



National Fuel[®]

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October 13, 2021

VIA ELECTRONIC FILING

Ms. Rosemary Chiavetta
Pennsylvania Public Utility Commission
400 North Street, Second Floor North
P.O. Box 3265
Harrisburg, PA 17120-3265

RE: National Fuel Gas Distribution Corporation's ("**National Fuel**") Universal Service and Energy Conservation Plan for 2022-2026 ("**Plan**") Reply Comments ("**Reply Comments**") filed in Response to Order of the Pennsylvania Public Utility Commission ("**Commission**") Dated July 15, 2021 ("**July 15, 2021 Order**") at Docket No. M-2021-3024935

Dear Secretary Chiavetta:

Enclosed for filing at the above-referenced docket, please find National Fuel's Reply Comments. These Reply Comments have been served on those identified in the Certificate of Service attached to same. In addition, consistent with ordering paragraph 6 of the July 15, 2021 Order, the Reply Comments have been provided in WORD[®] format to the individuals identified in same.

If you should have any questions or concerns, please do not hesitate to contact me at (814) 871-8177.

Very truly yours,

Dominick A. Sisinni

Attachments

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

National Fuel Gas :
Distribution Corporation's :
Universal Service and Energy : Docket No. M-2021-3024935
Conservation Plan for 2022-2026 :
Submitted in Compliance with :
52 Pa. Code § 62.4. :

**REPLY COMMENTS OF
NATIONAL FUEL GAS DISTRIBUTION CORPORATION**

**NATIONAL FUEL GAS DISTRIBUTION
CORPORATION**

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**REPLY COMMENTS OF
NATIONAL FUEL GAS DISTRIBUTION CORPORATION¹**

National Fuel Gas Distribution Corporation (“**National Fuel**” or “**Company**”) submits the following Reply Comments in response to the September 14, 2021 Comments submitted by the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“**CAUSE-PA**”) and the Pennsylvania Office of Consumer Advocate (“**OCA**”) (collectively the “**Advocates**”). The Advocates’ Comments follow National Fuel’s responsive filing to the Order of the Pennsylvania Public Utility Commission (the “**Commission**”) entered on July 15, 2021 (the “**Tentative Order**”)² which sought supplemental information and established the comment period relative to National Fuel’s proposed Universal Service and Energy Conservation Plan for 2022-2026 (the “**2022-2026 Plan**” or “**Plan**”).³

I. INTRODUCTION.

A. REGULATORY BACKDROP.

Recently, the Commission has taken numerous actions relative to universal service and energy conservation measures and the Universal Service and Energy Conservation Plans (“**USECP**”) which electric distribution companies (“**EDCs**”) and natural gas distribution

¹ Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in National Fuel’s proposed Universal Service and Energy Conservation Plan for 2022-2026, unless the context clearly indicates a contrary meaning. As used herein, each previous USECP will be referred to by the years covered by it. For example, National Fuel’s USECP for plan years 2017-2020 shall be referred to as the “2017-2020 Plan.” Additionally, the term “Current Plan” shall refer to the 2017-2020 Plan unless the context clearly indicates a different meaning.

² *National Fuel Gas Distribution Corporation’s Universal Service and Energy Conservation Plan for 2022-2026 Submitted in Compliance with 52 Pa. Code § 62.4*, Docket No. M-2021-3024935, Order Directing Supplemental Information and Establishing Comment Period, dated July 15, 2021.

³ *National Fuel Gas Distribution Corporation’s Universal Service and Energy Conservation Plan for 2022-2026 Submitted in Compliance with 52 Pa. Code § 62.4*, Docket No. M-2021-3024935, National Fuel Gas Distribution Corporation 2022-2026 Universal Service and Energy Conservation Plan, filed on March 31, 2021.

companies (“NGDCs”) are required to file on a regular basis. Such actions include: (a) amending the Commission’s Customer Assistance Programs (“CAP”) Policy Statement, effective March 21, 2020 (“CAP Policy Statement”)⁴ via seventeen (17) separate modifications (the “2019 CAP Policy Statement Amendments”) including establishing new maximum tiered CAP energy burdens (the “New Energy Burden Levels”);⁵ and (b) issuing an Order to implement a pilot USECP filing schedule and universal service impact evaluation filing schedule, which, *inter alia*, has the effect of extending the duration of USECPs from three (3) years to five (5) years (the “Extended Plan Length Order”).⁶

Notably, shortly after the above-referenced Commission actions, the COVID-19 pandemic began. While the Commission took numerous, proactive actions to address/mitigate adverse impacts of the pandemic on Pennsylvanians, the Commission has taken no action to either delay, suspend, or otherwise temporarily waive/modify the effective date of the 2019 CAP Policy Statement Amendments and/or the Extended Plan Length Order.

B. INSTANT PROCEEDING.

National Fuel’s 2022-2026 Plan is the first USECP filed by a Pennsylvania NGDC/EDC since the Commission took the above-described actions. In this regard, on March 31, 2021, in accordance with the Extended Plan Length Order,⁷ National Fuel submitted its 2022-2026 Plan to the Commission for review and approval.⁸ On July 15, 2021, the Commission entered the Tentative Order in which it, *inter alia*, asked National Fuel to provide supplemental information relative to the Plan and elicited other stakeholder comments, all of which the Commission indicated will be reviewed prior to issuing approval for the Plan.⁹

⁴ 52 Pa. Code §§ 69.261, *et seq.*

⁵ 2019 Amendments to Policy Statement on Customer Assistance Programs, 52 Pa. Code §§ 69.261-69.267, Docket No. M-2019-3012599, Final Policy Statement and Order, entered on November 5, 2019 (the “Final CAP Policy Statement Order”).

⁶ 2019 USECP Filing Schedule and Independent Evaluation Schedule, Docket No. M-2019-3012601, Order – 2020-2025 USECP and Impact Evaluation Filing Schedule, entered on October 3, 2019.

⁷ Extended Plan Length Order at 12.

⁸ Pursuant to 52 Pa. Code §§ 62.1-62.8.

⁹ Tentative Order at 49.

On August 24, 2021, National Fuel filed comments and produced the information requested per the July 15, 2021 Order (“**National Fuel’s Plan Comments**” or “**Plan Comments**”).¹⁰ National Fuel’s Plan Comments contained both: (a) specific information sought in the July 15, 2021 Order; and (b) certain minor, technical changes to the Plan to correct clerical errors (“**Technical Corrections**”), which were provided in a redline version of the Plan (at Annex A, which was attached to National Fuel’s Plan Comments).

After the filing of National Fuel’s Plan Comments, on September 14, 2021, the Advocates each filed comments pursuant to the July 15, 2021 Order (collectively, the “**Comments**”).¹¹ Pursuant to the Tentative Order, National Fuel files the instant Reply Comments (the “**Reply Comments**”).¹²

II. COMMENTS.

A. OVERVIEW.

National Fuel appreciates the efforts of the Advocates and embraces this collaborative process the Commission has prescribed to ensure a robust set of Universal Service Programs (“**Programs**” or “**Universal Service Programs**”) are available to its customers. In this regard, National Fuel appreciates the Advocates’ Comments and the thoughts, ideas, and considerations raised in same. By way of a high-level summary, the OCA’s Comments principally tend to further the laudable objective of keeping total energy costs affordable for all residential ratepayers.¹³ Similarly, CAUSE-PA’s Comments tend to advance the equally laudable goal of matters it

¹⁰ *National Fuel Gas Distribution Corporation’s Universal Service and Energy Conservation Plan for 2022-2026 Submitted in Compliance with 52 Pa. Code § 62.4*, Docket No. M-2021-3024935, National Fuel Plan Reply Comments filed in Response to the Tentative Order, dated August 24, 2021.

¹¹ More specifically:

- The OCA submitted comments (*See, National Fuel Gas Distribution Corporation’s Universal Service and Energy Conservation Plan for 2022-2026 Submitted in Compliance with 52 Pa. Code § 62.4*, Docket No. M-2021-3024935, Comments of the Pennsylvania Office of Consumer Advocate, dated September 14, 2021) (“**OCA’s Comments**” or the “**OCA Comments**”).
- CAUSE-PA submitted comments (*See, National Fuel Gas Distribution Corporation’s Universal Service and Energy Conservation Plan for 2022-2026 Submitted in Compliance with 52 Pa. Code § 62.4*, Docket No. M-2021-3024935, Comments of the Coalition for Affordable Utility Service in Pennsylvania, dated September 14, 2021) (“**CAUSE-PA’s Comments**” or the “**CAUSE-PA Comments**”).

¹² Tentative Order at 49. The deadline for filing these Reply Comments was modified pursuant to a September 23, 2021 Secretarial Letter (*National Fuel Gas Distribution Corporation’s Universal Service and Energy Conservation Plan for 2022-2026 Submitted in Compliance with 52 Pa. Code § 62.4*, Docket No. M-2021-3024935, Secretarial Letter dated September 23, 2021).

¹³ *See*, OCA Comments at 2-3.

believes affect the ability of low-income Pennsylvanians to access and maintain utility services to their homes.¹⁴

National Fuel agrees with many of the suggestions and proposals offered by the Advocates in their Comments. This should come as no surprise, as the same “big picture” objectives advanced by the Advocates in their Comments are the very goals which guided National Fuel in developing this Plan. As noted in its Plan:

National Fuel has taken care to ensure that . . . this 2022-2026 Plan carefully balance[s]: (a) assisting customers eligible to participate in the Programs, with (b) the effect the costs associated with these Programs have on the rates paid by non-enrolled customers. In this regard, in addition to moderating the Universal Service Program costs and the financial impact of them, National Fuel has also focused on other desired outcomes, including establishing affordable payment plans, modifying payment behavior, and reducing energy consumption.¹⁵

While National Fuel believes that its Plan, as originally filed, balances these considerations in an optimal manner, after internal review, discussion, and collaboration, National Fuel is prepared to explicitly incorporate those portions of the Advocates’ Comments specifically identified herein, which it believes globally advance both of these goals. In addition, to facilitate the Advocates’ and the Commission’s review of those changes National Fuel is willing to incorporate into its Plan, National Fuel also has attached **Annex A-2** to these Reply Comments, which identifies such provisions in highlighted redline to identify same.¹⁶

While National Fuel has agreed with many of the Advocates’ recommendations and further to incorporate several of them directly in its Plan (without any explicit direction to do so from the Commission), National Fuel is opposed to incorporating all of the Advocates’ recommendations.

¹⁴ CAUSE-PA Comments at 1.

¹⁵ Plan at 4.

¹⁶ Annex A-2 contains both: (1) the Technical Corrections redlines first produced in Annex A, which was attached to National Fuel’s Plan Comments; and (2) the redlines to incorporate those recommendations from the Advocates’ Comments which National Fuel is prepared to adopt into its Plan (the “Reply Comments Redlines”). To delineate the Technical Corrections redlines from the Reply Comments Redlines, the latter are highlighted in yellow.

At a high-level (and subject to further explanation herein), those recommendations which National Fuel is opposed to adopting typically fall into one of the following categories:

- Changes which would conflict with applicable statutory/regulatory guidance of the Utility Code and/or Commission;
- Changes which, if implemented, would disparately benefit one class of residential customers (*i.e.*, customers enrolled in National Fuel’s Universal Service Programs to the detriment of those not enrolled, or vice-versa) in a manner beyond that permitted by the Utility Code’s enabling provision for Universal Service Programs, which explicitly require such Programs to be available but operated in a “cost-effective manner;”¹⁷
- Changes to specific Program components which, in the aggregate, would undermine the integrity of such Program; or
- Changes which would be impracticable or require large administrative expense to implement and yield few, if any, tangible benefits.

With the collaborative tone of these Reply Comments established through this brief prefatory section, National Fuel now turns to address certain of the recommendations raised in the Advocates’ Comments and to identify those items which it plans, with the Commission’s approval, to incorporate into its Plan.

B. LOW-INCOME RESIDENTIAL ASSISTANCE PROGRAM (“LIRA”).

1. Overview.

The Low-Income Residential Assistance Program (“LIRA”) is National Fuel’s longstanding CAP. The Comments accurately capture the fact that: (a) in its Plan, National Fuel intends to leverage the general design of LIRA, updated, as has been thoroughly detailed in its Plan and the Comments, to account for the 2019 CAP Policy Statement Amendments, including the New Energy Burden Levels) (“LIRA Program Modifications”);¹⁸ and (b) LIRA is a “rate discount” program (as explicitly permitted per the CAP Policy Statement)¹⁹ while other NGDC’s typically utilize a percentage of income program (or “PIP”) for their CAPs.²⁰

¹⁷ See, 66 Pa.C.S. § 2203(8).

¹⁸ 52 Pa. Code § 69.265.

¹⁹ See generally, Plan, “Part V – Summary of Proposed Modifications” at 12-13.

²⁰ On this latter point, while National Fuel is well aware that other utilities have transitioned their CAP’s to PIP’s, it nevertheless believes that its “rate discount” CAP is a superior design for its service territory insofar as “rate discount” CAPS – unlike PIP’s – not only provide affordability to enrolled customers, but also enable such customers to manage their utility costs through monitoring their own consumption and proactively implementing conservation efforts. See, Plan at 15.

However, the Comments indicate a need for National Fuel to highlight the *specific* modifications National Fuel has proposed to LIRA’s Discount Rate²¹ structure/computation (and the interplay between such changes) so as to implement the New Energy Burden Levels outlined in the 2019 CAP Policy Statement Amendments (the “**LIRA Energy Burden Modifications**”):

- **Addition of 90% Discount Rate:**²² No additional explanation needed in these Reply Comments as the Comments evidence an understanding of this modification.
- **Monthly Adjustment of the Participant’s Discount Rate to Account for New Energy Burden Levels (the “Monthly Adjustment Modification”):**²³ The Comments suggest there is a need for National Fuel to provide further explanation regarding this modification to LIRA. In its 2017-2020 Plan (*i.e.*, the Current Plan), a LIRA participant’s Discount Rate would generally change *only* if the aggregate income level of the household changed or if the number of people in a household changed.

In the instant Plan, National Fuel proposes to modify the existing practice so as to cause a “participant’s Discount Rate [to be] set and *adjusted monthly* to the greater of: (1) The Discount Rate . . . [based on the aggregate income and household size]; or (2) The Discount Rate **which brings the participant’s energy burden within the levels specified in the CAP Policy Statement (or as close to such energy burden levels as possible).**”²⁴

This change is designed to bring LIRA participants within the New Energy Burden Levels, even during periods of higher consumption.

To be clear: via the interplay of the LIRA Energy Burden Modifications and the fact that LIRA participants, on a monthly basis, “pay the greater of the Discount Amount²⁵ or a minimum payment of \$12,”²⁶ National Fuel has projected that all LIRA participants would have monthly natural gas bill which either: (a) fall within the New Energy Burden Levels; or (b) have a monthly minimum payment of \$12²⁷ (which is the lowest minimum payment of any utility within the state

²¹ As used herein, the term “Discount Rate” shall have the meaning ascribed to it on p. 15 of the Plan.

²² Plan at 12, 15.

²³ *Id.* at 15.

²⁴ *Id.* (emphasis added).

²⁵ As used herein, the term “Discount Amount” shall have the meaning ascribed to it on p. 16 of the Plan.

²⁶ Plan at 16.

²⁷ In its Plan, National Fuel has noted:

Because National Fuel proposes a maximum Discount Rate of 90% for LIRA, there is a small number of participants whose energy burdens will not fall within the 4% and 6% energy burden levels identified in the CAP Policy Statement. Based on internal modeling by National Fuel, under normal usage scenarios, only 60 LIRA participants (or less than 0.75% of LIRA participants) [“(Subject Participants)”] will not meet these energy burden thresholds. Plan at 15, n 14.

for heating CAPs).²⁸ The CAP Policy Statement explicitly permits this very arrangement. In this regard, the Commission explained as follows:

[E]ach utility CAP payment plan should be designed to ensure a household's total CAP bill . . . will not exceed the Commission's energy burden threshold. However, *if the minimum CAP payment is higher than the energy burden threshold, the household may be charged the higher minimum CAP payment.*²⁹

With the LIRA Energy Burden Modifications highlighted and put in focus, National Fuel now turns to address the recommendations received by the Advocates, identifying those with which it agrees and explaining other matters raised in the Comments.

2. Response to Comments Received Relative to National Fuel's Implementation of the New Energy Burden Levels Specified in the Commission's 2019 CAP Policy Statement Amendments and Design to Effectuate Same.

In general, the Advocates provided conflicting comments on National Fuel's implementation of the Commission's New Energy Burden Levels. In this regard, CAUSE-PA explained that it "is strongly supportive of NFG's adoption of the Commission's reduced energy burden standards" subject to certain identified "programmatic design issues."³⁰ In contrast, the OCA explained that it "does not support the proposed changes to the energy burdens at this time, particularly in light of the current financial impact of COVID-19 on residential customers who must bear the increased costs of these changes."³¹ Ultimately, OCA asks the Commission to either: (1) postpone the change in the energy burdens "until such time as a full consideration of the necessary balance during this pandemic can be had;" or (2) subject National Fuel to several cost control measures if the Commission permits National Fuel to implement the New Energy Burden Levels.³²

In response to the Tentative Order, National Fuel further explained that all of these 60 Subject Participants would: (a) have a bill with the \$12 monthly minimum payment; and (b) are either \$0 income (48 of the 60 Subject Participants) or have income less than or equal to \$2,460 (12 of the 60 Subject Participants). National Fuel Plan Comments at 4.

