<b>\$63,654</b>	<b>\$912,374</b>
<b>2022</b>	<b>\$874,182</b>	<b>\$65,564</b>	<b>\$939,746</b>
<b>2023</b>	<b>\$900,407</b>	<b>\$67,531</b>	<b>\$967,938</b>
<b>2024</b>	<b>\$924,419</b>	<b>\$69,556</b>	<b>\$993,975</b>
<b>Total</b>	<b>\$5,171,728</b>	<b>\$388,105</b>	<b>\$5,559,833</b>

The budget for each Division/Company was developed using average costs for project types: boiler replacement, furnace replacement, heating system repairs and gas service line replacements. Additionally, the Company assumed 20% of the service line projects will require repair/replacement of sidewalks. The costs above include third party administration, but do not include internal labor.

## **Organizational Structure**

See Organizational Chart on page 4.

## **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 is currently administered by CLEAResult. 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.

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

### **Program Description**

The CARES program is designed to provide assessment and referral services for customers who may be experiencing 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. The program also includes Protection from Abuse Orders as outlined in 66 PA CSA, Chapter 14 and the Address Confidentiality Program (ACP).

### **Findings and Recommendations from the Independent Evaluation**

1. Benefits – CARES provides important benefits to special needs customers, including education about the Earned Income Tax Credit and LIHEAP, thermostats for visually-impaired customers and short term assistance to ensure that customers are able to access the resources that they are referred to.
2. Employee Education – Peoples has levered CARES to educate employees about special needs customers, increase the sensitivity of their employees and increase customer referrals.

### **Modifications Since last Plan**

The company will make efforts to partner with the electric company to provide services to vulnerable customers within the residence. The services will include obtaining documentation for Universal Service eligibility such as CAP, LIHEAP, and Dollar Energy Fund and will also provide resources within the customers' community and also promote the company programs.

### **Eligibility Criteria**

Any special needs customer in danger of losing heat due to non-payment or heating equipment failure is referred to CARES. Customers are identified through referrals from call center agents, Dollar Energy Fund agents and field employees of Peoples. 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.

The CARES program is intended for customers with immediate needs. Specialists provide an assessment to assure customers not only receive all necessary referrals to other programs, but are unable to access resources. The primary objective is to help customers resolve issues related to

and beyond bill payment and energy affordability by utilizing case management and referral services.

Customer Relations Specialists utilize an array of resources throughout the service territory such as: available energy assistance resources, public assistance benefits, local social agencies services etc. Specialists also provide training on programs and sensitivity training to customer service center personnel, field customer service personnel, in addition to providing Universal Service program awareness to social service staff. They also network with community based organizations and the Universal Service Advisory Group to better enable customers to receive services and possible third party assistance and funding.

Some of the agencies are as follows:

- Health and Welfare Councils
- Department of Aging
- Allegheny County Community Services Advisory Council
- Health Department
- Pennsylvania Department of Human Services
- Social Service Agency Providers Council
- Cambria County Energy Crisis Council
- Local social agencies such as Catholic Charities and Saint Vincent de Paul Society in the area.
- Beaver County Human Service Forum
- Veterans Leadership
- Allies for Health and Wellbeing- Housing Program
- Latino Family Center

Specialists also participate in awareness programs and fairs sponsored by social service agencies and elected officials to increase visibility and awareness. They also actively network in the community through partnerships with:

- Be Utility Wise
- Air Conditioning Contractors of Western Pennsylvania (ACCWPA) Furnace Inspection program
- Homeless Prevention & Rapid Re-Housing Program
- Southwestern PA 2-1-1
- Beaver County Human Service Forum
- YWCA of Greater Pittsburgh advisory committee

Customer Relations Specialists work with area social service agencies throughout the service territory to provide third party assistance for our customers. As a result, eligible customers might receive financial assistance from third party social service agencies such as Catholic Charities, Salvation Army, St. Vincent de Paul Society, Veterans Leadership in addition to traditional energy assistance etc.

Peoples will also work through a social agencies and electric utilities partnership to provide home visits for those customers with special needs who might benefit from a more personal interaction.

The CARES program has two components:

- One time contact - includes those customers who might need an immediate referral to resolve an urgent crisis or a short term situation.
- Case Management – includes a case work approach and ongoing monitoring and follow-up services. Qualifying accounts are coded CARES and require the specialist to monitor the account. Customers with PFA orders and participants of the ACP are part of the case management component.

#### Field Reporting of CARES Cases

The CARES program also includes the referrals from field employees who identify customers in vulnerable situations and refers those customers for help from our Customer Relations department. A direct employee only phone number is used to connect the field employees to the Customer Relations department on an immediate basis during normal working hours. Recognizing that our field employees respond to emergencies 24 hours/7 days a week and may identify a vulnerable customer issue in the evening or on the weekend, the Company utilizes and ‘on call’ program which ensures one of the senior Customer Relations Specialists is available via cell phone to provide assistance.

The Company utilizes the CARES program as a way to educate employees to be sensitive to those with special needs and also to recognize certain danger signals such as change in behavior, evidence of confusion or lack of apprehension, or disability in addition to company available programs.

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

Thermostats for vision impaired customers are available for those who have been medically Identified as a patient with severe vision impairment. Peoples provides and installs these devices through its CARES program. Customers can also request large print bills or Braille bills depending upon their needs. The company partners with the Western PA School for the Blind Children to prepare Braille bills.

### Earned Income Tax Credit Educational Outreach

Peoples promotes the Earned Income Tax Credit Program (“EITC”) to educate 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 call agents and Customer Relations specialists.

### Low Income Home Energy Assistance Program Outreach

The Low Income Home Energy Assistance Program or LIHEAP is an important component of CARES. Peoples identifies income eligible customers and promotes the program through bill inserts, company website, grassroots agencies, company employees and letters sent to CAP participants. Customers can obtain an application by contacting the Company via its call center or can be connected to the online application through the Company’s website.

Peoples continues to partner with state, federal and other advocacy groups to encourage full funding for LIHEAP and actively participates in the LIHEAP Action Committee.

### Needs Assessment

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 875 customers per year for the Peoples Division, 600 of the Equitable Division and 146 customers of Peoples Gas Company LLC. In addition to these CARES cases, outreach is provided to low-income customers to increase participation in energy assistance programs and EITC.

### Program Budget

	<b>Peoples Natural Gas</b>	<b>Peoples Gas Company LLC (formerly PTWP)</b>	<b>Total</b>
2019	\$285,474	\$28,234	\$313,708
2020	\$293,537	\$29,031	\$322,568
2021	\$301,843	\$29,853	\$331,696
2022	\$310,898	\$30,749	\$341,647
2023	\$320,225	\$31,671	\$351,896
2024	\$329,832	\$32,621	\$362,453
<b>Total</b>	<b>\$1,841,809</b>	<b>\$182,159</b>	<b>\$2,023,968</b>

Total estimated funding amounts for the CARES program including salaries for Customer

Relations Specialists, Director, contract labor, professional development; administrative expenses and outreach efforts and materials.

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

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

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

See Organizational Chart, page 4.

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

Peoples Customer Relations 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, providing materials to local social service agencies and distributing materials through its Peoples Universal Service Advisory Group.

