



VIA ELECTRONIC FILING

May 7, 2021

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

Re: Docket No. M-2014-2432515 – Peoples Natural Gas Company LL 2015-2018 Universal Service and Energy Conservation Plan

Docket No. M-2018-3003177 – Peoples Natural Gas Company LLC Universal Service and Energy Conservation Plan for 2019-2024

Dear Secretary Chiavetta:

In accordance with the Final Order issued on December 17, 2015 by the Public Utility Commission in Docket Number M-2014-2432515, the Company is required to report on the Customer Assistance Program (CAP) expansion as follows:

PNGC shall also file and serve its annual report regarding E-CAP customer participation, costs, payment compliance and balance impact at this docket. At a minimum, PNGC should invite all parties to this proceeding to discuss the results of this report and potential program modifications.

Attached is the annual report which discusses the Fifth Year Results of the ECAP Program and provides a Discussion of Pilot E-CAP Status and Potential Modifications and Considerations.

If you have any questions or concerns regarding this matter, please do not hesitate to contact the undersigned at (412) 208-6834 or Rita Black, Director, Customer Relations at (412) 208-6530.

Very truly yours,

Jennifer L. Petrisek
Sr. Counsel

CERTIFICATE OF SERVICE

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

VIA ELECTRONIC MAIL:

Christy Appleby, Esquire
Office of Consumer Advocate

Office of Small Business Advocate

Gina Lauffer, Esquire
Pennsylvania Public Utility Commission
Bureau of Investigation & Enforcement

Elizabeth R. Marx, Esquire
Pennsylvania Utility Law Project

Alexis Bechtel, Director
Pennsylvania Public Utility Commission
Bureau of Consumer Services



Jennifer L. Petrisek

Dated this 7th of May, 2021.

In compliance with the Final Order issued December 17, 2015 by the Public Utility Commission, the Company is required to report on the CAP expansion as follows:

PNGC shall also file and serve its annual report regarding E-CAP customer participation, costs, payment compliance and balance impact at this docket. At a minimum, PNGC should invite all parties to this proceeding to discuss the results of this report and potential program modifications.

Pilot E-CAP Background

The Pilot E-CAP was designed to provide the affordability and Arrearage Forgiveness benefits of CAP to customers with incomes between 151 and 200% of Federal Poverty Levels. Customers at this income level are not eligible for LIHEAP, a significant source of energy assistance, but they are eligible for Dollar Energy Fund's Hardship Program. They are additionally eligible for emergency assistance through the Company's Emergency Furnace and Line Repair programs. The goal of this Pilot is to identify customers within this income segment that have accrued significant balances and for whom a typical payment arrangement, spreading the balance over a number of months and adding it to the effective budget amount, would be unaffordable. As a participant in E-CAP, when customers make their CAP payment, they receive Arrearage Forgiveness benefits equal to 1/36 of their pre-CAP balance. The CAP payment is based on 11% of household income or the budget amount for the account, whichever is lowest.

Participants in E-CAP are subject to the same enrollment procedures, recertification requirements and payment reviews as all traditional CAP participants (i.e. incomes less than 150% FPL). Following the Commission's approval of the Pilot in its Final Order of December 17, 2015, the Company begin employee training on the eligibility requirements of E-CAP and begin enrollments in early 2016.

Fifth Year Results

At year-end 2020, the total number of active participants in the Pilot CAP Expansion was 2,712. The attached report reflects the enrollment levels by month for 2020. This figure includes 1,436 former Peoples Division customers, 1,009 former Equitable Division customers and 267 customers of Peoples Gas LLC (formerly Peoples TWP). In comparison, enrollment at year-end 2019 was 2,427 customers reflecting a modest growth in overall participation levels, even considering the economic difficulties that arose due to the COVID 19 pandemic. Customers applying for Hardship Funds with Dollar Energy Fund and whose account balances cannot be exhausted by the receipt of the grant, are targeted for enrollment in E-CAP.

This program is only beneficial to customers with significant balances. The CAP administrator carefully considers the full CAP payment when determining if it is appropriate to offer this program to individual customers. As with the traditional CAP program, the customer's calculated CAP payment will be based on percentage of income (11%) or budget amount, whichever is lower. In most, if not all cases within this pilot group, this initial calculation results in the customer receiving a base CAP payment of the account budget payment. An additional \$5 is added to the base payment for pre-CAP arrears and the

currently effective CAP Plus amount is applied (currently \$5), resulting in the CAP payment available to the potential participant. This should be compared to available payment arrangement terms to determine if CAP is the most affordable payment plan available. Enrollment fluctuates on a monthly basis.