²⁸ See, Table 3 of the Final CAP Policy Statement at 33.

²⁹ *Id.* at 31.

³⁰ CAUSE-PA Comments at 10. These "programmatic design issues" are responded to by National Fuel in these Reply Comments.

³¹ OCA Comments at 3.

³² OCA Comments at 4.

a. Response to OCA's Concerns Relative to Implementing the New Energy Burden Levels.

By way of response to OCA's Comments relative to whether it is appropriate to adopt the New Energy Burden Levels *at this time* in light of COVID-19, National Fuel initially stresses: (1) the LIRA Energy Burden Modifications were driven – and guided – primarily by the 2019 CAP Policy Statement Amendments; (2) the 2019 CAP Policy Statement Amendments became effective in early 2020; (3) despite taking numerous actions related to the COVID-19 pandemic (including waiving certain regulatory requirements, etc.), the Commission took no action to modify the effective date of the 2019 CAP Policy Statement Amendments or otherwise waive or modify provisions of same; and (4) given the foregoing, National Fuel undertook considerable expense, effort, and time to prepare the Plan in light of the standards outlined by the Commission in the 2019 CAP Policy Statement Amendments.

While the OCA raises substantial policy questions of significance, National Fuel believes the OCA's concerns would have been more appropriately made in the context of a filing *applicable to all EDC's/NGDC's* (e.g., a filing at the 2019 CAP Policy Statement Amendment's docket) shortly after the start of the COVID-19 pandemic. The foregoing should not be construed as National Fuel expressing an opinion on the New Energy Burden Levels vis-à-vis the impacts of the COVID-19 pandemic.

Turning to OCA's alternate contention (*i.e., given the impacts of the COVID-19 pandemic on ratepayers*, National Fuel should be required to implement additional cost control measures if the New Energy Burden Levels are approved), National Fuel observes that OCA's concerns regarding the costs of National Fuel's LIRA, touch on two (2) topics unrelated to National Fuel's administration of LIRA: (1) costs inherent in utilities' conforming their CAPs to the 2019 CAP Policy Statement Amendments – particularly the cost impact of the New Energy Burden Levels; and (2) the policy goal of implementing such costs at this time – in the wake of the COVID-19

pandemic. For these reasons, National Fuel again believes that such comments would have been more appropriately the subject of a filing made in a docket applicable to all NGDC's/EDC's.

Moreover, National Fuel disagrees with OCA's cost concerns. To be sure, National Fuel's CAP spending per ratepayer has historically evidenced stewardship for its ratepayers. In fact, per the Commission's 2019 Universal Service Programs & Collections Performance of the Pennsylvania Electric Distribution Companies & Natural Gas Distribution Companies (the "**2019 Commission Report**"), National Fuel's estimated annual CAP spending per ratepayer has consistently placed it amongst the lowest of all NGDC's.³³ In 2019, for example, National Fuel's estimated annual CAP spending per ratepayer was \$11.35 (versus the NGDC average of \$33.57). Of the NGDC's, only PECO-Gas had a lower annual CAP spending per ratepayer.³⁴

Additionally, National Fuel contends that "cost control" measures would only be appropriate in response to those CAP cost components which the Commission believes need to be moderated. In this regard, National Fuel notes that the projected increased LIRA costs are attributable, in large part, to National Fuel's incorporation of provisions of the 2019 CAP Policy Statement Amendments (including costs attributable to: (a) arrearage forgiveness; and (b) additional CAP discounts per the New Energy Burden Levels).

Moreover, as noted in National Fuel's Plan Comments and addressed below, if National Fuel were to eliminate the 36-month PPA repayment time period from the Plan, the Plan costs attributable to "arrearage forgiveness" would increase.³⁵ In light of the foregoing, should the Commission implement any sort of "cost control" measure, it should be to allow National Fuel to retain the 36-month PPA forgiveness period – rather than to eliminate it as outlined in CAUSE-PA's comments.

³³ 2019 Commission Report at 77, Appendix 6.

³⁴ *Id.*

³⁵ National Fuel Plan Comments at 5-6.

b. Response to CAUSE-PA’s Comments Regarding Bill Discount Calculation.

In response to CAUSE-PA’s Comments relative to National Fuel’s adoption of the New Energy Burden Levels, National Fuel begins by noting its appreciation for CAUSE-PA’s comment that it is “strongly supportive of NFG’s adoption of the Commission’s reduced energy burden standards.”³⁶

National Fuel fundamentally disagrees, however, with CAUSE-PA’s contention that, as outlined in the Plan, LIRA has “programmatic design issues causing excessive energy burdens.” In support of this claim, CAUSE-PA questions whether implementation of the new 90% discount rate – by itself – will bring all but the 60 Subject Participants within the New Energy Burden Levels.³⁷

In response, however, National Fuel stresses that it expects to achieve this metric by both: (1) the incorporation of the 90% discount rate; and (2) **the Monthly Adjustment Modification**. For this reason, National Fuel has expounded upon and explained the Monthly Adjustment Modification, *supra*. In light of this, National Fuel believes CAUSE-PA’s concerns relative to this aspect of LIRA’s design are allayed.

Moreover, in light of the above, National Fuel believes the reason CAUSE-PA has advanced for both: (1) providing quarterly reports indicating the number of households who receive a bill each month in excess of the Revised Energy Burden Levels; and (2) the Commission requiring National Fuel to transition to a PIP design based on the information contained in such quarterly reports is without factual basis.³⁸

Nevertheless, in a spirit of collaboration – and as a result of National Fuel’s desire to ensure that LIRA has a maximum impact on participants – National Fuel continues to welcome requests for information regarding LIRA and other Programs from its Universal Service Advisory

³⁶ CAUSE-PA Comments at 11.

³⁷ *Id.* at 9.

³⁸ *See, id.* at 10.

Committee (“USAC”). In this regard, National Fuel believes that its USAC – not an on-docket filing – would be the most appropriate means to evaluate National Fuel’s LIRA design mid-Plan.

In support of the foregoing, National Fuel notes that the Commission has opined that while requests like those specified by CAUSE-PA (both as to data requests and possible mid-Plan modification of LIRA) have minimal benefit and impose a heavy burden on utilities like National Fuel, a utility’s Universal Service Advisory Committee is in an optimal position to review information in the middle of the time period covered by a USECP in order to provide meaningful insight and analysis of same ahead of the *next* USECP.³⁹ In the Commission’s words:

... Changes to universal service programs approved or directed through a USECP proceeding can take up to a year to implement, especially if they involve significant system design changes. . . .

It does not benefit the utilities and other stakeholders, the Commission, or low-income customers if a proposed USECP is not based on analysis of the utility’s current universal service policies and practices that have been in place for a sufficient time upon which to base the analysis.

* * *

Between USECP filings, interested parties will also have the opportunity to raise concerns and request information from utilities through regularly scheduled Universal Service Advisory Committee (USAC) meetings. USAC meetings can provide regular updates on universal service program performance and encourage constructive dialogue between the utility, low-income advocates, OCA, Commission staff, and other interested parties. Further, USACs could develop metrics and a timeframe for meeting milestones to evaluate the utility’s performance during the five-year period between plan submissions.

We acknowledge the validity of the need for enhanced production of utility data in conjunction with longer intervals between USECP proceedings. **We encourage the utilities to be as forthcoming and responsive to requests from Commission staff and other stakeholders for universal service data in the USECP proceedings and in USAC processes.** We note that improvements to access to universal service data is also being considered in two

³⁹ In this regard, in the context of its discussion in the Extended Plan Length Order, the Commission has explained the burdens on utilities and minimal impact of requiring significant changes in the middle of the time period covered by a USECP additional ad hoc data requests regarding USECP metrics. Such logic, ultimately, bolstered and supported the Commission’s decision to increase the period of time covered by a utility’s USECP from three (3) years to five (5) years during the pilot period. Extended Plan Length Order at 8-11.

on-going proceedings: Fully Projected Future Test Year Regulations at Docket No. L-2012-2317273 and Universal Service Reporting Requirements at Docket No. M-2019-3011814.⁴⁰

In light of the foregoing, National Fuel respectfully disagrees with CAUSE-PA's Comments relative to issues with National Fuel's LIRA design and related data requests/mid-Plan changes to LIRA. That said, National Fuel will continue to share information regarding LIRA with its USAC, seeing benefits and value in doing so. Feedback received in connection with same will be used when the time comes to evaluate the efficacy of National Fuel's LIRA and other Programs ahead of its *next* USECP proceeding.

c. Response to the OCA's Comments Regarding Rounding Methodology.

National Fuel next responds to OCA's concern relative to the Rounding Methodology used in determining a LIRA participant's Discount Rate.⁴¹ Simply put, the OCA contends that National Fuel's Rounding Methodology could result in situations where LIRA participants would be paying a higher than affordable energy burden.⁴² As a result, the OCA suggest National Fuel should modify its Rounding Methodology to eliminate such result.⁴³

In response, National Fuel believes OCA has not considered that the Discount Rate yielded by the Rounding Methodology is further subject to the **Monthly Adjustment Modification**. For example, even if the Rounding Methodology resulted in the application of a smaller Discount Rate, the Discount Amount would still be based on the Discount Rate (up to 90%) required for the household to attain a monthly bill: (a) in line with the New Energy Burden Levels; or (b) with the LIRA minimum payment of \$12. For this reason, National Fuel has expounded upon and explained the Monthly Adjustment Modification, *supra*. In light of this, National Fuel believes OCA's concerns relative to the LIRA Rounding Methodology are allayed.

⁴⁰ *Id.* (emphasis added).

⁴¹ As explained in the National Fuel Plan Comments, the phrase "Rounding Methodology" refers to the manner in which National Fuel computes a LIRA participant's Discount Rate, namely, by rounding the participant's annual discount amount to the nearest Discount Rate, as opposed to "rounding up." *See*, National Fuel Plan Comments at 3.

⁴² OCA Comments at 20.

⁴³ *Id.*

d. Response to OCA’s Comments Regarding LIHEAP Treatment under Plan Design.

The OCA also expresses concern with the impact that National Fuel’s LIRA Energy Burden Modifications will have on unused LIHEAP grants. As stated in its Comments, the OCA “submits that the LIHEAP grant money should be fully utilized, and the full benefit of the LIHEAP grant may not be used” as a result of National Fuel’s LIRA Energy Burden Modifications as applied to those LIRA participants who would be required to make the minimum monthly payment of \$12.⁴⁴ Restated, the OCA is concerned that those customers paying the LIRA minimum of \$12 will not exhaust their total LIHEAP grants, as a result of LIHEAP program requirements specifying that LIHEAP grants must be used within two (2) years or be returned to the Pennsylvania Department of Human Services (“DHS”).⁴⁵

By way of initial response, LIHEAP grants can only be applied in a manner that comports with the LIHEAP State Plan and the LIHEAP Vendor Agreement entered into by and between DHS and utilities accepting LIHEAP funds (like National Fuel). In this regard, in the context of seeking approval of the Current Plan, the matter of National Fuel’s application of LIHEAP payments to LIRA participants’ monthly costs was thoroughly reviewed and commented upon by various stakeholders, including DHS.⁴⁶ Ultimately, the Commission directed National Fuel to apply LIHEAP funds solely to a LIRA participant’s “asked to pay amount” (not PPA, etc.) consistent with the LIHEAP State Plan and terms of the LIHEAP Vendor Agreement.⁴⁷

Given the foregoing restrictions on *how* LIHEAP funds can be applied (*i.e.*, only to a LIRA participant’s “asked to pay” amount), the only means to address the OCA’s concerns would be by increasing the \$12 LIRA minimum payment.⁴⁸ As noted above, National Fuel is not seeking any

⁴⁴ OCA Comments at 11.

⁴⁵ OCA Comments at 10-11.

⁴⁶ See, e.g., Comments filed at Docket No. M- 2016-2573847.

⁴⁷ See, e.g., *National Fuel Gas Distribution Corporation’s Universal Service and Energy Conservation Plan for 2017-2020 Submitted in Compliance with 52 Pa. Code § 62.4*, Docket No. M-2016-2573847, Order of the Pennsylvania Public Utility Commission, dated March 1, 2018 at 17 (the “2018 Commission Order”).

⁴⁸ National Fuel is not prepared to modify the manner in which LIHEAP funds are applied, particularly given the restrictions on the use of LIHEAP funds discussed above.

change to the LIRA minimum payment amount. Moreover, OCA’s concern regarding the impact of unused LIHEAP grants for those making the minimum payment may very well have a lesser impact than the OCA may believe, since National Fuel forecasts that just 60 customers would not fall within the New Energy Burden Levels (and therefore would be subject to the LIRA minimum payment of \$12).⁴⁹

3. Response to Comments from CAUSE-PA Relative to National Fuel’s 36-Month PPA Balance Forgiveness Period.

Turning next to CAUSE-PA’s comments relative to the 36-month time period during which a LIRA participant’s pre-program arrearage (“PPA”) is eligible for forgiveness (the “PPA Repayment Period”),⁵⁰ National Fuel strongly disputes CAUSE-PA’s assertion that the PPA Repayment Period is “punitive and undermines the intent and purpose of LIRA.”⁵¹ To the contrary, National Fuel asserts the data it provided in response to the Commission’s Tentative Order demonstrates that the PPA Repayment Period does, in fact, incentivize LIRA participants making payments, and is an important component of LIRA.

That said, National Fuel agrees with CAUSE-PA’s Comments that customer education is crucial.⁵² In this regard, National Fuel: (a) attributes the efficacy of the PPA Repayment Period driving such payments to, *inter alia*, the enhanced communication regarding the PPA Repayment Period (including the revised LIRA Bill which references same); and (b) to further enhance the efficacy of the PPA Repayment Period, National Fuel agrees to provide additional communication to customers relative to the PPA Repayment Period as specified herein.

In support of both: (a) the payment incentive caused by the PPA Repayment Period; and (b) the importance of customer education, National Fuel cites to the fact that the PPA data

⁴⁹ See, n. 27, *supra*. See also, Plan at 15, n. 14; and Plan Comments at 4.

⁵⁰ As succinctly and correctly summed up by the Commission in its Tentative Order, as designed, LIRA customers receive 1/24th PPA forgiveness for each monthly bill paid on-time and in-full, regardless of any existing LIRA arrears. Customers that fail to pay LIRA bills in-full can receive PPA forgiveness retroactively for any missed months when they achieve a zero LIRA balance. Customers have up to 36 months to earn full PPA forgiveness. Any PPA balance remaining after 36 months is added to the current LIRA balance. This timeframe for PPA forgiveness is not impacted if the LIRA customer moves and establishes natural gas service with National Fuel at a new residence. Tentative Order at 15. See also, Plan at 16.

⁵¹ CAUSE-PA Comments at 14.

⁵² See, *id.* at 15.

produced in this proceeding compares favorably to that produced in the context of the Current Plan’s approval. This has been graphically organized in the table below:

	Data Produced in Context of Approval of Current Plan ⁵³			Data Produced in this Proceeding ⁵⁴	
	2015	2016*	2017**	2019	2020***
LIRA Participants with PPA Balance at 36-months	383	35	99	9	24
LIRA Participants with Service Terminations After Insufficient Payment Upon PPA Balance being Added to Account	37	1	53	1	0
Average PPA Balance for LIRA Participants with PPA on Account after 36-months.	\$242.98	\$198.90	\$91.48	\$114.69	\$158.34
<i>Notes:</i> * 2016 data skews low, due to National Fuel’s implementation of a new billing system on May 9, 2016, with National Fuel commencing fewer disconnects as a result during this implementation period. The Commission has noted that data for 2016 is determined to be an outlier. ⁵⁵ ** 2017 data only covers the first 6 months of 2017 (as this is the data produced in that proceeding, and this data table is comparing on-docket information previously produced versus that produced in this proceeding). ⁵⁶ *** 2020 data is impacted by the COVID-related “utility shutoff moratorium” at Docket No. M-2020-3019244. ⁵⁷					

While acknowledging that the data above is limited as indicated in the “Notes” beneath the table), National Fuel nevertheless contends that the trend (*i.e.*, a reduction in LIRA participants who: (a) carried a PPA balance at 36 months; and (b) had service terminations after PPA balance was added back to their accounts) is attributable to National Fuel’s implementation of the Commission’s directive issued in the context of approval of the Current Plan to “revise its LIRA bill to clearly explain [the PPA Repayment Period] policy and the number of months remaining for the customer to receive full arrearage forgiveness.”⁵⁸

⁵³ *National Fuel Gas Distribution Corporation’s Universal Service and Energy Conservation Plan for 2017-2020 Submitted in Compliance with 52 Pa. Code § 62.4*, Docket No. M-2016-2573847, Comments of National Fuel Gas Distribution Corporation, dated September 26, 2017 at 11. (“**National Fuel 2017 Plan Comments**”).