Please refer to Attachment E for a programs booklet that provides information about all of the Universal Service programs available to Peoples' customers. This booklet is distributed at local outreach events and to agencies that work with low income consumers.

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

Refer to the Identification and Referral of Low Income Customer information provided in the Customer Assistance Program section.

### **Program Integration**

See Integration Methods as outlined under the Customer Assistance Program.

## **PEOPLES NATURAL GAS AND PEOPLES GAS Company LLC HARDSHIP FUNDS**

### **Program Description**

The Peoples Natural Gas Company LLC and Peoples Gas Company LLC Hardship Funds are partnerships 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 \$588,500 annually to match customer donations and contributes \$126,500 for administrative costs; of that amount \$550,000 is allocated for Peoples Natural Gas customers and \$38,500 for Peoples Gas Company LLC customers with \$110,000 and \$16,500 in administrative costs respectively.

### **Findings and Recommendations from Independent Evaluation**

1. DEF Partnership – Peoples has developed a good partnership with DEF to deliver Hardship Fund grants.
2. Customer Communication – DEF continues to work to improve the process for the customer. They are working to enhance their phone system to enable customers to use text messaging in place of speaking with a representative. This would help lower income customers whose cell phone plan includes only a certain amount of calling, but have unlimited texting.

### **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. CAP participants are deemed as having made a sincere effort to pay if their payments in the last 90 days are equal or greater than two CAP payments if such amount is less than the generally required \$150 or \$100 dependent on the customer's age. 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.

## 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.

## Enrollment Levels

During the 2017-2018 program year, Peoples customers, including those of the former Equitable Gas Company, received a total of \$1,177,000 in grants. This includes the matching grant from Dollar Energy Fund.

## Program Budget

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. The below budget is reflective of the amounts provided by Peoples shareholders in support of the Hardship Grants and does not include administrative donations nor customer donations.

	<b>Peoples Natural Gas</b>	<b>Peoples Gas Company LLC (formerly PTWP)</b>	<b>Total</b>
2019	\$550,000	\$38,500	\$588,500
2020	\$550,000	\$38,500	\$588,500
2021	\$550,000	\$38,500	\$588,500
2022	\$550,000	\$38,500	\$588,500
2023	\$550,000	\$38,500	\$588,500
2024	\$550,000	\$38,500	\$588,500
<b>Total</b>	<b>\$3,300,000</b>	<b>\$231,000</b>	<b>\$3,531,000</b>

## 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 4.

## **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 FAN Golf Outing Classic and Annual Luncheon. Cold Down for Warmth activities included an advertisement to encourage donations.
- 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, and 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.

# **REVISED USECP (REDLINE)**

**Peoples Natural Gas Company LLC  
And Peoples Gas Company LLC**

**UNIVERSAL SERVICE  
AND  
ENERGY CONSERVATION PLAN**

**2019-2024**

Amended 1/3/20 to reflect changes provided in the Addendum submitted  
in response to the Final Policy Statement and Order entered  
November 5, 2019 (Docket M-2019-3012599)

Additional modifications made as a result of the approval of Peoples  
Natural Gas' base rate increase, effective October 29, 2019  
(Docket No. R-2018-3006818)

Peoples  
375 North Shore Drive  
Pittsburgh, PA 15212

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## **LIST OF ATTACHMENTS**

1. Attachment A -- Independent Evaluation Performed by APPRISE
2. Attachment B -- Sample CAP Bill
3. Attachment C -- LIURP Customer Pledge and Action Plan Forms
4. Attachment D -- Energy Conservation Education
5. Attachment E -- Programs Booklet
6. Attachment F – Consumer Education & Outreach Plan

# **UNIVERSAL SERVICE AND ENERGY CONSERVATION PLAN**

## **Overview**

The Peoples Natural Gas Company (Peoples) submitted its current Universal Service Plan on July 16, 2014<sup>1</sup>. It was approved by Final Order on December 17, 2015. The Plan incorporated the best practices of the Peoples and Equitable Divisions of Peoples Natural Gas and included an expansion of the Customer Assistance Program under a Pilot that allowed for participation for customers with significant balances and incomes between 151 and 200% of Federal Poverty Levels. The Company further amended the plan in 2016 to include an Emergency Furnace and Line Repair Program for the Equitable Division<sup>2</sup>.

The Company has an active Universal Service Advisory Group (USAG) whose members include representatives from Office of Consumer Advocate, the PA Public Utility Commission's Office of Investigation & Enforcement and Bureau of Consumer Services, Public Utility Law Project, and local community partners such as Women's Center and Shelter of Pittsburgh, Salvation Army, Allegheny County Department of Aging, United Way PA 2-1-1, Catholic Charities and others. The USAG meets quarterly in January, April, July and October. The group provides valuable input into the outreach methods and communication efforts for the Company's Universal Service programs. It also has an important role in advising the Company on appropriate budgets, eligibility and program parameters. The input of the USAG was crucial to the development of this Plan and the changes proposed are reflective of the engagement of the group. The group's goal is to ensure the programs offered by the Company increase affordability, reach the vulnerable populations who need them and are managed effectively.

This Plan no longer includes the LIURP Pilot Community Partnership program. This program was designed to provide financial support to local organizations that offered energy conservation events and or programs in the Peoples Division service territory. The annual budget was \$50,000. When the program was launched in 2011, interest from partnering organizations was high and Peoples was able to support some very valuable conservation education programs. Over time, the number of proposals for support have continued to drop and in 2017, Peoples sponsored only one project and used the remaining funds to provide energy conservation programs developed and presented by Peoples' Energy Consultants. Therefore, the Company proposed, and the USAG agreed, that these annual funds would be better spent in the LIURP weatherization program, providing more available dollars to increase random inspections as well as health and safety spending. A letter of notification was submitted to the Bureau of Consumer Services on June 26, 2018 regarding the elimination of this program and use of these funds in the LIURP weatherization program. The transfer of the \$50,000 from the Community Partnership for Weatherization Program to LIURP is reflected in the LIURP budgets provided in this Plan.

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<sup>1</sup> Docket M-2014-2432515

<sup>2</sup> Dockets P-2016-2562220 and M-2014-2432515

## **Plan Submission**

This Plan will be in effect during the period from January 1, 2019 through December 31, 2021 and will be implemented upon approval by the Commission.

## **Plan Modifications**

This Plan contains budgets and descriptions of the Universal Service programs offered by Peoples Gas Company LLC (formerly Peoples TWP) which is an affiliate of Peoples Natural Gas. As a small Natural Gas Distribution Company in Pennsylvania, Peoples Gas Company LLC is not required to submit a formal Plan for approval. However, because the processes and procedures of the Plan are so closely tied to that of Peoples Natural Gas, and because the third party administrators for the programs are the same, the Company has chosen to include information on both companies' programs in this Plan.

The proposed modifications, which are highlighted below, represent the Company's efforts to continually improve the effectiveness and efficiency of its Universal Service Program offerings. Proposed changes were developed from feedback received in the Independent Evaluation of 2017 and the input of the Company's USAG. The CAP Plus modification provided in this Plan was developed following data analysis and discussion of a working group whose members were Office of Consumer Advocate, PA PUC Office of Investigation and Enforcement and members of Public Utility Law Project (PULP). This CAP Plus modification is intended as an interim measure to positively impact affordability until the Commission provides further guidance regarding CAP designs following its study of affordability in Pennsylvania.