In 2020, Arrearage Forgiveness benefits and CAP Credits for E-CAP customers were as follows:

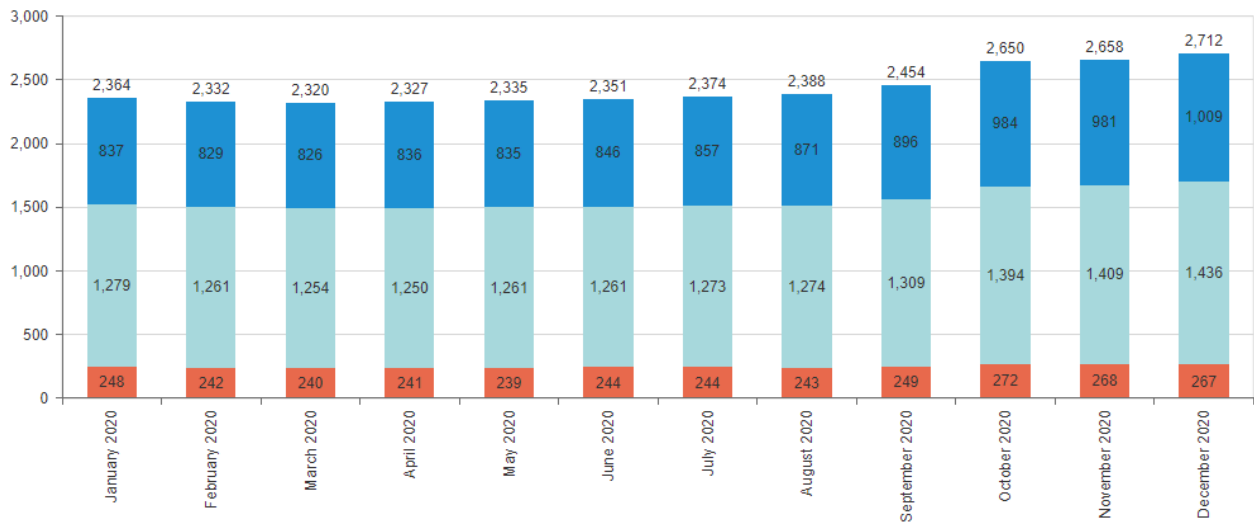
Arrearage Forgiveness	\$544,799
CAP Credits	\$227,423

One of the main goals of the Pilot CAP Expansion is to not only manage arrearages, but to encourage payment habits, thus preventing an accumulation of additional arrearages. Payments received on accounts participating in the Pilot CAP program during 2020 exceeded \$2.6 million.

Discussion of Pilot E-CAP Status and Potential Modifications and Considerations

As noted in its report on 2019 activities, the Company recognizes that payment behavior for all CAP participants, not just those in this expanded CAP eligibility program, is an important area for continued improvement. To increase success in paying down prior debts through receipt of Arrearage Forgiveness benefits and to maintain current payment to retain active utility service, the Company has begun work with its Universal Service Advisory Group (USAG) on this issue. At its January 2021 meeting, the Company introduced the topic of CAP payment compliance and held an open discussion on how to best impact CAP payment behavior at different touchpoints in the life cycle of a CAP participant, including enrollment and recertification. Suggestions from the group included better communication when a customer enrolls in the program as well as consideration of reminders (i.e. text reminders, emails, etc.) throughout their participation in CAP. The topic was also mentioned during our April 2021 USAG meeting as the Company sought input from the group on data points that would be helpful in discerning the scope of the issue and generating ideas for improving payment behavior. While some participants provided initial data point suggestions during the meeting, others asked for a few weeks to gather input from their organizations. The Company plans to share the results of its first report at its July 2021 meeting. Time will be dedicated at that meeting to further delve into CAP payment behavior improvement suggestions.

Monthly E-CAP Participation



Dark blue represents the former Equitable Division of Peoples Natural Gas.

Light blue represents the former Peoples Division of Peoples Natural Gas.

Orange represents Peoples Gas.