⁵⁴ National Fuel Plan Comments at 5.

⁵⁵ *National Fuel Gas Distribution Corporation’s Universal Service and Energy Conservation Plan for 2017-2020 Submitted in Compliance with 52 Pa. Code § 62.4*, Docket No. M-2016-2573847, Order of the Pennsylvania Public Utility Commission, dated March 1, 2018 at 28, n. 20 (the “**2018 Commission Order**”).

⁵⁶ National Fuel 2017 Plan Comments at 11.

⁵⁷ National Fuel Plan Comments at 5.

⁵⁸ 2018 Commission Order at 29.

In this regard, National Fuel implemented this change and established its USAC, which, in turn, reviewed and helped prepare a revised LIRA Bill (the “**Revised LIRA Bill**”). The Commission approved the Revised LIRA Bill via Secretarial Letter on November 29, 2018.⁵⁹ Additionally, information relative to the PPA Repayment Period is communicated in several ways, including: (1) the LIRA “Features Sheet”; (2) the LIRA Acceptance Letters; and (3) calls between LIRA participants and National Fuel Consumer Business personnel.

Building upon the improved outcome attributable to the use of the Revised LIRA Bill, National Fuel agrees there is sound reason to further enhance its customer education/communication on the PPA Repayment Period of LIRA. In this regard, working collaboratively with its USAC, National Fuel plans to update/develop the items specified below (as specified below, “**Enhanced Program Documentation**”):

- **Enhanced LIRA Features Sheet:** Upon Plan approval, National Fuel will update the LIRA Features Sheet to specifically call-out the 36-month PPA Repayment Period.⁶⁰ National Fuel will send this updated LIRA Features Sheet to LIRA customers upon enrollment/re-verification.
- **Additional Notice to LIRA Customers at 12 Months Before the Expiration of the PPA Repayment Period:** Upon Plan approval, National Fuel will develop a simple reminder-style letter explaining the PPA Repayment Period and providing the customer with the number of additional payments which must be made to ensure that the PPA is fully forgiven upon expiration of the PPA Repayment Period.
- **One-Time Bill Insert/Postcard Notice Explaining the Changes to National Fuel’s Universal Service Programs (the “Program Change Mailing”):** Upon Plan approval, National Fuel will develop either a bill insert or postcard-style notice explaining National Fuel’s Universal Service Programs (inclusive of updated Program requirements, eligibility criteria, etc.). The Program Change Mailing will be sent to all of National Fuel’s residential customers.

As a housekeeping item, in its Comments, CAUSE-PA notes that National Fuel’s LIRA Bill does not contain information relative to the PPA Repayment Period.⁶¹ As noted above, this

⁵⁹ *National Fuel Gas Distribution Corporation’s Universal Service and Energy Conservation Plan for 2017-2020 Submitted in Compliance with 52 Pa. Code § 62.4*, Docket No. M-2016-2573847, Secretarial Letter dated November 29, 2018 (the “**2018 LIRA Bill Order**”).

⁶⁰ A sample LIRA Features Sheet is attached to the Plan at Exhibit 2. National Fuel would propose to send the Feature Sheet described herein in lieu of that attached to the Plan.

⁶¹ CAUSE-PA Comments at 15.

information is, in fact, on the Revised LIRA Bill – which received Commission approval.⁶² It is believed the foregoing comment from CAUSE-PA may be the result of National Fuel inadvertently attaching just one side of the Revised LIRA Bill in response to the Tentative Order.⁶³ National Fuel therefore attaches both sides of the Revised LIRA Bill to these Reply Comments as **Exhibit A**.⁶⁴

Finally, before moving from this matter, National Fuel notes that, in connection with the approval of the Current Plan, the Commission declined to mandate changes to the PPA Repayment Period as a result of, *inter alia*, the Commission’s ongoing review of “energy burdens and affordability for low-income customers in Pennsylvania.”⁶⁵ Since then, the results of such efforts (and others) informed the Commission’s 2019 CAP Policy Statement Amendments. A prohibition on imposing a time limits for when CAP PPA balances must be paid was not included in the 2019 CAP Policy Statement Amendments. This is significant, in light of the fact that the Commission did make other PPA-related changes in the CAP Policy Statement, including: (1) specifying that arrearage forgiveness should occur over 1-3 years; and (2) explicitly permitting retroactive arrearage forgiveness.⁶⁶

For the foregoing reasons, National Fuel: (a) believes that its PPA Repayment Period does, in fact, function as designed and incentivizes LIRA customers to make their monthly payments; and (b) therefore believes it would be inappropriate to, as CAUSE-PA recommends, modify same. That said, National Fuel agrees that keeping its LIRA participants informed of key elements of LIRA – including the PPA Repayment Period – is particularly important. As such, as specified above, National Fuel agrees to develop and communicate the Enhanced Program Documentation.

⁶² 2018 LIRA Bill Order.

⁶³ National Fuel Plan Comments at Exhibit Q-10.

⁶⁴ Reference is made to that portion of the Revised LIRA Bill highlighted in yellow.

⁶⁵ 2018 Commission Order at 28.

⁶⁶ 52 Pa. Code § 69.265(6)(ix). *See*, Final CAP Policy Statement Order at 53.

4. Response to Comments from CAUSE-PA Relative to LIRA Final Billing.

Turning next to CAUSE-PA's comments on National Fuel's LIRA final billing practices, CAUSE-PA notes: (a) it is supportive of National Fuel's practice of discounting and prorating final LIRA Bills; but (b) reiterates its broader policy concern (which it raised in the Staff Review of CAP Final Billing Methods docket) that the Commission should prevent utilities from charging CAP customers a budget true-up on final CAP bills. As CAUSE-PA notes, National Fuel provided its LIRA final billing practices in the National Fuel Plan Comments.⁶⁷

In response, National Fuel counters by noting: (a) CAUSE-PA's comment regarding disallowance of true-ups for LIRA participants raises potential concerns under Sections 1303 and 1304 of the Utility Code (66 Pa.C.S. §§ 1303-1304); and (b) in light of the fact that National Fuel discounts and prorates final LIRA bills (as CAUSE-PA acknowledges), CAUSE-PA's concerns are mitigated.

To the potential statutory concerns, since National Fuel's LIRA participants are enrolled in Budget Billing, eliminating the true-up to account for unbilled consumption could result in a scenario in which a LIRA participant received service without being billed for same. This, of course, concerns National Fuel in light of Section 1303 of the Utility Code. Similarly, the Commission has noted it is sensitive to Section 1303 of the Utility Code in the context of final CAP bills, as well.⁶⁸

Moreover, the Budget Billing practices used in the LIRA context is the same as that used with respect to final bills for non-LIRA participants (save, of course, for the fact that the Budget Billing amount factors in the Discount Rates specified per the Commission-approved USECP and

⁶⁷ National Fuel Plan Comments at 6.

⁶⁸ See generally, Final Billing Order at 18-19, where the Commission – in the context of explaining concerns relative to waiving costs for CAP customers as part of CAP final billing, regardless of whether they do not increase write-off costs – noted that in light of Section 1303 of the Utility Code:

Failing to bill a customer for usage could render an unreasonable preference to that customer and an unreasonable disadvantage to other customers who would bear the cost of the service not billed. This could preclude a practice such as not rendering a bill for usage in a final month or partial month of service. Section 1303 also provides that public utilities are to compute bills under the "rate" most beneficial to the customer.

then noted in National Fuel's Tariff). By removing the true-up component of final LIRA bills, final billing for LIRA participants and non-LIRA residential customers is disparate. This concerns National Fuel in light of Section 1304 of the Utility Code.

For the foregoing reasons, including those touching upon permissibility of CAUSE-PA's recommendations in light of Sections 1303 and 1304 of the Utility Code, National Fuel objects to same. Nevertheless, National Fuel appreciates the positive comments from CAUSE-PA relative to its practice of discounting and prorating final LIRA Bills.

5. Response to Comments Received Relative to Treatment of Child Income.

Noting that the 2019 CAP Policy Statement Amendments recommended the adoption of Section 1403 of the Utility Code's definition of "household income," in the Tentative Order, the Commission requested that the Company provide clarification regarding how National Fuel determines household income for purposes of LIRA and whether National Fuel counts the gross income of a minor in same.⁶⁹ In response, National Fuel explained its intention to "follow LIHEAP income guidelines" as it has done previously.⁷⁰ The Advocates, in turn, have expressed concerns regarding National Fuel following its established practice in computing household income in connection with LIRA.

While National Fuel believes there are merits in maintaining the established practice, National Fuel also believes the Advocates have articulated cogent reasons for modifying National Fuel's practice with respect to how it computes household income for purposes of determining LIRA eligibility. Consequently, effective upon Plan approval and implementation, National Fuel proposes to utilize Section 1403 of the Utility Code's definition of "household income" for

⁶⁹ Tentative Order at 24.

⁷⁰ National Fuel Plan Comment at 8.

purposes of determining LIRA income eligibility.⁷¹ National Fuel proposes to make the changes shown in redline on page 12 of the Plan, which it has attached hereto at Annex A-2.

As noted above, National Fuel plans on sending the Program Change Mailing to all of its residential ratepayers explaining updates to its Universal Service Programs after Commission approval of this Plan is obtained. The Program Change Mailing will identify those features that changed.

6. Response to Comments Received from CAUSE-PA Relative to the Online LIRA Application.

Generally speaking, CAUSE-PA commented favorably on National Fuel's planned implementation of an online LIRA application and its availability on the National Fuel website, noting they will "improve accessibility of assistance programs to those who require help to maintain affordable service to their home, consistent with the universal service requirements contained in the Natural Gas Choice and Competition Act."⁷²

In response to CAUSE-PA's question as to how National Fuel will provide notification to online applicants when an application submitted via the Online Interface is deemed incomplete,⁷³ National Fuel notes that, in such scenario, the customer will receive a notification (phone call, e-mail, and/or letter) advising that their application is incomplete and that the customer will have ten (10) days to complete same. Similarly, at the time of submitting an application, the customer will be advised which documentation must be provided to review his/her application and identifying the time period in which such documentation must be provided. If such time period elapses, the same notification process described above will be followed. In the case of a customer utilizing the Online Interface, he/she will be able to provide required documentation directly in the Online

⁷¹ As noted in its Plan Comments, since National Fuel does not "reject" customers from LIRA, it does not have metrics to provide information on the number of individuals who would qualify-for LIRA, but-for any one factor (*e.g.*, defining "household income" in one way versus another). Consequently, National Fuel does not have information to model the change in LIRA enrollment that this change may cause. *See*, Plan Comments at 7.

⁷² CAUSE-PA Comments at 24.

⁷³ *Id.* at 25.

Interface. For those unable to use the Online Interface, documentation can be provided via e-mail or U.S. mail.

National Fuel agrees that there is value, as CAUSE-PA notes, in sharing relevant data with its USAC regarding the number of successful and incomplete online applications.⁷⁴ In this regard, National Fuel notes that it already has planned to share this information with its USAC.

In response to CAUSE-PA's questions regarding ability to access the online application using mobile devices, National Fuel notes that the online application can be accessed on mobile devices and all facets of the application process can be completed using a mobile device.⁷⁵ Additionally, in response to CAUSE-PA's concern about protecting customer data through an online interface, at a high level, National Fuel notes that data sent through the online interface will be encrypted. In addition, with respect to this latter point, National Fuel also maintains various cyber security protections to prevent breaches of its system.

7. Response to Comments Received Relative to Outreach and Education Plan.

National Fuel appreciates the Advocates' Comments relative to National Fuel's OEAP efforts, as outlined in the Plan and further elucidated in the Plan Comments, as well as their support of such efforts.⁷⁶ As to the recommendations shared by CAUSE-PA and OCA, National Fuel notes that it plans to undertake the following efforts in connection with this Plan (some of which have been noted above):

- Revise the LIRA Feature Sheet;
- Prepare the Enhanced Program Documentation; and
- Creating Universal Service training materials (to be used in connection with trainings for community agencies, its Neighbor for Neighbor Advisory Board, and other community partners) ("**Program Training Materials**").

National Fuel plans on seeking input on many of the above items from its USAC and highlights and encourages the OCA and CAUSE-PA to participation in such process. As part of

⁷⁴ See, *id.*

⁷⁵ *Id.*

⁷⁶ See, CAUSE-PA Comments at 25-26.

such collaboration, National Fuel hopes to explore possible additional targeted outreach which is tailored to the unique needs and circumstances of National Fuel’s Pennsylvania service territory, including without limitation: (1) outreach tailored to increase CAP participation rate for customers with annual income less than 50% of FPL; and (2) outreach relative to helping customers understand their energy burden levels. National Fuel believes that such materials are precisely those which its USAC is in an optimal position to provide input and meaningful contributions.

8. Response to Comments Received from CAUSE-PA Regarding Termination Procedures.

National Fuel strongly rejects CAUSE-PA’s characterizations of the LIRA termination procedures referenced in its Comments and the implication that a security deposit is assessed for reconnection.⁷⁷ As such, National Fuel finds it appropriate to provide an explanation of some of the LIRA termination procedures. Notwithstanding the fact that National Fuel rejects CAUSE-PA’s characterization of such procedures, National Fuel notes that CAUSE-PA’s Comments are based on its review of National Fuel’s “LIRA Feature Sheet,” which, as noted above, National Fuel plans to revise in consultation with its USAC. Therefore, National Fuel encourages CAUSE-PA to participate in such process.

By way of direct response to CAUSE-PA’s Comments relative to LIRA termination procedures, when a LIRA participant’s service is terminated, the process followed depends upon several factors, including whether the participant is in the PPA Repayment Period and shown graphically per below:

	Procedures if PPA Repayment Period Has Not Ended	Procedures if PPA Repayment Period Has Ended
Amount Required Paid for Reconnection	<ul style="list-style-type: none"> • LIRA participant required to pay: <ul style="list-style-type: none"> ○ Overdue arrearage arising <i>after LIRA enrollment</i> (“Post LIRA Arrearage”); and ○ Reconnection Fee. 	<ul style="list-style-type: none"> • LIRA participant required to pay: <ul style="list-style-type: none"> ○ Remaining PPA; ○ Post-LIRA Arrears; and ○ Reconnection Fee.

⁷⁷ CAUSE-PA Comments at 43-45.

Payment Terms	<ul style="list-style-type: none"> • Upon payment of above amounts, customer is returned to participating in LIRA, with all PPA subject to forgiveness within the remainder of the 36-month PPA forgiveness period. • Returns to LIRA and billed at Discount Rate. 	<ul style="list-style-type: none"> • The customer will be required to pay the Post-LIRA Arrears and Reconnection Fee. • The Customer will be offered a payment arrangement (per Chapter 56 of the Commission’s Regulations) for the PPA balance. • Returns to LIRA and billed at Discount Rate.
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In sum, while National Fuel rejects CAUSE-PA’s characterization of the LIRA termination procedures, National Fuel nevertheless agrees there are sound reasons to update the LIRA Features Sheet. In this regard, National Fuel highlights, as it has above, that it plans on making such update to the LIRA Features Sheet in consultation with its USAC. National Fuel welcomes CAUSE-PA’s participation in this process.

C. LOW-INCOME USAGE REDUCTION PROGRAM (“LIURP”).

1. Overview.

National Fuel has proposed several adjustments to its Low-Income Usage Reduction Program; (2) its Emergency Repair and Replacement Program (“ERRP”); and (3) its Low Consumption LIURP Pilot (“LC-LIURP Pilot”). More specifically, with respect to the LC-LIURP Pilot, National Fuel has asked the Commission to extend its approval through 2023.

As proposed in its Plan (and further clarified in its Plan Comments), eligibility for National Fuel’s LIURP and LC-LIURP Programs depend, in part, on usage requirements, as follows:

- For eligibility to participate in LIURP, income-eligible households must have annual consumption greater than or equal to 1300 CCF.
- For eligibility to participate in LC-LIURP, income eligible households must have annual consumption greater than 1000 CCF but less than 1300 CCF. (For clarity, neither consumption at exactly 1000 CCF nor consumption at exactly 1300 CCF would qualify for LC-LIURP.)⁷⁸

⁷⁸ National Fuel Plan Comments at 10. As noted in the Plan Comments, National Fuel has proposed technical amendments in its Plan to ensure this information is accurately reflected in the Plan.

In the Tentative Order, the Commission asked several clarifying questions relative to LIURP, ERRP, and LC-LIURP. National Fuel, in turn, provided such information in its Plan Comments. CAUSE-PA was the only Advocate who filed comments relative to these Programs. CAUSE-PA's Comments, in turn, generally focused on means to increase the historic underspend of funds budgeted for LIURP – a matter which CAUSE-PA notes has impacted many utilities. Below, National Fuel responds to several of CAUSE-PA's Comments, noting that it is open to implementing many of CAUSE-PA's recommendations, subject to Commission approval.