### Customer Assistance Program

- Partnership with Duquesne Light to assist customers in enrolling in CAP for both companies with one income documentation submission.
- The CAP Plus calculation has been modified in an effort to maintain the affordability of CAP. The CAP Plus amount will continue to be calculated under the same methodology (i.e. LIHEAP receipts divided by CAP participants to arrive at a monthly CAP Plus charge), however the level of CAP Plus added to CAP participant bills will be limited to \$5 if the calculated amount exceeds \$5.
- Provision added to allow customers to re-enter CAP up to 9 months after termination or removal, maintaining the same pre-CAP amount as existed prior to their exit.
- Limit the use of LIHEAP receipts in lieu of providing income documentation for CAP enrollment to those funds received in the current (or prior if the season has recently closed) LIHEAP season. This reduces the timeframe for which LIHEAP receipts can be used to indicate eligibility from 2 years to approximately one year.

### CARES/Hardship Funds

- Company will make all efforts to partner with electric companies to provide services to vulnerable customers within the residence to obtain documentation for possible programs participation and provide resources.

### Low Income Usage Reduction Program (LIURP)

- Increased allowance per job to include remediation of the heating system in addition to implementing pre-determined measures and in some cases for health and safety measures that allow the Company to move forward with weatherization project that might have otherwise been prohibited.
- Provide for an increase of random inspections above 25% of annual jobs to allow for a more effective quality control of the program measures installation, new contractors and/or of those situations in which the Company deems it appropriate to provide additional oversight to a contractor/(s).

### Pilot LIURP Emergency Furnace & Line Repair Program

- Increase the annual budget for the Equitable Division from \$275,000 to \$400,000.
- Increase the annual budget for Peoples Gas Company LLC from \$50,000 to \$60,000.
- Increase all annual budgets by 3% for each subsequent year to reflect increases in labor and material costs.
- Include costs of minor restoration that is necessary to ensure safety for gas line replacements that include excavation.

## **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. Employees receive training regarding sensitivity to those with special needs as well as program availability and eligibility. Employees of the Customer Service Center as well as Field Operations make referrals to the Customer Relations team via email or phone. In addition, area agencies are a key source of outreach efforts to customers and are supported through materials and/or presentations provided by the Company.

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 Customer Relations Department which is housed in the Operations organization of the Company. The organizational chart for Customer Relations is provided at the end of this section. While the programs themselves are managed exclusively in the Customer Relations department, the important work of outreach and referrals occur throughout the Company.

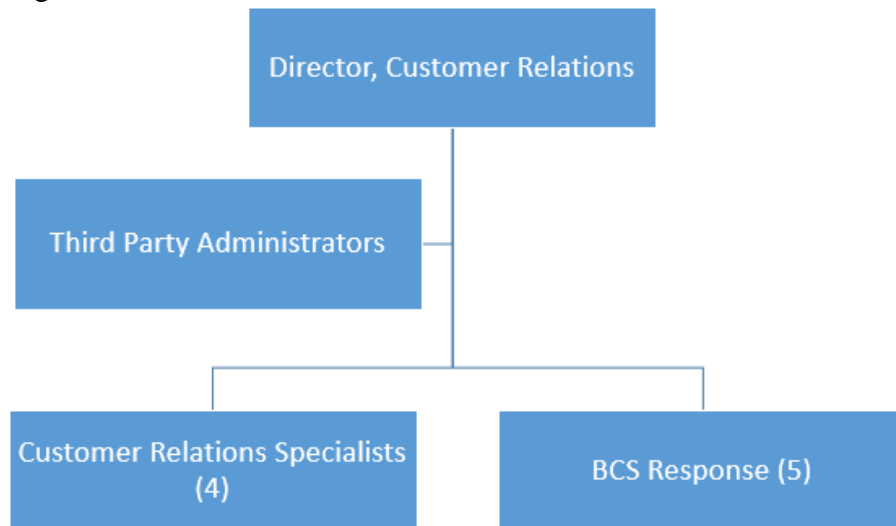
Incoming calls to the Company from low income customers are answered in the Customer Service Center, Monday through Friday from 7 a.m. to 5 p.m. Management of the Customer

Service Center is provided by the Sr. Director of Customer Service. All agents receive training on the Company's Universal Service Programs in order to make appropriate referrals. Customers who appear to be eligible and in need of the Customer Assistance Program are transferred directly to Dollar Energy Fund, the Company's CAP administrator, for immediate assistance. CAP participants who need the assistance of a Dollar Energy Fund Hardship Grant are directly transferred to Dollar Energy Fund to apply for the grant over the phone and are not required to visit an agency. Customers who are in need of other Universal Service programs such as weatherization, emergency heating assistance or CARES are referred by the Customer Service Center to the Customer Relations department for follow up.

In addition to the organization which supports the connection of customers with available assistance, customers can additionally self-refer. Through the Company's website, customers can contact the Company through the 'Peoples Helps' email line which is managed by the Customer Relations department. Customers creating an online payment arrangement through the Company's e-account portal, and who present with income less than 150% FPL are identified and their accounts are forwarded on a weekly basis to the CAP administrator for outreach for potential CAP enrollment and to offer other Universal Service programs as appropriate.

In order to ensure we reach the most vulnerable, an employee-only phone line has been implemented for the Field Operations team. Field technicians can dial directly into the Customer Relations department to make the Company aware of customers in difficult circumstances so help can be provided. Field employees also receive a stock of customer care cards that are essentially business cards with the Company's phone number and a list of programs to hand out to customers who could benefit from these programs. Customer Relations staff members additionally provide 'on call' service to Operations after normal working hours and on weekends. This service allows us to coordinate assistance for vulnerable customers, particularly if an issue arises in colder weather that affects heat to the home.

Customer support has high visibility in the Company as seen through regular presentations to the management team. Educating employees on Universal Service programs is a key focus of Peoples' Making Life Better mission.



## 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 84%, 95%, 106% or 117% 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 and the currently effective CAP Plus amount. If the average bill for the premises is lower than the calculated percentage of income payment, the customer's CAP payment will be the average bill amount.~~

### Findings and Recommendations from Independent Evaluation

1. Phone and Agency Enrollment – Most customers enroll in CAP over the telephone by calling DEF. Customers appear to appreciate the convenience of the telephone enrollment and very few customers visit an agency to enroll in CAP. However, there may be additional cases where agency enrollment may provide important benefits to the customer such as quicker enrollment or more education and referrals, and should be recommended.
2. Income Verification – Peoples has reported that they are working to make it even easier for customer to provide income documentation, by creating additional mechanisms for customers to submit the information.
3. Recertification – As with enrollment, customers appear to appreciate the ability to recertify by mailing in their documentation rather than visiting an agency. However, it may be beneficial for Peoples to suggest that certain customers visit an agency to recertify to obtain a better understanding of the program, the importance of making the monthly CAP payment, and additional resources that may be available to assist them in meeting their needs.
4. CAP Bill – Peoples has designed a CAP bill that provides a clear presentation of the monthly CAP payment, the five dollar contribution for arrearages and the CAP credit as the difference between actual usage and the CAP payment. Peoples could add information on the amount of arrearage forgiveness that will be received when they pay their bill to make this even more apparent.
5. CAP Plus – The CAP Plus adder impacts energy burden and affordability. Peoples should continue to monitor this adder and asses how increases impact affordability, especially for the lowest income customers.
6. Affordability – The CAP survey and the transactions data analysis clearly showed that the program has improved affordability for participants.
7. Bill Payment – CAP also had a positive impact on bill payment.