2. LC-LIURP Pilot Extension.

As part of its Plan, National Fuel has petitioned the Commission to extend the term of its LC-LIURP Pilot through 2023. National Fuel created the LC-LIURP Pilot to enable more customers to qualify for LIURP and complete more jobs. Unfortunately, due to the impacts of the COVID-19 pandemic, National Fuel was only able to complete a total of five (5) LC-LIURP jobs. Nevertheless, National Fuel believes that with the additional time (*i.e.*, through 2023), it may very well be able to complete more jobs and reduce the historic underspend.

CAUSE-PA responded very favorably to this proposal to extend the LC-LIURP Pilot through 2023, expressing its support not just for the Commission granting such extension but also for expanding eligibility criteria:

CAUSE-PA notes the significant usage reduction by one participant for which NFG describes having collected 12-months of post-job data. Reducing a quarter of the customer's usage will also significantly positively impact their bill affordability. This is a tremendous accomplishment that bodes well for other such projects. CAUSE-PA thus supports the extension of the LC-LIURP Pilot, **though we recommend NFG further reduce the usage threshold to reach more households in need of usage reduction services. The Pilot will provide an opportunity to evaluate the efficacy in providing LIURP services to households with usage that is relative high for the square footage of living space in a home, but not high enough to meet the LIURP high usage thresholds. . .**

CAUSE-PA recommends that the usage eligibility threshold for the LC-LIURP Pilot be reduced to 900 CCF up to 1,299 annually.⁷⁹

National Fuel believes CAUSE-PA has advanced sound reasons to expand the usage eligibility threshold for LC-LIURP Pilot such that it is available to all income-eligible households having annual consumption greater than or equal to 900 CCF but less than 1300 CCF. National Fuel further believes that this expansion, as CAUSE-PA outlines, could very well facilitate completion of the stated goal of 40 projects, target first level priority customers, spend the full budget allotment for the LC-LIURP Pilot, and provide more robust data analyzing the energy and bill savings potential in homes with above-average usage which do not traditionally qualify for usage reduction services. Finally, National Fuel believes this change could help National Fuel to reduce the annual underspend of funds budgeted for LIURP.⁸⁰

For the foregoing reasons, National Fuel agrees with CAUSE-PA that expanding the usage eligibility for participation in the LC-LIURP Pilot would be an advantageous change.⁸¹ Consequently, subject to Commission approval, National Fuel seeks to implement this change to the LC-LIURP Pilot effective upon Plan approval. To facilitate the Commission's review of this request, National Fuel has proposed the conforming edits shown in redline on pages 3, 13, 17, and 29 of the Plan, which it has attached hereto at Annex A-2.⁸²

3. Response to CAUSE-PA Comments Relative to Various LIURP Matters.

In addition to its recommendation to extend the LC-LIURP Pilot and expand usage eligibility requirements for same, CAUSE-PA had several other comments relative to National Fuel's LIURP Program. Below, National Fuel addresses some of these comments.

⁷⁹ CAUSE-PA Comments at 33 (emphasis added).

⁸⁰ Tentative Order at 36.

⁸¹ National Fuel

⁸² To the extent necessary, National Fuel, by submitting these Reply Comments, hereby modifies its petition to extend the LC-LIURP Pilot through 2023 to incorporate the modifications to the usage eligibility requirements specified above.

In response to CAUSE-PA's comments/recommendations relative to the LIURP incidental repair allowance and health and safety spending threshold, National Fuel provides the following by way of further explanation and supplemental response:⁸³

- **Health and Safety Measures:** As specified in its Plan Comments, National Fuel plans to provide a health/safety allowance in an amount of \$500 for tenants and property owners. While National Fuel does not agree with *all* of CAUSE-PA's recommendations, it is prepared to implement some of its recommendations as specified below:
 - Guidelines Applicable for Health and Safety Measures: Health and safety measures constitute any bona fide health and safety matter impacting the home which, upon completion of the repair to remediate such matter, will permit weatherization efforts to proceed.
 - Spending Cap: National Fuel believes that the \$500 it has specified is an appropriate spending threshold for initial, pre-approved contractor spending, so long as such repairs meet the guidelines in the preceding bullet point. National Fuel will permit repairs on a case-by-case basis up to \$1,000, provided: (a) National Fuel's pre-approval is received prior to commencing work for such repairs (in reviewing whether to grant a pre-approval, National Fuel will not unreasonably withhold approval of same, unless it finds the cost quoted to be unreasonable for such repair); and (b) the contractor certifies that upon completion of such repair, other weatherization efforts can proceed.
- **Incidental Repairs:** While National Fuel provided information relative to these matters in the Plan Comments, National Fuel again notes same here.
 - Guidelines for Items Constituting Incidental Repairs: Any minor issue discovered by the contractor, which is not categorized as a measure in the LIURP codebook, will be classified an incidental repair. This may include, among other things, venting/pipe issue, chimney repair, window repair.
 - Spending Cap: National Fuel plans to offer incidental repairs, up to \$100 on a pre-approved basis so long as such repairs meet the guidelines found in the preceding bullet point. National Fuel will permit repairs exceeding such threshold up to \$200 on a case-by-case basis, provided: (a) National Fuel's pre-approval is received prior to commencing work for such repairs (in reviewing whether to grant a pre-approval, National Fuel will not unreasonably withhold approval of same, unless it finds the cost quoted to be unreasonable for such repair); and (b) the

⁸³ The dollar thresholds specified in these bullet points constitute those which National Fuel currently finds appropriate and reasonable. National Fuel reserves the right to modify the limits specified above as circumstances require during the term of the Plan to ensure that these amounts remain appropriate and reasonable, accounting for circumstances arising during same (e.g., price increases for materials, funding available in LIURP budget, etc.)

contractor certifies that such incidental repair is needed for the successful completion of the home's weatherization.

National Fuel turns next to address CAUSE-PA's comments on the documents used to obtain landlord permissions (required to be obtained per the Commission's Regulations prior to LIURP work being performed).⁸⁴ While National Fuel disagrees with CAUSE-PA's: (a) contentions that the documents are not in "plain language;" and (b) legal conclusions/intimations as to its existing landlord permissions, it nevertheless agrees that both documents can be consolidated into a single document, in which the language relative to the sidewall insulation is denoted as "applicable only if the project involves sidewall insulation." A copy of this consolidated document is attached hereto as **Exhibit B**.

4. Response to CAUSE-PA's Comments Regarding Unspent LIURP Funds.

National Fuel finally turns to CAUSE-PA's comments regarding the historic underspend of National Fuel's LIURP budget.⁸⁵ In response, National Fuel notes that the Company has taken efforts in recent years to mitigate this underspend. In this regard, as the Commission has acknowledged, National Fuel has undertaken "efforts to increase the number of customers who benefit from LIURP" including implementing the LC-LIURP Pilot and initiating partnerships with additional contractors to complete.⁸⁶

While National Fuel believes that the steps it originally proposed to take in the Plan to increase LIURP spending will have a meaningful impact on the historic underspend,⁸⁷ National Fuel also highlights its willingness to adopt several of CAUSE-PA's recommendations – including most notably the modification of the LC-LIURP Pilot to reduce the minimum consumption eligibility to 900 CCF. If the LC-LIURP Pilot performs as expected, National Fuel would very likely seek Commission approval to make same available on a permanent basis. In sum, National

⁸⁴ CAUSE-PA Comments at 36.

⁸⁵ CAUSE-PA Comments at 37-39.

⁸⁶ Tentative Order at 36.

⁸⁷ National Fuel Plan Comments at 13.

Fuel believes that collectively, the efforts previously shared and those outlined herein, will help reduce the LIURP underspend.

D. NEIGHBOR FOR NEIGHBOR (“NFN”)

1. Overview.

Designed as a “hardship fund,”⁸⁸ Neighbor for Neighbor (“NFN”) is National Fuel’s longstanding voluntary Universal Service Program designed to provide assistance to qualifying individuals requiring aid to meet basic energy needs (*e.g.*, by offering assistance to individuals to: (1) prevent disconnection of utility service; (2) pay overdue bills; (3) purchase any type of heating fuel; or (4) repair or replace heating equipment).

NFN receives no ratepayer funding; it is funded entirely by voluntary contributions from National Fuel stockholders and public donations. Moreover, by design, NFN – like other “hardship funds” is “not covered by express policy statements [of the Commission] . . . Hardship Funds . . . do not have extensive regulatory or policy provisions.”⁸⁹

This has provided National Fuel the flexibility to design and structure NFN as a critical *complement* to National Fuel’s other Universal Service Programs. More specifically, National Fuel has historically used NFN as a means to provide direct assistance to those who may not otherwise qualify for National Fuel’s other Universal Services Programs. In this regard, as a historical matter, NFN eligibility has historically not been tied to income. Rather, NFN eligibility has been open to just those falling within certain enumerated eligibility criteria.⁹⁰

Additionally, the dearth of prescriptive regulations has provided NFN with the agility and flexibility needed to adapt to the evolving needs of those located within National Fuel’s Pennsylvania service territory in real time. In this regard, in response to the COVID-19 pandemic:

⁸⁸ See, hardship fund programs at 52 Pa. Code §§ 62.1 *et seq.*

⁸⁹ Final CAP Policy Statement Order at 3, n. 8.

⁹⁰ Historically, such categories of qualifying individuals have included those who/which: (1) are aged 55 or older; (2) have a household member with a disability; (3) have a household member who is a veteran; (4) have a household receiving unemployment compensation; (5) are a household experiencing loss of income within the past 30 days; or (6) are a household experiencing a medical-related emergency. More recently, as noted in the Plan, a new income eligibility category, consisting of those with income at 151-200% FPG was added.

(1) NFN eligibility was expanded to allow those with income at 151-200% FPG (*i.e.*, picking up where eligibility for National Fuel’s other Universal Service Programs’ income eligibility ends) on an independent basis to qualify for NFN (the “**New Income Eligibility NFN Category**”) to qualify; and (2) relax the number of good faith payments that must be made to qualify for NFN.⁹¹

Most recently, this flexibility afforded the opportunity for National Fuel to temporarily suspend NFN’s good faith payment requirement.⁹² Such modification was made in response to the evolving, yet sustained economic impacts of COVID-19.

The foregoing reveals that the lack of prescriptive regulation of “hardship funds” has, in fact, allowed NFN to evolve and provide impactful benefits to those residing within National Fuel’s Pennsylvania service territory. In their Comments, the Advocates have made recommendations that, if implemented, would have the effect of imposing prescriptive regulations (albeit codified in National Fuel’s Plan as opposed to the Pennsylvania Code) on NFN. In turn, this would limit NFN’s ability to timely implement program changes dictated by evolving circumstances and ultimately could stand to undermine the integrity of NFN.

2. Response to CAUSE-PA’s Comments Regarding Certain NFN Program Requirements – Good Faith Payment and Income Level.

The following pair of recommendations from the Advocates is illustrative of National Fuel’s concerns regarding “over-regulating” NFN: (1) National Fuel should *expand* the **New Income Eligibility NFN Category** from 151%-200% FPG to 0%-200% FPG; and (2) National Fuel should require National Fuel to codify explicit parameters around what constitutes a “good faith” payment. National Fuel’s concerns with these provisions follow.

Expanding eligibility criteria to permit those with income levels at 0-200% would undermine the purpose and intent of NFN and ultimately threaten the viability of NFN to provide meaningful relief *for those who otherwise have no Universal Service Program from which to*

⁹¹ Plan at 36.

⁹² Such modification occurred *after* the filing of National Fuel’s Plan, Plan Comments, and the Commission’s issuance of the Tentative Order.

benefit. In this regard, it is important to note that: (1) NFN, by design, serves those *who otherwise would not qualify for National Fuel's Universal Service Programs*; and (2) NFN receives no shareholder funding, but rather receives a voluntary donation from National Fuel shareholders and donations from customers. If, in fact, all eligible for National Fuel's other Universal Service Programs were eligible for the limited amount of NFN funding, it is unlikely there would be enough funds to assist all those vying for relief from NFN. The result: those whom NFN was designed to assist (*i.e.*, those who otherwise do not qualify for National Fuel's Universal Service Programs) would again be denied access to assistance due to NFN funding limitations.

Turning next to the recommendation that National Fuel should further define what is meant by "good faith" payment, National Fuel notes that the explanation provided in its Plan Comments (*i.e.*, "a good faith payment is any payment made to an individual's heating bills within a 12-month period from the date of application, other than those provided by LIHEAP or assistance programs") should be viewed according to its plain, expansive language, promoting flexibility in implementation.

To be clear, the explanation National Fuel has provided in the Plan Comments is no different than the long-standing means for determining what constitutes a "good faith" payment for purposes of NFN (which was approved in connection with the Current Plan and Past Plans). The Commission has historically expressed support for National Fuel's approach – *i.e.*, one favoring flexibility in interpretation and application – with respect to what constitutes a "good faith" payment:

The Commission has historically approved Hardship Fund programs with pre-payment eligibility requirements. . . Thus, we have no objections to the NFN pre-payment requirements established by NFG. We support flexible determinations of "good faith" customer payments, as each household's situation and payment ability is different. Whether a customer is served by NFG or not, the customer must verify with the CBO that the customer is making energy payments consistent with the requirements. The CBO makes the determination whether the payments have been made "in good

faith.” Accordingly, we do not require any changes to the NFN program at this time.⁹³

As noted above, the Advocates’ Comments relative to incorporating: (a) a definition of “good faith” payment; and (b) an explicit, stand-alone 0-200% income qualifier for NFN into the Plan would undermine the design and integrity of NFN and, ultimately, NFN’s viability on a go-forward basis. As such, National Fuel respectfully disagrees with such recommendations.

3. Response to CAUSE-PA’s Comments Regarding NFN Agency Training.

National Fuel views CAUSE-PA’s Comments relative to NFN agency training favorably. As requested by the Commission in its Tentative Order,⁹⁴ National Fuel has explained that it primarily works to keep its NFN community partners educated about National Fuel’s Universal Service Programs and referral process through, *inter alia*, discussion and trainings offered at the bi-annual meetings of the NFN Advisory Board and one-on-one trainings upon request.⁹⁵

In comments, CAUSE-PA shared its recommendation that National Fuel should work with its USAC to develop an agency training plan and materials for its NFN Advisory Board and community partners, with such training including development and implementation of a direct program referral process to allow for direct program referrals to National Fuel on a household’s benefit.⁹⁶ As noted elsewhere in these Reply Comments, National Fuel believes it to be advantageous to prepare training materials for its NFN Advisory Board and community partners, and has shared its plans to create same in collaborative process working collaboratively with its USAC.

⁹³ 2018 Commission Order at 45.

⁹⁴ Tentative Order at 40.

⁹⁵ National Fuel Plan Comments at 14.

⁹⁶ CAUSE-PA Comments at 42.

4. Response to CAUSE-PA's Comments Regarding the Role of the NFN Advisory Board.

Finally, CAUSE-PA expresses concerns regarding the role of the NFN Advisory Board to impose program eligibility rules or requirements which are not memorialized in National Fuel's Plan.⁹⁷ In response, National Fuel believes that there is some confusion as to the role of the NFN Advisory Board and its role in shaping NFN policy and program requirements, which National Fuel believes important to clarify.

The NFN Advisory Board is, as its name implies, an *advisory* body. National Fuel believes that CAUSE-PA's Comments on this matter may be the result of certain vague language in the Plan. Consequently, National Fuel proposes to make the changes shown in redline on page 37 of the Plan, which it has attached hereto at Annex A-2.

III. CONCLUSION

National Fuel appreciates the Advocates for the work they do on behalf of residential ratepayers across the state. National Fuel also appreciates the Commission granting the Company the opportunity to file these Reply Comments in the matter. National Fuel Gas Distribution Corporation respectfully requests that its Universal Service and Energy Conservation Plan for 2022-2026 be approved by the Commission with the modifications specified in **Annex A-2**.

Respectfully submitted,

Dated: October 13, 2021



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*Attorney for National Fuel Gas
Distribution Corporation*
P.O. Box 2081
Erie, PA 16512
(814) 871-8177
(814) 871-8061 fax

⁹⁷ CAUSE-PA Comments at 45.

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 52 Pa. Code 1.54 (relating to service by a party)

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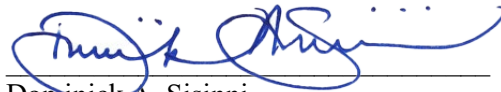
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*Attorney for National Fuel Gas
Distribution Corporation*



PO Box 371835
Pittsburgh PA 15250-7835
National Fuel

Please make check payable to National Fuel or pay online at www.nationalfuelgas.com.

1803

Total Amount Due
\$53.00

Mary Smith
129 Main St.
Small Town, PA 12345

Your due date is **April 23, 2018**. After that a 1.5% late charge will be assessed.
Please donate to the Neighbor-For-Neighbor Heat Fund by adding \$1, \$2, or \$5 to your payment.