8. CAP Satisfaction – Customers reported that CAP was very important in helping them to meet their needs and their satisfaction was high.

### **Modifications Since Last Plan**

Peoples implemented the suggestion provided in finding number 4 above regarding the CAP bill. A message has been added to CAP bills, directly below the CAP payment amount, to remind customers of the Arrearage Forgiveness benefit they will receive by making the payment. Please refer to Attachment B for an example of this bill message.

In response to finding number 5, Peoples engaged the regulatory focused members of its Universal Service Advisory Group to review, analyze and discuss potential CAP Plus modifications to address the affordability impact on the lowest income participants in its program. This working group analyzed data and held discussions that led to the modification of the CAP Plus mechanism that is described in this Plan.

The Company also considered the suggestion from the independent evaluation that some customers will be better served through enrolling in CAP in person. While this option has always existed at any Dollar Energy Fund agency, the Company has taken steps to increase the visibility of this option and to encourage its phone agents to offer this option to customers. There has also been a change to agency compensation, providing for agency reimbursement for the cost of completing a CAP application, regardless of whether the customer is ultimately enrolled. The Company has provided CAP training at Catholic Charities of Allegheny County so that customers can apply for CAP in person.

In order to ensure income eligibility, the Company has changed the LIHEAP eligibility provision of its CAP enrollment process to limit the use of LIHEAP in lieu of income documentation to customers who have received a LIHEAP cash or Crisis grant within the current or most recent program year. Prior to this change, customers could enroll into CAP without submitting income documentation if the Company had received LIHEAP funds in the past two years.

### **Eligibility Criteria**

The CAP program is available to customers who are at or below 200% 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.~~

Customers with incomes between 151 and 200% of Federal Poverty Level must additionally have at least one broken payment arrangement and a significant arrearage. A significant arrearage is generally defined as a balance of \$800 or more, but flexibility is given in the evaluation of individual circumstances. Customers in this income group must apply for a Dollar Energy Hardship Fund Grant to be applied to their account balance prior to entering the CAP program if such funds are currently available.

Prior CAP customers who apply for service within nine months of service termination or discontinuance 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 current or most recent LIHEAP program year. Peoples will accept a customer's participation in an electric or water CAP program as verification of income if the customer provides authorization for the CAP administrator to utilize income documentation submitted by the customer to enroll in another CAP program managed by the administrator (i.e. First Energy, Pennsylvania American Water) or authorizes another utility CAP program to share income information for the purposes of enrollment. If a customer enrolls in Duquesne Light's CAP program and provides their permission for their information to be shared, the Company will receive the customer's information from Duquesne Light and will complete enrollment on behalf of the customer. The customer may submit income for the past 30 days or 12 months, whichever is more beneficial to the household, for the determination of eligibility to participate in CAP.

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. The Company mails annual reminder letter to CAP participants who have not yet received a LIHEAP grant within the program year. 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 current or prior program year (if the program recently closed). Household income and family size will place customers in a percent of income matrix. The monthly income times the 8, 9, 10 or 11 percent equals the minimum monthly payment, unless the budget amount for the premises is less, in which case the budget amount will become the CAP amount. ~~Customers who have an existing balance prior to entering CAP will have an add-on of \$5 per month to help offset arrearages. All CAP participants will additionally receive the currently effective CAP Plus amount added to their calculated CAP payment.~~

<u>Federal Poverty Status</u>	<u>Percent of Income</u>
0 - 50%	<del>8</del> 4%
51 – 100%	<del>9</del> 5%
101 – 150%	<del>10</del> 6%
151 – 200%	<del>11</del> 7%

Customers’ CAP payments are reviewed on a monthly basis, during the billing process, to ensure the customer’s CAP payment is the lowest payment for which the customer is eligible (i.e. budget or percentage of income). If a payment change is needed, it is effective the following month. A bill message on the current bill advises the customer the CAP payment for the following month will be changing in order to alert them to review the next bill closely. 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 completing the Zero Income Form, providing proof of support. ~~Proof of support can be submitted as a completed zero income form, 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 and will be required to recertify their income status in 6 months.

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 ~~May 31, 2018~~December 31, 2019 is provided in the table that follows. 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 200% of the federal poverty level.

<b>Peoples Division</b>	<b>Equitable Division</b>	<b>Peoples Gas Company LLC (formerly PTWP)</b>	<b>Total</b>
<del>20,352</del> <u>230,100</u>	<del>15,115</del>	<del>2,770</del> <u>3,494</u>	<del>38,961</del> <u>32,870</u>

### 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 makes each on-time and in-full monthly CAP payment, regardless of 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.

#### ~~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 calculated CAP Plus amount. The calculated CAP Plus amount, up to a ceiling of \$5, will be added to the calculated monthly CAP payment amount (as described in 'Payment Plan' above) for all participating CAP customers~~

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

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.

The Company also utilizes utility partnerships and agencies such as Catholic Charities for CAP enrollment to simplify the process for customers and increase the likelihood customers will enroll in CAP programs with each of their utility providers.

~~6.5. CAP Recertification—Recertification for participants is generally completed on an annual basis.~~—Customers who have ~~enrolled on the basis of~~received LIHEAP or who have certain fixed income types (pension, social security or disability) are recertified once every ~~two~~three years. ~~Other income types will recertify once every two years. Customer reporting no income are required to recertify at least every (6) months. The exception to this requirement are those households whose sole income is unearned income for a child. In those cases, recertification, dependent on the type of income received by the child, will follow the recertification schedule provided for that type of income.~~ Recertification begins with the issuance of a letter to the customer, 60 days in advance of the recertification date, requesting 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.

~~7.6. Final Bills – Final bills are calculated by determining gas usage from the last bill date to the end of service date and applying currently effective residential rates. In addition to the current portion of the final bill, the formerly frozen pre-CAP balance becomes due.~~

## Control Features

To limit program costs, Peoples, through its administrator, monitors CAP accounts 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 (prior to the addition of the currently effective CAP Plus amount).
- CAP participants who qualify for weatherization will receive priority in accordance with the criteria established for the 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 or excess CAP credits may ~~be billed to the CAP customer or the CAP customer may be~~result in ~~-removed~~ from the CAP Program if such usage is considered by the Company to be outside of the intentions of the CAP program.

- A daily report allows the CAP Administrator to identify CAP customers whose weather-normalized annual usage has increased by more than 25% for Peoples Natural Gas or 20% for Peoples Gas Company LLC. 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~~ result in the CAP customer ~~may being~~ removed from the CAP Program.
- In addition to usage monitoring, Peoples 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.
  - 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~~ result in removal from participation in CAP.

### **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 CAP arrears prior to the scheduled termination date. If a CAP account is terminated, the customer must pay all missed CAP payments to restore service.
- Use of natural gas, while on the CAP Program, for recreational purposes such as, but not limited to pool heaters and gas grills is prohibited. Customers using gas for recreational purposes will be removed and can be re-enrolled upon verification that the natural gas connection to the recreational appliance has been removed.