Account Number XXXXXXXXXX

Return this stub if paying by mail. Bring entire bill if paying in person. To pay online go to www.nationalfuelgas.com.

*B-14-EEB-WM-02961

XXXXXXXXXX 0000000000000016856000005300003

20-ER Mary Smith
129 Main St.
Small Town, PA 12345



[View Current Bill Inserts](#)



[View Your Rights & Responsibilities](#)



FOR EMERGENCIES CALL: 1-800-444-3130

For questions or service call National Fuel: (814) 871-8200 7:00am to 6:00pm Mon-Fri

Account Number: XXXXXXXX XX
Service Address: 129 MAIN STREET
Name: **Mary Smith**
Service Classification **92-LIRA-20% Discount**

Your due date is **April 23, 2018**. After that a 1.5% late charge will be assessed.

General Information

Your Natural Gas Delivery Company is:
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
1100 STATE ST
PO BOX 2081
ERIE PA 16512
Office Hours: Monday-Friday 8:30am to 4:30pm
WWW.NATIONALFUELGAS.COM

Account Summary as of April 2, 2018
(Complete detail of Current Month Charges on reverse side)

LIRA-Balance Owing	250.50
Billing Adjustment	9.75
LIHEAP Payment Received	-263.00
LIRA Balance Remaining	-2.75
LIRA Monthly Budget Plan Payment Amount	53.00
National Fuel Late Payment Charge	2.75
Total LIRA Balance Due	53.00

Your Natural Gas Supplier is:
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
1100 STATE ST
PO BOX 2081
ERIE PA 16512
WWW.NATIONALFUELGAS.COM

Pre-LIRA Balance Forgiveness Summary

Pre-LIRA Balance	178.76
Pre-LIRA Balance Forgiven	-7.45
Pre-LIRA Balance Eligible to be Forgiven	171.31

Budget Plan Summary

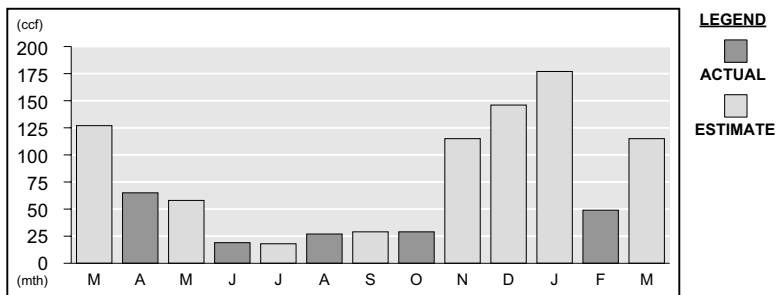
National Fuel	
Plan year ends: Feb 2019	
Current Month Charges	77.50
Budget Plan Deduct:	-24.50
Monthly Budget Plan Amount: Actual	53.00
Charges Year to Date: Budget Billed	77.50
Year To Date:	-53.00
Total Budget Plan Year To Date:	24.50

Account Balance

Total Account Balance	224.31
------------------------------	---------------

See back for important LIRA messages.

Usage History



Daily Average Temperature this period: This year 32° Last year 36°

Gas Usage

Meter No.	Present Read Date	Present Read	Present Read Type	Prev. Read Date	Prev. Read	Prev. Read Type	Additional CCF	Total Meter CCF
12345678	03/28/2018	4451	ESTIMATED	02/27/2018	4336	COMPANY	0	115

Total Consumption (ccf) for 29 days
12 Month Total Usage 847 ccf

12 Month Average 70 ccf

Next Meter Read on or about 04/27/2018

EXHIBIT A

Please see other side for more information

Messages

A rate schedule, an explanation of how to verify the accuracy of your bill and an explanation of the various charges is available for inspection in National Fuel Customer Assistance Centers and on our web site at www.nationalfuelgas.com.

Please call 1-800-365-3234 with any questions or complaints prior to the due date.

There is a previous balance on your account. Your payment will be appreciated.

This is the first bill of your new Budget Plan year. Your monthly budget plan amount is \$53 and is based on your prior usage and current rates.

- You are enrolled in the Low Income Residential Assistance (LIRA) Program. With this program, you are paying 20% less than your regular gas bill.
- LIRA makes your bill more affordable. Your actual LIRA bill this month is \$77.50, saving you \$19.44 this month. If you were not on LIRA your bill would be \$96.94 this month.
- Within the first 36 months of enrollment, you are eligible to have the entire balance owed at the time you enrolled in LIRA (Pre-LIRA balance) forgiven. \$7.45 of your Pre-LIRA balance is forgiven each time you make your current LIRA payment in full. You are also able to catch up any missed forgiveness when you bring your total LIRA balance due to \$0.00.
- Your eligibility to receive full forgiveness of your Pre-LIRA balance owed will expire on 11/21/2020. You will become fully responsible for any Pre-LIRA balance owed that is not forgiven as of 11/21/2020.
- You had \$7.45 of your Pre-LIRA balance forgiven this month.

BILLING INFORMATION - Understanding your bill

The State Regulatory Commission approves all charges for gas service. You may review a copy of our current rate schedule at any of our offices. You may do this to check your monthly bill or to read about various charges on your bill. Terms that may appear on your bill are described below.

Bill Payment: You can pay your bill by mail, by Direct Pay, online or at our local offices. You can also pay at any authorized payment agent (fees may apply).

Budget Plan Add or Deduct: This is the amount added to or subtracted from your current bill to equal your budget plan monthly payment amount.

CCF: One hundred cubic feet of gas; a measure of quantity. One ccf will heat about 160 gallons of your tap water to 130° F - the average hot water temperature.

Customer Charge: A monthly charge to cover Natural Gas Distribution Company costs such as maintaining the gas lines, meter reading and billing.

Delivery Charges: The charges for the delivery of natural gas from the point of receipt into the Natural Gas Distribution Company's system. The Pennsylvania Public Utility Commission regulates delivery prices and services.

Estimated Reading: Normally we try to read your meter every other month. An estimated reading is used when we were not scheduled to read your meter or we were unable to read your meter.

GAC (Gas Adjustment Charge): A charge that reflects the monthly changes (up or down) in the Company's actual cost of purchased gas.

Gas Supply Charges (commodity): The charges for basic gas supply service, which is sold either by volume (ccf or mcf) or heating value (dekatherms). The Natural Gas Supplier you have chosen sets commodity prices and charges.

Late Payment Charge: If you do not pay by the date shown on your bill, we will add a late payment charge based on the unpaid balance.

Neighbor-For-Neighbor Heat Fund: You may make voluntary donations to this fund to help qualifying individuals pay their utility bills.

Notice of Electronic Check Conversion: When you provide a check as payment, you authorize us to use information from your check to make a one-time electronic fund transfer from your account. With an electronic fund transfer, funds may be withdrawn from your account as soon as the same day we receive your payment, and you will not receive your check back from your financial institution.

Price To Compare: The Public Utility Commission defines the Price To Compare as:

Gas Supply Charge (Commodity)	0.339304 \$ / ccf
Gas Adjustment Charge	0.017790 \$ / ccf
Total Price to Compare (Effective 02/01/2018)	0.357094 \$ / ccf



State Tax Adjustment: A surcharge on gas rates charged to customers, which permits utilities to recover portions of various state taxes.

LIRA: Low Income Residential Assistance Program

Pre-LIRA Balance: The amount owed at the time you enrolled in the LIRA program that is eligible for LIRA forgiveness.

LIRA Balance: The amount due since you have been enrolled in the LIRA program.

LIRA Forgiveness: The amount of the Pre-LIRA balance that was removed from your bill last month.

Current Month Charges Without LIRA	96.94
LIRA Discount (20%)	-19.44
Current Month Charges with LIRA	77.50
Includes the following Gas Supply and Delivery Service Charges:	
Gas Supply Charges 	
Commodity: 115 ccf x 0.424167	48.77
Gas Adjustment Charge of 115 ccf x 0.017803	2.05
Subtotal before discount	50.82
LIRA Discount (20%)	-10.16
Total Gas Supply Charges:	40.66
Delivery Service Charges 	
Customer Charge	12.00
Delivery of 50 ccf x 0.35765	17.88
Delivery of 65 ccf x 0.25407	16.51
Subtotal before discount	46.39
LIRA Discount (20%)	-9.28
State Tax Adjustment	-0.27
Total Delivery Service Charges:	36.84

Shopping Information Box

When shopping for gas with a Natural Gas Supplier, please provide the following:

Account Number: XXXXXXXX XX

Service Classification: **92-LIRA - 20% DISCOUNT**

Customers with Hearing Disabilities (TDD/TTY):

Dial 7-1-1 or 1-800-662-1220

For Gas Emergency provide Relay Operator with 1-800-444-3130

For Billing/Service provide Relay Operator with (814) 871-8200

Please address all correspondence to:

National Fuel
Attn: Correspondence
1100 State St.
Erie, PA 16501

EXHIBIT B

LANDLORD PERMISSION AND CERTIFICATION TENANT PARTICIPATION IN LIURP PROGRAM

This Landlord Permission and Certification is made as of the date specified below by the **Landlord** (identified in the box below) and provided to National Fuel Gas Distribution Corporation (“**National Fuel**”), a regulated public utility operating in the Commonwealth of Pennsylvania with offices at 1100 State Street, Erie, PA 16501.

Project Information	
LANDLORD:	
PROPERTY:	
TENANT(S):	
CONTRACTOR:	
WEATHERIZATION MEASURES:	
ESTIMATED DATE OF INSTALL:	

- A.** National Fuel offers its Low-Income Usage Reduction Program (“**LIURP**”) to help assist certain qualifying customers reduce their energy usage/bills in various ways, including via **Weatherization Measures** such as those described in the above box.
- B.** Through LIURP, the **Tenants** have been selected to have the Weatherization Measures performed on the Property by the Contractor.
- C.** Pursuant to Regulations of the Pennsylvania Public Utility Commission (“**PUC Regulations**”), before the Weatherization Measures can be performed/installed on the Property, the Landlord is required to provide its written permission, which Landlord so provides by the signature(s) below.

NOW, THEREFORE, in consideration of the mutual covenants, premises, conditions, and terms to be kept and performed, the Landlord agrees as follows:

1. **Landlord Permission.** The Landlord grants permission for the Weatherization Measures and any additional, supplemental, or incidental work deemed necessary by Contractor to complete the Weatherization Measures (described in the box above) or otherwise increase the energy efficiency of the Property (the “**Improvements**”). The Landlord hereby consents to National Fuel, its agents and assigns, and the Contractor to install/perform the Improvements and any/all ancillary work necessary to effectuate same.

2. **Landlord Consents.** Consistent with PUC Regulations, the Landlord acknowledges, understands, and agrees that for a period of twelve (12) months from the date of the installation/performance of the Weatherization Measures, the Landlord shall not: (a) raise the Tenant’s rents for the Property, unless such rental increase is related to matters other than the

installation of the Weatherization Measures; or (b) evict the Tenant, if the Tenant complies with ongoing obligations and responsibilities owed the Landlord.

3. **Release and Indemnification.** The Landlord agrees to release and indemnify National Fuel, its agents and employees, including the Contractor acting as agent of National Fuel from and against any and all claims, suits, loss, costs, and liability, direct or indirect, relating to any damages or injury to property or person arising from the negligent acts, omissions, default or willful misconduct of Landlord and/or Tenant during the course of performing the Weatherization Measures specified herein.

4. **LANDLORD CONSENT TO SIDEWALL INSTALLATION**

APPLICABLE IF THE WEATHERIZATION MEASURES INVOLVE SIDEWALL INSULATION

In connection with the Weatherization Measures being installed, the Contractor may install cellulose insulation blown into the exterior sidewall cavities (“**Sidewall Insulation**”). The appearance of the Property’s façade/exterior may be impacted as a result of the Sidewall Insulation.

In this regard, Contractors installing Sidewall Insulation typically make an attempt to remove some siding, drill the sheathing underneath, fill the wall stud space with blown insulation, and reinstall the siding. If the Contractor determines that the siding cannot be removed and replaced satisfactorily, the Contractor may elect to drill and plug the siding with a plug ranging from 1” to 3” in size. Please note that this process does not include the painting of any siding or plugs. In the event of a brick-sided house, the Contractor may elect to drill holes on the interior and blow the insulation from the inside. The holes will be spackled, but not sanded or painted.

It is recommended that you notify the Contractor and express your desire to have Contractor begin the Sidewall Installation process on the rear of the Property, in order to afford you the opportunity to monitor the process and determine whether or not you want the Contractor to proceed to the side and front walls of the Property.

Your signature below indicates the undersigned’s: (a) explicit acknowledgment and understanding regarding the matters identified in this box; (b) consent to same; and (c) agreement to release any and all liability of the Contractor, its agents and assigns, National Fuel and its agents and assigns relative to the Sidewall Installation.

The Landlord, by executing this Landlord Permission and Certification as of the date specified below, represents and warrants that he/she is duly authorized to execute same and consents to the terms and provisions set forth in this Landlord Permission and Certification.

LANDLORD:

Name:

Title:

Date:

ANNEX “A-2”



National Fuel®

**National Fuel Gas
Distribution Corporation**

**2022 – 2026
Universal Service and
Energy Conservation Plan**

National Fuel Gas Distribution Corporation
Consumer Business Management Team
P.O. Box 2081
1100 State Street
Erie, PA 16501

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I. INTRODUCTION.

A. Plan Submission.

Pursuant to 52 Pa. Code § 62.4 and Order of the Pennsylvania Public Utility Commission (“**PUC**”) entered on October 3, 2020 at Docket No. M-2019-3012601, National Fuel Gas Distribution Corporation (“**National Fuel**” or “**Company**”) hereby submits its Universal Service and Energy Conservation Plan (“**USECP**”) to outline its universal service and energy conservation¹ efforts for plan years 2022 through 2026 (the “**2022-2026 Plan**” or “**Plan**”).² The 2022-2026 Plan will be implemented upon approval by the PUC.

Notably, this 2022-2026 Plan incorporates, among other things, the customer assistance program (“**CAP**”)³ elements specified in the PUC’s 2019 “Amendments to the CAP Policy Statement” (52 Pa. Code §§ 69.261 *et seq.*; the “**CAP Policy Statement**”).⁴

B. Overview.

National Fuel, headquartered in Williamsville, New York, is a subsidiary of National Fuel Gas Company. National Fuel serves approximately 745,000 customers in western New York and northwestern Pennsylvania. The Pennsylvania Division of National Fuel, headquartered in Erie, Pennsylvania, serves approximately 197,000 residential customers in 14 counties.

National Fuel has a rich, long history of providing natural gas services and payment programs/options that meet the unique needs of its diverse customer base. In this regard, many of National Fuel’s efforts pre-dated formal guidance and regulation from the PUC. A complete history of National Fuel’s various universal service and energy conservation programs are detailed in Past Plans filed by National Fuel.⁵

National Fuel currently offers the following universal service and energy conservation programs (each, a “**Universal Service Program**” or a “**Program**”):

- **Low-Income Residential Assistance Program (LIRA);**
- **Low-Income Usage Reduction Program (LIURP);**
- **Neighbor for Neighbor Heat Fund; and**
- **Customer Assistance and Referral Evaluation Services (CARES).**

In this 2022-2026 Plan, National Fuel will explain these Programs in more detail, identify the impact they have on customers in its service territory, and list certain modifications and enhancements National Fuel proposes to make to them during the plan years 2022-2026.

¹ As used herein, the term “universal service and energy conservation” shall have the meaning ascribed to it at 66 Pa.C.S. § 2202 and regulations of the PUC (“**PUC Regulations**”), unless the context clearly indicates a different meaning.

² As used herein, each previous USECP will be referred to by the years covered by it. For example, National Fuel’s USECP for plan years 2017-2020 shall be referred to as the “2017-2020 Plan.” Additionally, the term “Past Plan” shall refer to the 2017-2020 Plan unless the context clearly indicates a different meaning.

³ As used herein, the term “**CAP**” shall have the meaning ascribed to it at 52 Pa. Code § 62.2 and 52 Pa. Code § 69.262, unless the context clearly indicates a different meaning.

⁴ These amendments to the CAP Policy Statement were made pursuant to Order of the PUC entered on November 5, 2019 at Docket No. M-2020-3012599.

⁵ See, 2017-2020 Plan filed on November 18, 2019 and approved as noted in PUC Secretarial Letter dated January 30, 2020 at Docket No. M-2016-2573847, both of which are incorporated herein by reference.

II. NATIONAL FUEL'S COMMITMENT TO PROVIDING QUALITY UNIVERSAL SERVICE PROGRAMS.

A. Current Universal Service Programs.

National Fuel offers several Universal Service Programs to help customers maintain affordable natural gas service, including the following:

- **Low-Income Residential Assistance Program (“LIRA”)**: LIRA is a discount rate CAP.⁶ Historically, LIRA has provided discounted rates, pre-program arrearage forgiveness, and energy education efforts to *payment-troubled*, low-income customers. However, National Fuel plans on eliminating the *payment-troubled* eligibility criteria effective upon the approval and implementation of this 2022-2026 Plan. Through LIRA, National Fuel: (1) aims to increase the number of customer payments and reduce National Fuel’s collections costs; and (2) helps customers to better manage their gas costs through lower rates, monitoring, conservation education, and linkages to all available income support programs.

While National Fuel has implemented numerous initiatives to achieve a minimum LIRA participation rate of 9,000 customers, participation is currently at approximately 8,000 customers. Among other things, in this 2022-2026 Plan, National Fuel identifies additional ways to increase LIRA participation.

- **Low-Income Usage Reduction Program (“LIURP”) and Emergency Repair and Replacement Program (“ERRP”)**: LIURP is a PUC-mandated weatherization program for low-income customers.⁷ It is designed to assist low-income customers reduce their energy usage, thus reducing their bills. Among other eligibility requirements, those eligible for LIURP must be low-income customers having annual consumption greater than or equal to 1300 CCF of natural gas. National Fuel bids LIURP work out to community agencies and private contractors to obtain the lowest prices. ERRP assists LIURP eligible customers with emergency repairs or replacement of gas heating equipment and hot water tanks.

In 2019, a total of 125 customers participated in LIURP and 115 customers participated in ERRP. In this regard, the APPRISE Report noted that National Fuel’s LIURP Program saved participants an average of 18-20% of pre-treatment gas usage.⁸ Similarly, LIURP jobs completed in 2018 demonstrated an energy savings of 21%.

In an effort to expand the LIURP eligibility criteria and provide additional assistance to its customers, in January 2020 National Fuel obtained temporary PUC approval for a new pilot program: Low Consumption LIURP (“**LC-LIURP**” or “**LC-LIURP Pilot**”).⁹ The goal of the LC-LIURP Pilot is to identify and assist *moderate*

⁶ LIRA is offered consistent with applicable regulatory guidance from the PUC, including that found in the CAP Policy Statement.

⁷ LIURP is offered consistent with applicable regulatory guidance from the PUC, including that found in 52 Pa. Code §§ 58.1 *et seq.*

⁸ See, APPRISE Report, p. 15. For additional information on the APPRISE Report, see footnote 11.

⁹ See, PUC Order entered on October 24, 2019 at Docket Nos. M-2016-2573847 and P-2019-3008559.

consumption households (*i.e.*, annual consumption of ~~more-greater~~ than or equal to 900~~4000~~ CCF but less than 1300 CCF) in which the residence has a similar amount of square footage equal to the identified yearly consumption.

Since receiving temporary PUC approval in 2020, a total of five (5) customers have participated in the LC-LIURP Pilot (with a total of 30 referrals made). However, it is worth noting that both LIURP and the LC-LIURP Pilot have been impacted by the effects of COVID-19, as the virus prevented contractors from being able to enter homes to make energy modifications.

While PUC approval of the LC-LIURP Pilot is set to expire in 2022, due to the impact of COVID-19, National Fuel has been unable to gather sufficient data to meaningfully evaluate the LC-LIURP Pilot. As a result, as part of this 2022-2026 USECP, National Fuel is seeking a one-year extension of the LC-LIURP Pilot through January 2023.

- **Neighbor for Neighbor Heat Fund (“Neighbor for Neighbor”)**: Neighbor for Neighbor provides financial assistance to individuals struggling to pay for their utility services. In the 2019 fiscal year (“FY”), 243 customers received assistance from Neighbor for Neighbor, with an average benefit of \$284.

National Fuel anticipates an average of 312 yearly referrals into Neighbor for Neighbor during the term covered by the 2022-2026 Plan.

- **Customer Assistance and Referral Evaluation Services (“CARES”) Program**: CARES assists low-income, fixed income, special needs, and payment-troubled customers who are experiencing short-term financial hardship. As part of CARES, a National Fuel representative conducts an in-depth analysis of the customer’s payment situation, including documenting income and expenses. If the customer can pay his/her budget billing amount (“**Budget Plan**”),¹⁰ plus an amount toward the arrears, a “budget-plus” arrangement is negotiated. If the customer is unable to pay such arrangement, the customer can receive a CARES flat payment arrangement (which can be an amount less than that of the Budget Plan for a term not exceeding four months). Assistance through CARES may include financial assistance, medical and mental health services, food, clothing, shelter, or other assistance. As part of CARES, National Fuel conducts annual LIHEAP outreach campaigns with educational letters, mailings, news media releases, general advertising, and social media campaigns.

National Fuel anticipates approximately 50 referrals to CARES on an annual basis during the time period covered by the 2022-2026 Plan (*i.e.*, a level similar to that experienced during Past Plans).

B. National Fuel Universal Service Program Funding Levels/LIRA Funding Mechanism.

For historical context, a summary of National Fuel’s spend on these Universal Service Programs during the 2017-2020 Plan is found in **Exhibit “1”**, attached hereto. As noted

¹⁰ As used herein, the term “Budget Plan” shall refer to “budget billing” arrangements as such term is used in 52 Pa. Code, Chapter 56.

in the following sections of this 2022-2026 Plan, National Fuel's spending levels on these Programs is expected to increase as a result of, among other things, the Program modifications outlined herein (being made for, among other reasons, to incorporate certain elements from the CAP Policy Statement).

As in Past Plans, National Fuel's 2022-2026 Plan specifies that costs associated with LIRA are funded as specified in "Rider F" of National Fuel's Tariff ("**Tariff**"). Other Universal Service Programs are funded by the Company. Consequently, National Fuel has taken care to ensure that the modifications to the Programs specified in this 2022-2026 Plan carefully balance: (a) assisting customers eligible to participate in the Programs, with (b) the effect the costs associated with these Programs have on the rates paid by non-enrolled customers. In this regard, in addition to moderating the Universal Service Program costs and the financial impact of them, National Fuel has also focused on other desired outcomes, including establishing affordable payment plans, modifying payment behavior, and reducing energy consumption.

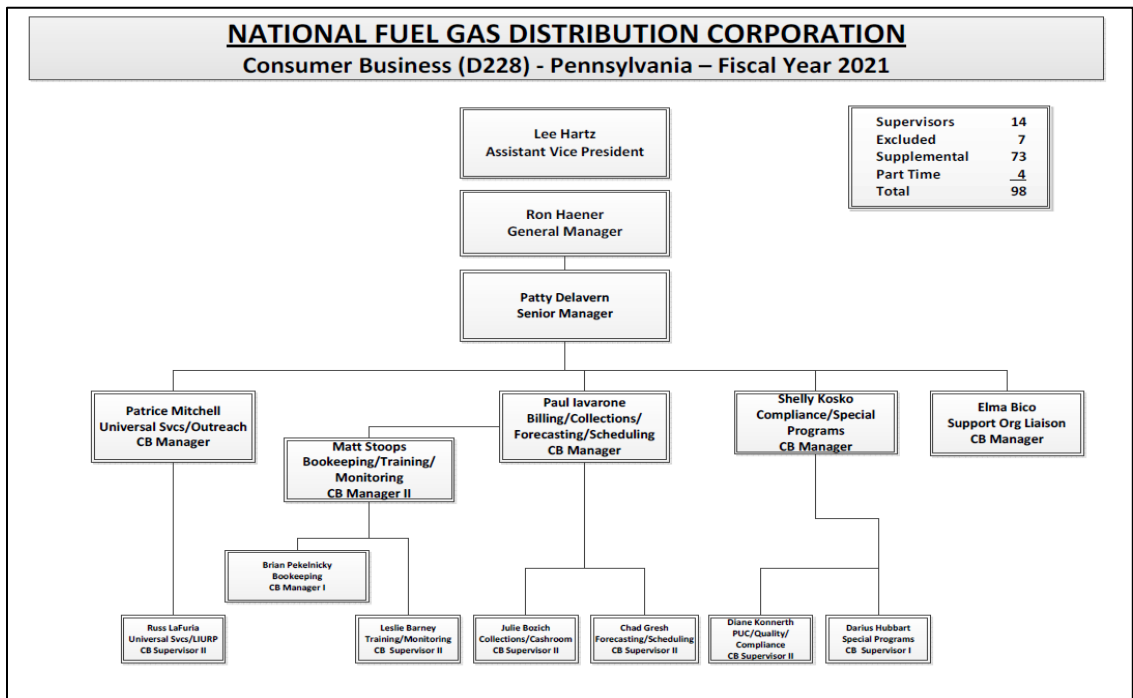
C. National Fuel's Integrated Approach to Universal Service Programs.

Integration of Programs and Continuous Improvement.

National Fuel has an integrated approach to implementing, managing, and administering its collection of Universal Service Programs, and it strives for continuous improvement with respect to each Program. Among other things, such integration means: (1) the Programs have been designed in a way that they complement each other to assist eligible customers; (2) National Fuel strives to educate and enroll customers in as many of these Programs as possible to help tailor a custom solution for them; and (3) National Fuel leverages its workforce (which is trained in each of the Universal Service Programs) as well as community partners to accomplish the foregoing (rather than having its workforce "siloed" and responsible for just one discrete Program).

Organizational Structure.

Internally, National Fuel's Universal Service Programs are administered, implemented, and deployed under the leadership of its Consumer Business Department. More specifically, within National Fuel's Consumer Business Department, there is a manager, two supervisors, an administrative assistant, and service representatives who are involved in the day-to-day operations of all the Universal Service Programs. In addition to these dedicated positions, there are several customer service representatives (supplemental employees) who are all involved in ongoing contact and interactions with customers. The referrals, questions, and possible concerns of customers are initiated from National Fuel's Pennsylvania Consumer Business Center. A chart showing the leadership structure of National Fuel's Consumer Business Department is located below.



In addition, National Fuel leverages third-party contractors to assist in the administration of its Universal Service Programs, so as to enable its staff to provide optimal support and use their time to add maximum impact to customers. For example, Dival Safety Equipment, Inc. processes LIRA applications and LIRA re-verify applications, provides customer education, and issues reports to National Fuel on such activities. Similarly, Matrix Imaging is National Fuel’s third-party vendor responsible for printing and mailing invitation and reverification packets for LIRA. National Fuel continuously evaluates its use of third-party contractors to ensure they are adding maximal value to its Programs. When appropriate, National Fuel engages new vendors.

National Fuel’s organizational structure ensures that its Universal Service Programs are integrated. This is perhaps best illustrated in the manner in which National Fuel refers individuals into the Programs: National Fuel employees coordinate and make referrals to all Universal Service Program components, as well as LIHEAP referrals. More specifically, National Fuel’s Consumer Business Department trains National Fuel employees (including those in its Call Center and its operational staff) to identify customers who may be eligible to participate in its Universal Service Programs, and to refer customers to as many Universal Service Programs as possible. In this regard, National Fuel incorporates referrals into existing processes (e.g., Cold Weather Survey, collection, compliance, and contact management) and coordinates services with contracted agencies and other community agencies. Restated, National Fuel believes that an effective Program referral process encompasses customer service representatives, field operations, and community agencies.

Universal Service Advisory Committee.

In the spirit of continuous improvement of its Universal Service Programs, and as a result of recommendations received in connection with its 2017-2020 Plan, National Fuel has

established a Universal Service Advisory Committee (“**US Committee**”). The US Committee meets at least twice a year to assist National Fuel with developing improvements and bolstering customer participation in all of its Universal Service Programs.

National Fuel welcomes the ideas and outreach suggestions offered by its US Committee. The US Committee’s first efforts involved proposing modifications to the bill National Fuel issues to its LIRA customers so as to make such bills easier to understand and more user friendly. National Fuel acted upon such recommendation. The outcome was an improved bill for LIRA participants.

Current membership on National Fuel’s US Committee is shown in the below table:

Universal Services Committee	
Agency	Name
Better Business Bureau	Pam Marlowe
County Children and Youth	Mike Whitney
Erie County Housing Authority	Rachel Petty
GECAC/Aging	Matt Trott
GECAC/Community Services	Nicole Johnson
GECAC-Aging Division	Matt Trott
Habitat for Humanity	Nancy Milkowski
Housing Authority of the County of Erie	Rachel Petty
Legislator Representative	Rebecca Smith
Office of Consumer Advocate	Christy Appleby
PA Legal Aid	Kristen Geisman
PUC/BCS	Jennifer Johnson
PUC/BCS	Joe Magee
PUC/BCS	Regina O'Hara
PUC/Communication	Christina Chase-Pettis
PULP -Public Utility Law Project	Liz Marx
Small Business Association	Steven Gray
St. Martin Center	David Gonzalez
Stairways Mental Health	Jill Marince
Warren-Forrest EOC	Robert Raible

Community-Based Organizations.

National Fuel works with numerous community-based organizations on implementing and receiving referrals for its Universal Service Programs and other various projects. To ensure robust dialogue and consistency of purpose/mission, National Fuel holds two yearly meetings within its 14 county service territories with local organizations, state agencies, community action agencies (“**CAA’s**”) and consumer groups (collectively, “**Community-Based Organizations**” or “**CBO’s**”). To ensure maximum participation from these CBO’s, the locations are rotated throughout National Fuel’s Pennsylvania service territory so that these CBO’s have an opportunity to attend a meeting in their area. These meetings allow for National Fuel to review the Universal Services Programs and to collect input and suggestions from the involved agencies about the programs. The participant reviews have all been favorable and will continue to be held twice each year on a rotating basis during the 2022-2026 Plan.

Agencies used in various Universal Service Program are listed in the tables which follow.

LIRA Program Organizations	
Organization	Purpose
Department of Human Services (County Board of Assistance Offices)	<ul style="list-style-type: none"> Based on the customer need
Social Security Administration	<ul style="list-style-type: none"> Based on the customer need
Dival Safety Equipment, Incorporation	<ul style="list-style-type: none"> Third party contractor for processing LIRA applications
Matrix Imaging	<ul style="list-style-type: none"> Third party contractor responsible for mailing LIRA invitations and reverifications

Neighbor for Neighbor Participating Agency List		
Butler/Armstrong Counties	Butler Salvation Army	313 West Cunningham Street, Butler, PA 16001
Clarion County	United Way of Clarion	PO Box 207, Clarion PA 16421
Clearfield/Jefferson Counties	CPCA-Clearfield	207 East Cherry Street, Clearfield, PA 16830
Crawford County	Associated Charities	409 East Central Avenue, Titusville, PA 16354
Crawford County	Center for Family Services	213 Center Street, Meadville, PA 16335
Elk/Cameron County	Northern Tier Community Action	PO Box 389, Emporium, PA 15834
Erie County	GECAC	18 West Ninth Street, Erie, PA 16501
McKean County	Salvation Army	111 Jackson Avenue, PO Box 314, Bradford, PA 16146
Mercer County	Community Action Partnership of Mercer County	75 South Dock Street, Sharon, PA 16146
Venango County	United Way of Venango County	1999 Allegheny Blvd., Reno, PA 16343
Warren/Forest Counties	Warren/Forest Counties Economic Opportunity Council	1209 Pennsylvania Avenue West, PO Box 547, Warren, PA 16365

Community Based Organizations			
1	Agency on Aging (14 Counties), including Senior Centers	29	Legislators – State Representatives, Senators
2	Alzheimer’s Association of NW PA	30	Lifeworks – LECOM Health
3	American Red Cross	31	LINK
4	Associated Charities (FEMA)	32	Love, Inc.
5	Association for Retarded Citizens	33	Martin Luther King Center
6	Barber National Institute	34	Mental Health Base Service Unit
7	Blindness and Visual Services – Dept. of Labor & Industry	35	Mental Retardation Base Service Unit
8	Booker T. Washington Center	36	Mercy Center for Women
9	Catholic Social Services	37	Multicultural Center YMCA
10	Center for Family Services	38	Neighbor for Neighbor Affiliates
11	Central PA Community Action, Inc.	39	North Central PA Office of Human Services
12	Community Home Health Agencies	40	Northwestern Legal Service
13	Community HealthNet	41	Office of Children & Youth Service
14	Corry Memorial Hospital - LECOM	42	Office of Vocational Rehabilitation
15	County Office of Children and Youth Agencies	43	Pharmaceutical Assistance Contract for the Elderly (PACE)
16	Department of Human Services	44	Property Tax/Rent Rebate Program - PA
17	Economic Opportunity Association, Inc.	45	Safe Harbor Community Health
18	Emergency Management Agency	46	Salvation Army
19	Family Services	47	Social Security Administration
20	Good Shepherd Center, Inc.	48	St. Martin Center
21	Greater Erie Community Action Committee (GECAC)	49	St. Vincent Health Center, Allegheny Health Network – St. Vincent
22	Hamot UPMC Medical Center	50	Stairways Behavioral Health
23	Home Health Care Agencies	51	The Sight Center of NW PA
24	Homeless Case Management Program	52	Twilight Wishes
25	Independent Council on Aging	53	Veteran’s Administration
26	Inter-Church Ministries	54	Womens Care Center
27	International Institute	55	211
28	LECOM Health Center		

National Fuel Consumer Education and Outreach Plan.