### **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**

Please refer to the Needs Assessment conducted in the Independent Evaluation which is provided as Attachment A. The Needs Assessment executive summary is provided on pages xvi through xvii. The full needs assessment is provided on pages 38 through 43.

### **Program Budget**

- The CAP Program is funded by Peoples' customers and administered by the Company. The chart below contains the projected expenditures for 2019-2024 period. Cost recovery of particular CAP components is provided through the Universal Service Riders of Peoples Natural Gas and Peoples Gas Company LLC. Recoverable costs include CAP credits, Arrearage Forgiveness, and third-party administration. The budgets provided below ~~include Rider eligible expenditures only~~ are based on 2017<sup>9</sup> actual participant income and using average CAP usage to calculate CAP credits, average pre-CAP balances to calculate experience for CAP Credits and Arrearage Forgiveness and contractual costs for CAP administration as projected on a yearly basis. The Riders have other adjustments, such as bad debt adjustments, that determine the actual amount recoverable. The Riders are subject to an annual reconciliation to actual experience. The rates used in the calculation of CAP credits are effective January 1, 2020 and therefore include the base rate increase approved for Peoples Natural Gas in late October 2019. Year end 2019 participation is used as the basis for the calculation.

	<b>Peoples Division</b> <u>Natural Gas</u>	<b>Equitable Division</b>	<b>Peoples Gas Company LLC (PTWP)</b>	<b>Total</b>
<b>2019</b>	<u>\$7,064,231</u>	<u>\$4,531,268</u>	<u>\$1,568,496</u>	<u>\$13,163,995</u>
<b>2020</b>	<u>\$7,065,818</u> <u>\$16,494,998</u>	<u>\$4,532,356</u>	<u>\$1,568,760</u> <u>\$1,721,509</u>	<u>\$13,166,934</u> <u>\$18,216,507</u>
<b>2021</b>	<u>\$7,067,452</u> <u>\$16,528,386</u>	<u>\$4,533,476</u>	<u>\$1,569,033</u> <u>\$1,724,811</u>	<u>\$13,169,961</u> <u>\$18,253,197</u>
<b>2022</b>	<u>\$16,562,775</u>		<u>\$1,728,212</u>	<u>\$18,290,987</u>
<b>2023</b>	<u>\$16,598,196</u>		<u>\$1,731,715</u>	<u>\$18,329,911</u>
<b>2024</b>	<u>\$16,634,679</u>		<u>\$1,735,323</u>	<u>\$18,370,002</u>

### **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 offer in person enrollment for those who prefer and/or are more suited to this approach. Customers can apply in person at Dollar Energy Fund agencies and some Catholic Charities offices. The Company continues to look for other opportunities to expand availability of in-person CAP applications in partnership with Duquesne Light. Peoples continues 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 refers eligible customers to appropriate programs and services including, but not limited to, sources of third-party funding, budget counseling, and consumer education.

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

Peoples' CAP program is managed by the Customer Relations department and is administered by Dollar Energy Fund. The Company visits the CAP administrator on a monthly basis, reviewing recorded calls for quality assurance, verifying CAP program control processes are completed in a timely basis and meeting with supervisory staff to review current processes including training materials for agents, correspondence used for customers and other pertinent components of CAP administration. The Company also holds a biweekly conference call with DEF management staff to share updates on program availability (i.e. LIHEAP opening/closing), discuss current trends and to gain status updates on outreach efforts. In addition, the Company will, on an annual basis, review a selection of randomly chosen accounts for income documentation verification.

### **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. Meetings are held with social service agencies, elected officials and other

community groups to provide current information on available programs. 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. The CAP Administrator makes outbound calls to all customers who establish a payment arrangement through the Company's e-account which is reflective of income at or below 150% FPL.

### **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. Following pre-screening for eligibility and appropriateness of CAP program for the customer's situation, the call agent refers them to the administrator for enrollment via phone or provides information to the customer about applying in person if that options is more preferable or suitable to the customer. Customers in need of CAP who appear to have challenges to traditional enrollment and require more support can be referred to the Company's CARES program for additional assistance. Information on income eligibility and program dimensions is provided in training and employee resource materials.

### **Integration of Programs**

All customers calling Peoples' general customer service number (1-800-764-0111) or its Universal Service line (1-800-400-WARM) are screened for eligibility and appropriateness of Universal Service Programs including, but not limited to, CAP, LIURP, LIHEAP, CARES and Hardship Funds.

Field Service Personnel also make referrals to Universal Service Programs through a direct, employee only line that is answered by the Customer Relations department on an immediate basis. 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.

## **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.

### **Independent Evaluation Findings & Recommendations**

1. Energy Education – Peoples has developed an extensive education program for their LIURP participants. They implemented a Pledge Form to involve the customers with the contractor and an Action Plan form that lists the actions that the customer committed to take to further reduce gas usage. Peoples contracts with energy consultants who perform random inspections and provide additional energy education to the customers about the work completed and additional actions the customers can take to save energy.
2. Energy Savings – Peoples has achieved high savings from LIURP, averaging about 20 percent of the customers' pre-treatment natural gas usage. However, given the high level of pre-treatment usage, and the investment level, Peoples should consider whether it may be possible to achieve even higher savings through targeting and the services that are provided.
3. Targeting – Peoples should consider whether they want to make additional efforts to serve the highest of the high users or the customers who are most payment troubled. They could target a subset of high-usage list for additional outreach to encourage participation.
4. Energy Efficient Measures – Peoples should assess whether they are opportunities to reduce the number of heating system replacements and increase the emphasis on air sealing and insulation.
5. Coordination – Peoples works to complete jobs that are combined with the PA Department of Community and Economic Development Weatherization Program and with electric companies. When jobs are coordinated with State Weatherization or electric companies, Peoples is typically responsible for replacing the heating appliance if replacement is necessary. They completed 17 combined jobs in 2014, 23 combined jobs in 2013, and 33 combined jobs in 2012. Peoples should continue to work with the electric companies, as planned, to try to increase coordination, thus providing improved energy efficiency through a holistic approach.

### **Modifications Since Last Plan**

As described in the Independent Evaluation findings, the Company implemented a pledge form and an action plan form with the goal of enhancing the customer's commitment to conservation as well as the contractor's commitment to usage reduction. The pledge and action plan forms are provided as Attachment C.

Individual project budget guidelines were expanded to allow for remediation of the heating system in addition to implementing the pre-determined usage reduction measures to maximize the efficiency gained in the project. The program also provides a more generous allowance for health and safety items (those measures that do not offer a usage reduction outcome). This allows for the completion of jobs that may have otherwise required the company to forego the project and additionally benefits the overall health and safety of the household.

Participants who do not experience a reduction in pre-treatment usage (non-savers) participate in a Non-Savers Survey which attempts to identify the reasons for the current usage while additionally providing energy conservation education.

The Company accepts Weatherization Assistance Program (WAP) and First Energy Companies' audit forms for those jobs performed as a partnership to reduce the paperwork requirements of the contractors and further encourage coordination of services.

Peoples Natural Gas received approval for a base rate increase effective October 29, 2019. This approval included an increase of \$650,000 to the annual LIURP budget. This change is reflected in years 2020 through 2024 below.

## **Eligibility Criteria**

As recommended by the Independent Evaluation, participation will be targeted to customer that are the highest users.

- Prioritize customer participation to the lowest income and highest arrears.
- 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.)
- Residential, gas-heating customer.
- Customer has not moved and has not had gas service terminated within the last year (to ensure sufficient pre-treatment usage information is available to evaluate the effectiveness of weatherization measures).
- Customer has not received weatherization services provided by the Company within the past 7 years.
- Customer has an annual consumption greater than 140 MCF/year for the Peoples and Equitable Divisions of Peoples Natural Gas. Customers of Peoples Gas Company LLC (formerly Peoples TWP) may participate if annual consumption exceeds 120 MCF/year.
- Renters must have the gas account in their name and receive landlord permission to participate. 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 goal of energy reduction in the customer's home. 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 with the understanding that the auditor may recommend measures of up \$1,000 if necessary. If health and safety measures are identified exceeding \$1,000, the measures are reviewed for approval on a case-by-case basis.

State Weatherization (WAP) and First Energy Companies' audit forms are accepted by the Company for coordinated jobs.

Random inspections provide the necessary feedback to better serve customers, evaluate contractor performance and identify areas of improvement. Random inspections will be performed on a minimum of 25% of jobs completed annually.

### **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 heating system thermostat, lowering the water heater setting and regular replacement of furnace filters. The educator provides written reference materials for the customers. The contractor will also review a pledge form with the customer to emphasize the commitment to energy reduction.

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.

Please refer to Attachment D for a conservation booklet that is commonly used for energy education.

## Needs Assessment

Please refer to the Needs Assessment conducted in the Independent Evaluation which is provided at Attachment A. The Needs Assessment executive summary is provided on pages xvi through xvii. The full needs assessment is provided on pages 38 through 43.

### Projected Enrollment Levels

	<b>Peoples <u>Natural Gas</u> <u>Division</u></b>	<b>Equitable Division</b>	<b>Peoples Gas (formerly PTWP)</b>	<b>Total</b>
<b>2019</b>	<u>157271</u>	<u>114</u>	40	311
<b>2020</b>	<u>157417</u>	<u>114</u>	40	<u>311457</u>
<b>2021</b>	<u>157344</u>	<u>114</u>	40	<u>311384</u>
<b>2022</b>	<u>344</u>		<u>40</u>	<u>374</u>
<b>2023</b>	<u>344</u>		<u>40</u>	<u>374</u>
<b>2024</b>	<u>344</u>		<u>40</u>	<u>374</u>
<b>Total</b>	<u>4712,064</u>	<u>342</u>	<u>120240</u>	<u>9332,304</u>

These projections are based on average spending per home, including the implementation of heating appliance replacement (if necessary) and installation of necessary usage reduction measures.

### Program Budget

	<b>Peoples <u>Division</u> <u>Natural Gas</u></b>	<b>Equitable <u>Division</u></b>	<b>Peoples Gas (formerly PTWP)</b>	<b>Total</b>
<b>2019</b>	<u>\$1,300,000</u> <u>2,100,000</u>	<u>\$800,000</u>	\$280,000	\$2,380,000
<b>2020</b>	<u>\$1,300,000</u> <u>3,342,154*</u>	<u>\$800,000</u>	<u>\$280,000</u> <u>368,222*</u>	<u>\$2,380,000</u> <u>3,710,376</u>
<b>2021</b>	<u>\$1,300,000</u> <u>2,750,000</u>	<u>\$800,000</u>	\$280,000	<u>\$2,380,000</u> <u>3,030,000</u>
<b>2022</b>	<u>\$2,750,000</u>		<u>\$280,000</u>	<u>\$3,030,000</u>
<b>2023</b>	<u>\$2,750,000</u>		<u>\$280,000</u>	<u>\$3,030,000</u>
<b>2024</b>	<u>\$2,750,000</u>		<u>\$280,000</u>	<u>\$3,030,000</u>
<b>Total</b>	<u>\$3,900,000</u> <u>16,442,154</u>	<u>\$2,400,000</u>	<u>\$840,000</u> <u>1,768,222</u>	<u>\$7,140,000</u> <u>18,210,376</u>

\*Please note 2020 budgets include projected carryover dollars from 2019.

The above figures include installation of program measures, third party contract labor, administrative expenses, agency meetings, equipment, outreach, and educational materials. The Peoples Division budget reflects an increase of \$50,000 annually which represents the elimination of the LIURP Pilot Community Partnership for Weatherization program and the transfer of that program's budget to LIURP.

Figures provided include shareholder funds where applicable.

### Plans to use Community Based Organizations

Peoples' LIURP program is currently managed in-house and administered through ~~Conservation Consultants Inc., a non-profit agency~~CLEAResult. As its current administrator, ~~Conservation Consultants~~CLEAResult 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 inspections. Partnering with state weatherization and other utility programs are emphasized to maximize the benefits to the consumer. In addition, at least 25% of the homes weatherized will be subject to random inspections. ~~The Company is currently conducted a Request for Proposal for this program which could result in a change of administrator to another community based organization.~~

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

See Organizational Chart, page 4.

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

The company promotes LIURP through internal and external efforts. Training is provided to customer interaction personnel including agents in the customer service center and customer service field personnel. Engagement with organizations who service customers throughout the service territory, the company website which includes a video library on conservation, published articles on easy conservation steps and safety information. Bill inserts are also used to share information about LIURP and identify eligible participants.

All customers who contact the Company for assistance from the Emergency Furnace and Line Repair program are screened for LIURP eligibility.

Customers who participate in the CAP program and meet LIURP eligibility criteria are referred to LIURP during the CAP Intake Process and during the reviews for use of CAP credits and/or increased annual usage. Additionally, agents in the customer service center routinely refer customers they encounter with high usage.

Peoples' coordinates its LIURP Program with existing community-based programs including Beaver County Redevelopment Authority, Re-Energize Pittsburgh, LIHEAP/ Crisis program, WAP (Weatherization Assistance Program) and others as each individual circumstance permits.

~~Conservation Consultants (CCI)~~CLEAResult, the LIURP Administrator, receives a list from the Company of potentially eligible customers at the beginning of each calendar year. CLEAResult~~CCI~~ uses this list to contact customers via mailings and phone calls to inform the customer about the program and offer enrollment.

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

Eligible customers are identified through company internal reports and other universal service programs such as the CAP, CARES and LIHEAP programs. Customers are enrolled in the LIURP program in accordance with program guidelines.

The company provides training to employees who interact with the customers so that they can be informed about program eligibility requirements. In addition, the company makes all efforts to educate agencies who serve our customers so that they may refer potential participants.

### **Integration of Programs**

Peoples continues to look for ways to increase coordination with the federal and state weatherization programs, electric utilities weatherization and Act 129 programs. Additionally, when opportunities offered by other non-profit organizations are available, the Company seeks coordination with these third party efforts as well.

Peoples will also integrate the program through internal processes such as CAP intake, recertification, CAP usage review process, LIHEAP recipients and the Emergency Furnace/Line replacement program. In addition, the company reinforces the use of an internal Universal Service e-mail to increase referrals.