National Fuel leverages its integrated approach, organizational structure, and CBO’s to promote its Consumer Education and Outreach Plan. The purpose of the Consumer

Education and Outreach Plan is to provide a multi-pronged approach to consumer education with the goal of connecting eligible consumers to LIRA and other Universal Service Programs. All outreach activities are designed to increase awareness of income eligible programs which include available LIHEAP assistance. Enrollment in these programs benefit National Fuel's customers.

Components of the Consumer Education and Outreach Plan are listed in the tables which follow.

General Audience Education & Outreach Activities	
Activity	Frequency
Annual focused bill inserts	Singular section of fall insert; expanded sections in November and December inserts
Website program information	Available 24/7
Social Media Advertisements	Multi-season messaging; aligning with colder weather; opening of energy assistance programs, etc.
Community Education	Flyers/handouts provided to schools, churches, unions, agencies regarding LIHEAP and LIRA. Postcards are sent to potentially eligible customers. Business cards are used with personal contacts.

Additional Target Audience Education & Outreach Activities	
Activity	Details
Incoming callers screened for eligibility via Phone Center	Application for service; bill payment discussions; termination/restoration calls; PFA calls
Hardship Grant applications at Neighbor for Neighbor and screening for CAP and LIURP	Grant approved; benefits of LIRA and LIURP described to eligible customers
LIHEAP recipient identification	Annual Identification of LIHEAP recipients that are not currently enrolled in LIRA.
Limited Income Events	Provide representatives and materials to local events: senior fairs, resource fairs, etc.
Termination Notices	Contain eligibility information regarding LIRA, (seasonal) energy assistance, hardship funds.

Annual Training & Community Education Opportunities	
Association	Training/Support
Targeted Agencies in Service Area, minimum of two (2) Annually	On-site training provided at least once per year regarding available energy assistance grants, LIRA eligibility and enrollment processes, LIURP and hardship funds.
Be Utility Wise (Erie, Venango, Warren)	Annual participation in planning, program development and presentations to attendees regarding all Universal Service Programs.
AAA RSVP and Program Appeal Board	Participate in meetings with community partners providing information on Universal Service Program eligibility and enrollment.

ICA Membership (Networking and Outreach)	Attend 10 meetings annually participating in events targeted for Older Adults. Agency sharing and networking.
ICA Education Committee	Provides Outreach to Agency contacts.
State Legislator Events	Multiple events annually with local state reps. Offer legislative staff trainings and partnering Outreach venue for LIHEAP and National Fuel Program application.
Resource Fairs	National Fuel staff answer questions and distributes information. Increase participation.
Outreach mailings	Comprehensive LIHEAP mailings annually Churches, Schools, Unions, Agencies, Retail Stores (Walmart, Rite Aid, CVS).
Refresher Training	Internal customer service training highlighting the benefits of Universal Service Programs

Energy Conservation Audit.

As an additional means of outreach and education, National Fuel makes “Energy Conservation Audits” available to all National Fuel customers. Priority is given to conducting energy audits for those LIRA customers having annual consumption ~~in excess of~~ greater than or equal to 1300 CCF. These high-usage customers are also referred for consideration in LIURP.

The Energy Conservation Audit is designed to provide customers with energy conservation tips with an emphasis on things that they can do themselves. Since many of these customers are senior citizens (*i.e.*, those customers 55 years of age or older), they are screened for eligibility for other Programs, as well. After accompanying the representative through the house, the customer receives a written summary of suggestions and a flier with energy conservation tips. In the absence of an audit, customers will be provided with energy education materials.

Engagement of Customers with Unique and Special Needs.

National Fuel further engages customers with special needs, limited English proficiency, and those with protection from abuse orders (“**PFA**”) as follows:

- “Language Line” used for Limited English Speaking customers.
- All “PFA customers screened for LIRA.
- All customers receiving other Universal Service Programs (LIURP, Emergency Repair Program, CARES) are screened for LIRA.
- Support to vulnerable customers provided by CARES representatives when customers are having difficulty understanding and participating in any US Programs. Referrals are made to agencies (*i.e.*, the local area agency on aging and mental health agencies) for additional assistance where applicable.
- National Fuel Operations employees are provided with information regarding education and knowledgeable contact persons. Contact persons, in turn, provide assistance to help the identified customer that needs LIRA or other

income eligible programs. Field employees also carry business cards and LIHEAP Awareness cards to be given to customers to encourage them to call for assistance.

Continuous Improvement.

In the spirit of continuous improvement and ensuring its Universal Service Programs have a maximum impact, National Fuel:

- Participates in targeted outreach with agencies, legislative and career exposition venues, and other activities.
- Routinely meets with members of its US Committee to collaborate on Universal Service Programs.
- Continue, refine, and develop initiatives to identify low-income customers for more robust LIRA and LIURP participation.
- National Fuel, together with the PUC and Penelec (a FirstEnergy Company) ("**Penelec**"), were sponsoring partners of the "Be Utility Wise" outreach event. This event, which includes individuals representing the PUC, National Fuel, and Penelec is a "train-the-trainer" style meeting for local agencies.
- Sponsored, presented and participated in the First Statewide LIURP Contractor Conference in 2019.

National Fuel believes that with continued community involvement, including social media outreach and the adoption of the new CAP Policy Statement, it will realize increased participation in all Programs. Of note, three additional outreach programs are scheduled for Spring 2021 at the Erie County Office of Children and Youth, Venango Human Services, and Stairways Behavioral Health.

IV. IMPLEMENTATION OF PREVIOUS PLAN MODIFICATIONS.

All modifications outlined in National Fuel's 2017-2020 Plan have been successfully implemented. However, despite its efforts, National Fuel's Programs have total enrolled customers less than that targeted in the 2017-2020 Plan. National Fuel attributes this to several factors, but notes it has taken action (e.g., the LC-LIURP Pilot, etc.) to address it. Moreover, many of the modifications specified in this 2022-2026 Plan are designed to, among other things, increase enrollment levels.

As noted above, National Fuel received PUC approval for the LC-LIURP Pilot in 2020, with such approval lasting through 2022. Due to, among other things, the unprecedented effects of COVID-19 (including restrictions on contractors being able to enter residential homes to make weatherization/conservation-related improvements), National Fuel has been unable to gather conclusive data to evaluate the efficacy of the LC-LIURP Pilot.

Consequently, and as outlined and explained in Section VI herein, in this 2022-2026 Plan, National Fuel respectfully requests a one-year extension of the LC-LIURP Pilot through January 2023.

V. SUMMARY OF PROPOSED MODIFICATIONS.

As noted above, National Fuel continuously explores ways to enhance its Universal Service Programs and to identify, engage, and enroll Program participants. In this regard, since the approval of its 2017-2020 Plan, National Fuel has accomplished this through, among other sources: (1) meaningfully interacting with those enrolled in its Universal Service Programs and key stakeholders; (2) reviewing and implementing provisions of the revised CAP Policy Statement and other guidance and directives from the PUC; (3) implementing recommendations proposed by National Fuel's US Committee; and (4) deliberatively taking steps to consider and apply some of the recommendations from the Applied Public Policy Research Institute for Study and Evaluation ("APPRISE") Final Evaluation Report of National Fuel's Universal Service Programs 2020 ("APPRISE Report").¹¹

Informed by the above sources, National Fuel is proposing several modifications to its Universal Service Programs in this 2022-2026 Plan. While these modifications are outlined in detail later in this 2022-2026 Plan, a summary of these changes includes the following:

- **Modifications to LIRA:**

- **To Implement CAP Policy Statement Changes:**

- Establishment of a new 90% discount rate and other Program modifications to bring LIRA participants' monthly natural gas bills in line with the energy burden standards specified in the CAP Policy Statement:
 - For participants whose household income is 0-50% of the Federal Poverty Guidelines ("FPG" or "FPIG"), maximum energy burden of 4%.
 - For participants whose household income is 51-150% FPG, maximum energy burden of 6%.
- Removal of the "payment-troubled" Program eligibility requirement.
- Conforming definition of "household income" for LIRA eligibility purposes to that used in Section 1403 of the Utility Code.¹²
- Modification of the LIRA application process, to ensure that low-income eligibility is determined with reference to *either* 30 days or annual income, whichever is more advantageous to the customer.
- Removal of the LIRA requirement that the enrolled customer must designate the Low Income Home Energy Assistance Program ("LIHEAP") grant to National Fuel.
- Elimination of late payment charges for all enrolled LIRA participants.

¹¹ The APPRISE Report was previously filed with the PUC on September 2, 2020 at Docket No. M-2019-3012601, and is incorporated into this 2022-2026 Plan by reference.

¹² National Fuel will follow the definition of "household income" specified in Section 1403 of the Utility Code (i.e., household income is "the combined gross income of all adults in a residential household who benefit from the public utility service.") 66 Pa.C.S. § 1403. Consequently, all references to "household income" used in this Plan shall have such meaning.

- Continued acceptance of valid alternative identification verification materials (in lieu of social security numbers) (e.g., state driver’s license or photo identification card, a U.S. Citizenship and Immigration Service (“USCIS”) Permanent Resident Card (i.e., “Green Card”), a Pennsylvania Department of Human Services (“DHS”) Benefit Statement, or U.S. Passport.
 - Utilization of the approved PUC Standard CAP Reverification Form for zero income, which shall be completed every 6 months (rather than every 3 months).
- **To Implement APPRISE Report Recommendations and Other Changes:**
 - Cancellation of LIRA enrollment if the homeowner declines participation in LIURP (in accordance with directives from the PUC).
 - Modification of LIRA Application and the LIRA Program “Features Sheet” (in accordance with recommendations from the APPRISE Report and the US Committee).¹³
 - Continue to request written documentation to complete all LIRA reverifications (and requiring LIRA participants to comply with reverification every two years or three years) (as directed by the PUC).
- **Modifications to LIURP:**
 - Seeking PUC approval herein for an extension of the LC-LIURP Pilot through January 2023 (to continue to evaluate efficacy of same) and expanding usage eligibility to include those with consumption greater than or equal to 900 CCF and less than 1300 CCF.
 - Addition of blower door testing to all LIURP jobs (in accordance with directives from the PUC).
 - Reinstate the “Annual Meeting of Contractors” for those performing LIURP jobs.
 - **Modifications to Neighbor for Neighbor:**
 - Continuation of the Neighbor for Neighbor “COVID Modification” (i.e., no fourth payment required within the last 90 days).
 - **Modifications and Efforts with Respect to All Universal Service Programs:**
 - Continue to work with CBO’s and partners to leverage existing and emerging sources of media (e.g., social media) to attract and retain Universal Service participants.
 - Leverage new technologies to enhance participants’ experience with Universal Service Programs.

¹³ A copy of the LIRA Program “Features Sheet” is attached hereto as **Exhibit “2”**.

- In this regard, National Fuel has engaged in social media communication and recently introduced a new, more user-friendly website in November 2020. National Fuel plans to utilize its website to more interactively engage and educate natural gas consumers.
- Solicitation of a third-party vendor with enhanced technology such that National Fuel can offer: (1) an online application and electronic submission for LIRA and Neighbor for Neighbor applications and supporting materials; (2) improved application interface; and (3) enhanced processing time.

VI. NATIONAL FUEL'S UNIVERSAL SERVICE PROGRAMS FOR THE PROPOSED 2022-2026 PLAN.

A. Low-Income Residential Assistance Program ("LIRA").

1. Program Description.

Overview.

Subject to the modifications described herein, National Fuel plans to continue LIRA during the years covered by the 2022-2026 Plan.

LIRA is a discounted rate CAP for low-income customers (*i.e.*, for customers with incomes equal to or less than 150% of FPG). LIRA is intended to increase the number of payments from low-income customers, while decreasing the Company's collection costs. Through LIRA, low-income customers are better able to manage their gas utility costs through: (1) lower rates; (2) intensive monitoring and interaction with National Fuel representatives; (3) conservation education; and (4) assistance to maximize household resources by linking customers to all available support programs. In addition, low-income customers enrolled in LIRA are eligible to receive arrearage forgiveness for balances incurred prior to their enrollment in LIRA. The National Fuel Consumer Business Department administers LIRA.

Key Program Design Elements.

National Fuel highlights the following key elements of LIRA for the time period covered by this 2022-2026 Plan, all of which shall become effective upon Plan approval by the PUC:¹⁴

➔ **Discounted Rate.** LIRA includes separate discount rates of 10%, 20%, 30%, 40%, 50%, 60%, 70%, 80%, and 90% (each, a "**Discount Rate**"). A participant's Discount Rate is set and adjusted monthly to the greater of:

- (1) The Discount Rate specified in the LIRA Discount Rate Table below (which accounts for: (a) the aggregate income level of the household; and (b) the number of people in the household); or
- (2) The Discount Rate which brings the participant's energy burden within the levels specified in the CAP Policy Statement in effect at the time of this 2022-2026 Plan approval (or as close to such energy burden levels as possible).¹⁵

¹⁴ Including any supplemental Tariff filing which may be required to implement same under applicable provisions of the Public Utility Code (66 Pa.C.S. §§ 101 *et seq.*) and PUC Regulations.

¹⁵ Because National Fuel proposes a maximum Discount Rate of 90% for LIRA, there is a small number of participants whose energy burdens will not fall within the 4% and 6% energy burden levels identified in the CAP Policy Statement. Based on internal modeling by National Fuel, under normal usage scenarios, only 60 LIRA participants (or less than 0.75% of LIRA participants) will not meet these energy burden thresholds. As such, National Fuel is confident that its design for LIRA (outlined herein) is appropriate, as it balances ensuring the maximum number of participants achieve acceptable energy burden levels without necessitating fundamental system changes and other costs which would adversely impact non-LIRA ratepayers. The latter would occur if additional, higher Discount Rates (*i.e.*, those in excess of 90%) were added to LIRA.

In support of the foregoing analysis, National Fuel notes that many of the approximately 60 LIRA participants for whom the 90% Discount Rate would not yield a monthly bill falling within the energy burden levels listed in the CAP Policy Statement are those with \$0 income. Moreover, National Fuel notes that such participants may, in fact, incur just the LIRA minimum bill amount of \$12. Such minimum bill amount is the lowest of all public utilities located in Pennsylvania. See, Table 3, Preamble to the 2019 Amendments to Policy Statement on CAP, 50 Pa.B. 1661. As such, National Fuel LIRA

LIRA DISCOUNT RATE TABLE														
Percentage Discount	Household Size													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Income														
0	80.0%	80.0%	80.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
1,000	80.0%	80.0%	80.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
2,000	80.0%	80.0%	80.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
3,000	80.0%	80.0%	80.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
4,000	80.0%	80.0%	80.0%	80.0%	80.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
5,000	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
6,000	70.0%	70.0%	70.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
7,000	60.0%	70.0%	70.0%	70.0%	70.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
8,000	60.0%	60.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
9,000	50.0%	50.0%	60.0%	60.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
10,000	40.0%	30.0%	60.0%	60.0%	60.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
11,000	30.0%	20.0%	50.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%
12,000	20.0%	20.0%	40.0%	50.0%	50.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%
13,000	10.0%	10.0%	20.0%	50.0%	50.0%	50.0%	50.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%
14,000	10.0%	10.0%	10.0%	20.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
15,000	10.0%	10.0%	10.0%	10.0%	40.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
16,000	10.0%	10.0%	10.0%	10.0%	10.0%	40.0%	40.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
17,000	10.0%	10.0%	10.0%	10.0%	10.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
18,000	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
19,000	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	30.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
20,000	0.0%	10.0%	10.0%	10.0%	10.0%	10.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
21,000	0.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
22,000	0.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
23,000	0.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
24,000	0.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
25,000	0.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
26,000	0.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
27,000	0.0%	0.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
28,000	0.0%	0.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
29,000	0.0%	0.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%

A participant's Discount Rate, in turn, is applied against included in his/her Budget Billing bill ("**Discount Amount**"). The participant is then required to pay the greater of: (a) the Discount Amount; or (b) a minimum charge-payment of \$12.00 (the "**LIRA Balance Due Amount**"), which the participant is required to pay monthly.¹⁶

➔ **Arrearage Forgiveness.** In addition to receiving a Discount Rate, LIRA participants can obtain arrearage forgiveness of their pre-LIRA past due balance ("**Pre-LIRA Balance**"). Arrearage forgiveness equal to 1/24 of the Pre-LIRA Balance is provided for up to 36 months if needed. In this regard, participants must make monthly payments that are equal to or greater than the LIRA Balance Due Amount to receive arrearage forgiveness. Each month the bill is paid on time, 1/24 of the amount eligible for forgiveness is eliminated. If the participant pays the Pre-LIRA Balance down to zero, the corresponding forgiveness will be applied, as long as it was paid within the first 36 months of enrollment. Arrearage forgiveness can also be realized each time a payment is received that is equal to or greater than the LIRA Balance Due Amount, provided, again, that the participant makes such payment within 36 months of enrollment.¹⁷ The foregoing arrearage forgiveness is not impacted if a LIRA participant moves to a new address during this 36 month time period.