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

### Program Description

The Peoples companies Emergency Furnace/House and Service Line Repair Program serves customers with limited income and who are experiencing a crisis and possibly going through the winter months without heat because they cannot afford to have their furnace or service lines repaired. Additionally, the Company may consider replacement or repair of water heaters, in cases of vulnerable customer needs, safety issues that arise during a furnace replacement and/or as required by the replacement of a heating system, as eligible under this program.

Program budgets for ~~2018~~2019 ~~were~~are as follows:

<b>Peoples Division</b> <u>Natural Gas</u>	<b>Equitable Division</b>	<b>Peoples Gas Company LLC (formerly PTWP)</b>	<b>Total</b>
<u>\$4800,000*</u>	<u>\$275,000</u>	\$50,000	<u>\$725850,000</u>

\*\$400,000 budget for Equitable Division was approved in 2019 (M-2014-2432515), resulting in an overall budget for Peoples Natural Gas of \$800,000 annually.

These budget levels were also in place during 2017 and were fully exhausted. Early 2018 was colder than normal, resulting in a high number of heating system failures and an increased need for assistance from the program. The budgets included in this Plan were developed using average costs per job type (i.e. furnace, boiler, service line) and activity levels.

The program will allow for restoration of sidewalks, driveways and/or soft ground when necessary to ensure safety following excavation. Restoration costs covered by the program will be limited to those directly necessary to avoid an unsafe condition. All jobs that have the potential to require restoration will be evaluated to determine the prospective level of excavation related costs in determining whether the repair/replacement project can be covered under the Company's program.

The company partners with the Air Conditioners Contractors of Western PA (ACCWPA) to provide cleaning and tune up and a safety check prior to the heating season, of the heating appliance for small number of participants (30 in 2017). While the ACCWPA volunteers their time to provide the service, customers may receive financial assistance through the Company's program to resolve a repair or provide a replacement if a safety issue with the heating system is identified. Participants in the program are required to be homeowners within 200% of FPL.

### Eligibility Criteria

- Must be a homeowner. Renters are not eligible for the program.
- Total household income may not exceed 200% of FPL.

- Must have a need for emergency repairs and/or replacement of the heating ~~system~~system, hot water heater and/or gas lines. Non-emergency repairs and replacements are not covered by this program.
- Residential, gas-heating customer
- Customers should apply for LIHEAP/Crisis is the program is available.

The Company may refer eligible customers to LIHEAP Crisis when that program is available. This referral process allows Peoples to protect available funds of the program for use by those with immediate needs that cannot await LIHEAP Crisis as well as those customers who do not meet LIHEAP Crisis income qualifications (i.e. 151 to 200% FPL).

All potential repairs or replacements are evaluated by a contractor on behalf of the company to determine if the project is suitable to be covered by the program.

### Needs Assessment

Based on historical participation the Peoples companies estimate to serve 143320 customers from the Peoples Natural Gas Division, ~~143 from Equitable Division~~ and 25 customers from the Peoples Gas Company LLC to receive assistance through this program on an annual basis.

### Projected Enrollment Levels

Because the prices for labor and materials consistently increase, and with the addition of limited restoration costs on an as necessary basis, the number of customers assisted will vary in relation to the types and costs of projects completed in a given year.

### Program Budget

	<b>Peoples Division</b> <u>Natural Gas</u>	<b>Equitable Division</b>	<b>Peoples Gas Company LLC (formerly PTWP)</b>	<b>Total</b>
<b>2019</b>	<b>\$4800,000</b>	<b>\$400,000</b>	<b>\$60,000</b>	<b>\$860,000</b>
<b>2020</b>	<b>\$412824,000</b>	<b>\$412,000</b>	<b>\$61,800</b>	<b>\$885,800</b>
<b>2021</b>	<b>\$424,360848,720</b>	<b>\$424,360</b>	<b>\$63,654</b>	<b>\$912,374</b>
<b>2022</b>	<b>\$874,182</b>		<b>\$65,564</b>	<b>\$939,746</b>
<b>2023</b>	<b>\$900,407</b>		<b>\$67,531</b>	<b>\$967,938</b>
<b>2024</b>	<b>\$924,419</b>		<b>\$69,556</b>	<b>\$993,975</b>
<b>Total</b>	<b>\$1,236,3605,171,728</b>	<b>\$1,236,360</b>	<b>\$185,454388,105</b>	<b>\$2,658,1745,559,833</b>

The budget for each Division/Company was developed using average costs for project types: boiler replacement, furnace replacement, heating system repairs and gas service line replacements. Additionally, the Company assumed 20% of the service line projects will require

repair/replacement of sidewalks. The costs above include third party administration, but do not include internal labor.

### **Organizational Structure**

See Organizational Chart on page 4.

### **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 is currently administered by ~~Conservation Consultants, Inc~~CLEARresult. ~~The Company is currently undergoing a Request for Proposal process which could result in change of administrator.~~ 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.

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

### **Program Description**

The CARES program is designed to provide assessment and referral services for customers who may be experiencing 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. The program also includes Protection from Abuse Orders as outlined in 66 PA CSA, Chapter 14 and the Address Confidentiality Program (ACP).

### **Findings and Recommendations from the Independent Evaluation**

1. Benefits – CARES provides important benefits to special needs customers, including education about the Earned Income Tax Credit and LIHEAP, thermostats for visually-impaired customers and short term assistance to ensure that customers are able to access the resources that they are referred to.
2. Employee Education – Peoples has levered CARES to educate employees about special needs customers, increase the sensitivity of their employees and increase customer referrals.

### **Modifications Since last Plan**

The company will make efforts to partner with the electric company to provide services to vulnerable customers within the residence. The services will include obtaining documentation for Universal Service eligibility such as CAP, LIHEAP, and Dollar Energy Fund and will also provide resources within the customers' community and also promote the company programs.

### **Eligibility Criteria**

Any special needs customer in danger of losing heat due to non-payment or heating equipment failure is referred to CARES. Customers are identified through referrals from call center agents, Dollar Energy Fund agents and field employees of Peoples. 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.

The CARES program is intended for customers with immediate needs. Specialists provide an assessment to assure customers not only receive all necessary referrals to other programs, but are unable to access resources. The primary objective is to help customers resolve issues related to

and beyond bill payment and energy affordability by utilizing case management and referral services.

Customer Relations Specialists utilize an array of resources throughout the service territory such as: available energy assistance resources, public assistance benefits, local social agencies services etc. Specialists also provide training on programs and sensitivity training to customer service center personnel, field customer service personnel, in addition to providing Universal Service program awareness to social service staff. They also network with community based organizations and the Universal Service Advisory Group to better enable customers to receive services and possible third party assistance and funding.

Some of the agencies are as follows:

- Health and Welfare Councils
- Department of Aging
- Allegheny County Community Services Advisory Council
- Health Department
- Pennsylvania Department of Human Services
- Social Service Agency Providers Council
- Cambria County Energy Crisis Council
- Local social agencies such as Catholic Charities and Saint Vincent de Paul Society in the area.
- Beaver County Human Service Forum
- Veterans Leadership
- Allies for Health and Wellbeing- Housing Program
- Latino Family Center

Specialists also participate in awareness programs and fairs sponsored by social service agencies and elected officials to increase visibility and awareness. They also actively network in the community through partnerships with:

- Be Utility Wise
- Air Conditioning Contractors of Western Pennsylvania (ACCWPA) Furnace Inspection program
- Homeless Prevention & Rapid Re-Housing Program
- Southwestern PA 2-1-1
- Beaver County Human Service Forum
- YWCA of Greater Pittsburgh advisory committee

Customer Relations Specialists work with area social service agencies throughout the service territory to provide third party assistance for our customers. As a result, eligible customers might receive financial assistance from third party social service agencies such as Catholic Charities, Salvation Army, St. Vincent de Paul Society, Veterans Leadership in addition to traditional energy assistance etc.

Peoples will also work through a social agencies and electric utilities partnership to provide home visits for those customers with special needs who might benefit from a more personal interaction.

The CARES program has two components:

- One time contact - includes those customers who might need an immediate referral to resolve an urgent crisis or a short term situation.
- Case Management – includes a case work approach and ongoing monitoring and follow-up services. Qualifying accounts are coded CARES and require the specialist to monitor the account. Customers with PFA orders and participants of the ACP are part of the case management component.

#### Field Reporting of CARES Cases

The CARES program also includes the referrals from field employees who identify customers in vulnerable situations and refers those customers for help from our Customer Relations department. A direct employee only phone number is used to connect the field employees to the Customer Relations department on an immediate basis during normal working hours. Recognizing that our field employees respond to emergencies 24 hours/7 days a week and may identify a vulnerable customer issue in the evening or on the weekend, the Company utilizes and ‘on call’ program which ensures one of the senior Customer Relations Specialists is available via cell phone to provide assistance.

The Company utilizes the CARES program as a way to educate employees to be sensitive to those with special needs and also to recognize certain danger signals such as change in behavior, evidence of confusion or lack of apprehension, or disability in addition to company available programs.

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

Thermostats for vision impaired customers are available for those who have been medically Identified as a patient with severe vision impairment. Peoples provides and installs these devices through its CARES program. Customers can also request large print bills or Braille bills depending upon their needs. The company partners with the Western PA School for the Blind Children to prepare Braille bills.

### Earned Income Tax Credit Educational Outreach

Peoples promotes the Earned Income Tax Credit Program (“EITC”) to educate 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 call agents and Customer Relations specialists.

### Low Income Home Energy Assistance Program Outreach

The Low Income Home Energy Assistance Program or LIHEAP is an important component of CARES. Peoples identifies income eligible customers and promotes the program through bill inserts, company website, grassroots agencies, company employees and letters sent to CAP participants. Customers can obtain an application by contacting the Company via its call center or can be connected to the online application through the Company’s website.

Peoples continues to partner with state, federal and other advocacy groups to encourage full funding for LIHEAP and actively participates in the LIHEAP Action Committee.

### Needs Assessment

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 875 customers per year for the Peoples Division, 600 of the Equitable Division and 146 customers of Peoples Gas Company LLC. In addition to these CARES cases, outreach is provided to low-income customers to increase participation in energy assistance programs and EITC.

### Program Budget

	<b>Peoples Division</b> <u>Natural Gas</u>	<b>Equitable Division</b>	<b>Peoples Gas Company LLC (formerly PTWP)</b>	<b><u>Total</u></b>
2019	<u>\$169,402,285,474</u>	<u>\$116,072</u>	\$28,234	<u>\$313,708</u>
2020	<u>\$174,187,293,537</u>	<u>\$119,350</u>	\$29,031	<u>\$322,568</u>
2021	<u>\$179,116,301,843</u>	<u>\$122,727</u>	\$29,853	<u>\$331,696</u>
<u>2022</u>	<u>\$310,898</u>		<u>\$30,749</u>	<u>\$341,647</u>
<u>2023</u>	<u>\$320,225</u>		<u>\$31,671</u>	<u>\$351,896</u>
<u>2024</u>	<u>\$329,832</u>		<u>\$32,621</u>	<u>\$362,453</u>
<b><u>Total</u></b>	<b><u>\$1,841,809</u></b>		<b><u>\$182,159</u></b>	<b><u>\$2,023,968</u></b>

Total estimated funding amounts for the CARES program including salaries for Customer

Relations Specialists, Director, contract labor, professional development; administrative expenses and outreach efforts and materials.

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

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

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

See Organizational Chart, page 4.

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

Peoples Customer Relations 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, providing materials to local social service agencies and distributing materials through its Peoples Universal Service Advisory Group.

Please refer to Attachment E for a programs booklet that provides information about all of the Universal Service programs available to Peoples' customers. This booklet is distributed at local outreach events and to agencies that work with low income consumers.

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

Refer to the Identification and Referral of Low Income Customer information provided in the Customer Assistance Program section.

### **Program Integration**

See Integration Methods as outlined under the Customer Assistance Program.

## **PEOPLES NATURAL GAS AND PEOPLES GAS Company LLC HARDSHIP FUNDS**

## **Program Description**

The Peoples Natural Gas Company LLC and Peoples Gas Company LLC Hardship Funds are partnerships 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 \$588,500 annually to match customer donations and contributes \$126,500 for administrative costs; of that amount \$550,000 is allocated for Peoples Natural Gas customers and \$38,500 for Peoples Gas Company LLC customers with \$110,000 and \$16,500 in administrative costs respectively.

## **Findings and Recommendations from Independent Evaluation**

1. DEF Partnership – Peoples has developed a good partnership with DEF to deliver Hardship Fund grants.
2. Customer Communication – DEF continues to work to improve the process for the customer. They are working to enhance their phone system to enable customers to use text messaging in place of speaking with a representative. This would help lower income customers whose cell phone plan includes only a certain amount of calling, but have unlimited texting.

## **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. CAP participants are deemed as having made a sincere effort to pay if their payments in the last 90 days are equal or greater than two CAP payments if such amount is less than the generally required \$150 or \$100 dependent on the customer's age. 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.

## **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.

**Enrollment Levels**

During the 2017-2018 program year, Peoples customers, including those of the former Equitable Gas Company, received a total of \$1,177,000 in grants. This includes the matching grant from Dollar Energy Fund.

**Program Budget**

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. The below budget is reflective of the amounts provided by Peoples shareholders in support of the Hardship Grants and does not include administrative donations nor customer donations.

	<b>Peoples Natural Gas</b>	<b>Peoples Gas Company LLC (formerly PTWP)</b>	<b><u>Total</u></b>
2019	\$550,000	\$38,500	<u>\$588,500</u>
2020	\$550,000	\$38,500	<u>\$588,500</u>
2021	\$550,000	\$38,500	<u>\$588,500</u>
<u>2022</u>	<u>\$550,000</u>	<u>\$38,500</u>	<u>\$588,500</u>
<u>2023</u>	<u>\$550,000</u>	<u>\$38,500</u>	<u>\$588,500</u>
<u>2024</u>	<u>\$550,000</u>	<u>\$38,500</u>	<u>\$588,500</u>
<b>Total</b>	<b><u>\$1,650,000</u></b> <b><u>3,300,000</u></b>	<b><u>\$115,500</u></b> <b><u>231,000</u></b>	<b><u>\$3,531,000</u></b>

**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 4.

## **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 FAN Golf Outing Classic and Annual Luncheon. Cold Down for Warmth activities included an advertisement to encourage donations.
- 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, and 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.