➔ **Energy Management.** National Fuel believes that energy conservation and management is crucial to all CAP's such as LIRA. As such, in addition, to the Discount Rate and pre-arrearage forgiveness components of LIRA, LIRA also

participants may very well be in a better position under LIRA than they would under CAP plan designs of other utilities (which contain higher minimum payments).

¹⁶ In previous Plans, National Fuel has referred to the "LIRA Balance Due Amount" as the "ask-to-pay" amount. For purposes of this 2022-2026 Plan, National Fuel has used the term "LIRA Balance Due Amount" as it is the term which is used on LIRA customers' bills.

¹⁷ National Fuel continues to track pre- and post-LIRA payments in order to evaluate LIRA's overall effectiveness.

features energy management and conservation components. More specifically, a LIRA participant can receive:

- a. Energy education for his/her residence, which is offered by representatives from National Fuel's Energy Management Department or approved contractors.
- b. Energy audits (for each LIRA participant whose usage exceeds that of National Fuel's typical residential customer).
- c. General written energy education materials, including simple tips on controlling gas usage in the home (for each LIRA participant with usage less than 1050 CCF per year).
- d. LIRA participants ~~using more than~~ with consumption greater than or equal to 1300 CCF are referred to LIURP where they are evaluated for inclusion in the program.
- e. LIRA participants ~~with consumption greater than~~ exceeding 1000 or equal to 900 CCF but ~~not more less~~ than 1300 CCF are screened for participation in the Low Consumption LIURP Pilot Program ("LC-LIURP"). If eligible, measures will be installed. If ineligible, the LIRA participant will be scheduled for an energy audit where residence-specific recommendations for usage reduction will be made.

→ **Additional Design Elements.** Additional LIRA program elements are specified in **Exhibit "3,"** attached hereto.

2. Program Eligibility.

In order to participate in LIRA, the following requirements must be met:

1. The individual must be a heating customer of National Fuel;¹⁸ and
2. The individual's gross household income must be equal to or less than 150% of the FPG.

3. Program Needs Assessment.

LIRA Needs Assessment.

The LIRA Needs Assessment is based on the U.S. Census Bureau's 2020 American Community Survey "1 Year Estimates" and "5 Year Estimates" ("**2020 ACS**") and identifies potential estimated low-income households at 59,860, or 30.19% of the total households classified as customers in National Fuel's Pennsylvania service territory. This information from the 2020 ACS is plotted by each county in National Fuel's Pennsylvania service territory in the table below.

¹⁸ Additionally, LIRA customers must have National Fuel provide their natural gas supply services.

Census Data by County - 2015-2019							
	Total Households	Number <=150%	Percent <=150%	NFG Households	NFG Estimated Number of Households <=150%	Percentage of NFG Estimated Low Income	Identified NFG Confirmed Low Income
Armstrong County	28,137	7,595	26.99%	593	160		
Butler County	76,502	13,749	17.97%	2,105	378		
Cameron County	2,184	717	32.83%	1,314	431		
Clarion County	16,021	5,513	34.41%	3,821	1,315		
Clearfield County	31,248	9,821	31.43%	6,921	2,175		
Crawford County	35,164	10,812	30.75%	17,461	5,369		
Elk County	14,020	3,256	23.22%	10,945	2,542		
Erie County	110,318	35,051	31.77%	91,258	28,995		
Forest County	1,839	659	35.83%	897	321		
Jefferson County	18,427	5,916	32.11%	6,518	2,093		
McKean County	17,147	5,568	32.47%	5,735	1,862		
Mercer County	46,340	12,862	27.76%	26,461	7,344		
Potter County	6,480	2,220	34.26%	4	1		
Venango County	22,050	6,442	29.22%	14,475	4,229		
Warren County	17,115	4,645	27.14%	9,741	2,644		
Total/Avg.	442,992	124,826	28.18%	198,249	59,860	30.19%	24,340

Census Data Compiled by Mollie Van Loon
CSIS Project
Penn State University
3/15/2020

Sources:
2015 - 2019 American Community Survey 5-Year Estimates - United States Census Bureau
NFG Households, PDF PA Low Income Customers 2020-12 Summary - Residential by County

As an additional data point, National Fuel's confirmed low-income households total 24,340 as of March 2020.

LIRA Details and Trends.¹⁹

In addition, National Fuel acquired invaluable data about its LIRA program from the APPRISE Report. With respect to LIRA, APPRISE noted the following details and trends with respect to the 2017-2020 Plan:

- A total of 9,856 customers participated in LIRA at some point in 2019.
- Of those customers, 31% first enrolled in LIRA before 2015.
- The mean length of time an individual participates in LIRA is 4.6 years.
- A total of 63% of the LIRA participants identified above received a 10% Discount Rate, 7% received a Discount Rate greater than 50%, and 4% received a Discount Rate of 80%. The mean of the Discount Rates received by all LIRA participants was 21%.
- A total of 23% of LIRA customers with incomes at 0-50% of FPG had a monthly LIRA "Balance Due Amount" in an amount which exceeded 4% for their household income.
- The average annual discount for LIRA participants equaled \$219, with the mean pre-Program arrearage equaling \$596.

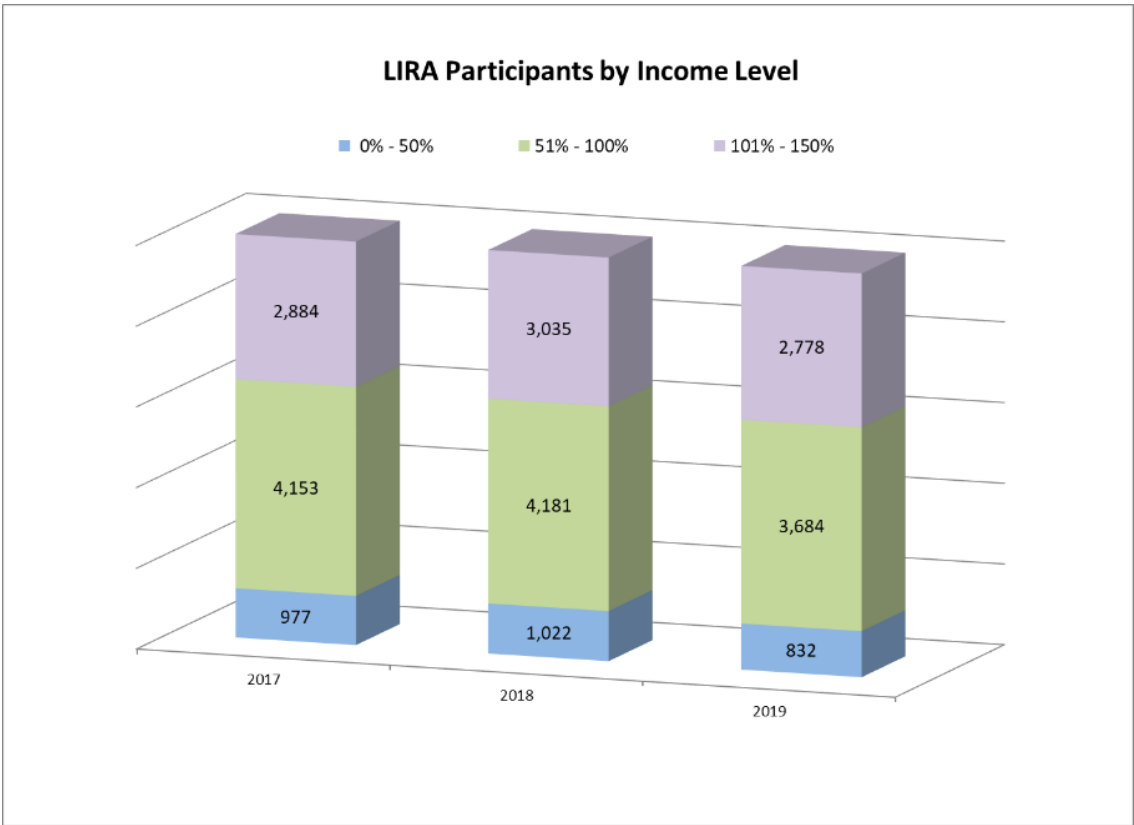
¹⁹ In addition to the information contained in this Section, additional information is contained in **Exhibit "4,"** attached hereto.

The PUC’s 2019 Universal Service Programs & Collections Performance Report (the “**2019 PUC Report**”) summarized income for all natural gas customers enrolled in CAP’s across Pennsylvania from 2017-2019. These sources of household income included (with respect to 2017, 2018, and 2019, respectively):

- Employment: 29.8%, 30.5%, 30.2%.
- Pension or retirement percentages: 29.3%, 31.8%, and 33.1%.
- Disability income: 20.9%, 18.5%, and 17.1%.
- Public Assistance: 4.5%, 3.8% and 3.6%.
- Unemployment Compensation: 2.3%, 2.2%, and 2.1%.
- Other income: 13.3%, 13.2%, 13.9%.

Energy Burden Findings by APPRISE and Modification of LIRA Energy Burden Percentages.

Overall, National Fuel observed a 9% decrease in LIRA participation from 2017-2019. National Fuel continues to see the smallest number of LIRA participants amongst those with household incomes at 0%-50% of FPG (at just 12%). The majority of National Fuel’s LIRA participants are those with household incomes at 51%-100% of FPG (at 51%). Finally, National Fuel’s LIRA participants with household incomes of 101%-150% of FPG is approximately 37%. See graph below for specific details which supports this trend.



National Fuel’s Response to the Above Factors.

As a direct result of these findings and the 2019 Amendments to the CAP Policy Statement, National Fuel has proposed the modifications outlined in this 2022-2026 Plan to LIRA (*i.e.*, to among other things, establish a new LIRA Discount Rate of 90% and allow for monthly adjustments to participants’ LIRA Discount Rate, so as to bring the maximum number of participants’ energy burdens within the 4% energy burden (for customers with household income at 0%-50% FPG) or 6% (for customers with household income at 51%-150% of FPG)). Consequently, National Fuel’s 2022-2026 Plan has adopted and incorporated this recommendation from the CAP Policy Statement. Additionally, National Fuel has continued to be responsive to PUC guidance and customer needs. Moreover, National Fuel will continue to encourage these customers to apply for LIHEAP and participate in LIURP to better assist the LIRA customers to manage their consumption and gas bills.

4. Program Projected Enrollment Levels and Budget.

The projected LIRA enrollment and budget (contemplating the LIRA design elements – including those new elements of adding the additional 90% Discount Rate for purposes of reaching the 4% and 6% energy burdens specified in the 2019 Amendments to the CAP Policy Statement) for the time period covered by this 2022-2026 Plan are shown in the below table entitled “Projections for LIRA 2022-2026.”

Projections for LIRA 2022-2026						
	CY 2022 Forecast	CY 2023 Forecast	CY 2024 Forecast	CY 2025 Forecast	CY 2026 Forecast	
Discounts	\$ 2,556,702	\$ 2,698,741	\$ 2,840,780	\$ 2,982,819	\$ 3,124,858	
Arrearage	\$ 587,687	\$ 620,336	\$ 652,985	\$ 685,634	\$ 718,284	
Admin	\$ 192,709	\$ 203,415	\$ 214,121	\$ 224,827	\$ 235,533	
	\$ 3,337,098	\$ 3,522,492	\$ 3,707,887	\$ 3,893,281	\$ 4,078,675	
Forecasted participants	9,000	9,500	10,000	10,500	11,000	

The LIRA budget is dependent upon a number of factors, including: (a) enrollment levels; (b) current cost of natural gas as a commodity; and (c) cost to administer the Program.

A comparison of National Fuel’s LIRA budget projections for Plan years 2022-2026 (see the above table entitled “Projections for LIRA 2022-2026”) to the amount National Fuel spent on LIRA in 2017-2019 (see the below table) is insightful. With respect to LIRA, in fiscal year 2019, National Fuel spent \$368,648 in Program administration, \$1,255,846 in CAP credits and \$526,283 in arrearage forgiveness, for a total of \$2,150,777. This amount is subject to fluctuation based on LIRA participation rates and natural gas commodity cost rates. National Fuel expects to increase enrollment in 2022 to the goal of 9,000 customers. National Fuel will continue with an ongoing LIRA enrollment goal of adding 500 LIRA participants annually through 2026.

Program Year	Administrative Costs	CAP Credits	Arrearage Forgiveness	Totals	Average Annual CAP per Residential Customer
2017	\$227,077	\$791,565	\$181,008	\$1,199,650	\$6.09
2018	\$302,960	\$1,093,008	\$453,805	\$1,849,773	\$9.38
2019	\$368,648	\$1,255,846	\$526,283	\$2,150,777	\$10.93

By comparing the above tables, it is clear that the associated costs of LIRA are increasing (on a dollar-for-dollar basis, year-over-year). In this regard, the administrative costs incurred in connection with National Fuel's LIRA were 18.9%, 16.4% and 17.1% of National Fuel's total LIRA costs in 2017, 2018, and 2019, respectively. These costs are significantly higher than the industry average at 5.8% for the same years. National Fuel's costs with respect to LIRA credits are lower (at an average of 61.2%) compared with the gas industry as a whole (76%). National Fuel's largest LIRA-related cost is for LIRA credits. In this regard, National Fuel's costs for credits are the greatest of all public utilities in Pennsylvania. Finally, the Pre-LIRA Balance forgiveness component has also continued to increase from 15.1% to 24.5% from 2017-2019. While constituting an increased cost, this trend nevertheless supports a conclusion that LIRA is effective, insofar as such Pre-LIRA Balance is forgiven *when* customers pay their LIRA Balance Due Amount. This outcome could also be attributed to the change in how LIHEAP is allocated to the LIRA Balance-Due Amount (a change since the 2017-2020 Plan). This increased cost follows trends found with other public utilities, with the caveat that National Fuel's cost increases have occurred at a greater rate than those of other public utilities.²⁰

Despite the cost increases noted above, National Fuel's overall costs per LIRA participant remains much lower than natural gas distribution companies' averages for 2017-2019. Specifically, National Fuel LIRA participants paid just 69% of that paid by those enrolled in other public utilities' CAP programs. Getting more granular, National Fuel's LIRA participants per customer costs in 2017, 2018, and 2019 were \$150, \$225 and \$295, respectively, in comparison to the industry average costs of \$621, \$752 and \$690, respectively. This translates to National Fuel's LIRA participants paying 33% less than those enrolled in CAP's at other utilities during this time frame.²¹

Speaking to customer utilization, National Fuel's monthly average LIRA participation was 8,014, 8,238 and 7,294 customers for years 2017, 2018, and 2019, respectively.²²

5. Funding Mechanism.

In the 2022-2026 Plan, National Fuel plans to continue to fund the LIRA Program via "Rider F - LIRA Discount Charge," provided for in National Fuel's Tariff ("**Rider F**" or "**LIRA Rider**") to certain rate classes ("**Subject Rates**").²³ The LIRA rate discount specified in Rider F (the "**LIRA Rate Discount**") will be calculated for the quarters corresponding with the updates of gas costs (*i.e.*, February 1, May 1, August 1, and November 1) as well as any other time that Residential Sales Service Rate Customer Charge, Distribution Charge, Natural Gas Supply Charge, Gas Adjustment Charge, or Gas Procurement Charge change.

In addition, a component of Rider F is a charge which shall be included in the Subject Rates to provide for the full recovery of costs in conjunction with the Company's LIRA Rate Discounts, program costs, forgiven pre-program arrearages and an incremental customer credit as provided for in Settlement of Docket Nos. R-00072420 and M-

²⁰ See, 2019 PUC Report, pp. 52-58. Due to the impact of COVID-19 Pandemic, 2020 LIRA data was not reviewed or included as it was not representative of a "typical" year.

²¹ See, 2019 PUC Report, pp. 52-58. Due to the impact of COVID-19 Pandemic, 2020 LIRA data was not reviewed or included as it was not representative of a "typical" year.

²² See, 2019 PUC Report, pp. 52-58. Due to the impact of COVID-19 Pandemic, 2020 LIRA data was not reviewed or included as it was not representative of a "typical" year.

²³ As specified in the Tariff, the current list of Subject Rates includes customers receiving service under the Residential Sales Service Rate Schedule and the Residential rates of the SATC, MMT, and DMT transportation rate schedules.

00072019 (“**Reconciliation Charge**”). The first 12-month reconciliation period commenced October 1, 2007 through September 30, 2008 with the Reconciliation Charge effective for the one year period commencing February 1, 2009. Such Reconciliation Charge will be updated annually and effective each February 1.

The calculation of the LIRA Rate Discount, which will become effective upon National Fuel’s 2022-2026 Plan Approval (and any required Tariff filings) is as follows:

- **Step 1: Determine Percentage of Income Target.** Determine the percentage of income target payment percentage matrix for income and household size based on the BCS-related guidelines/CAP Policy Statement.

BCS Tier	Maximum % of Poverty	Bill Target as % of Income
I	50%	4.0%
II	100%	6.0%
III	150%	6.0%

- **Step 2: Determine Annual Bill Target.** Step 2 is the determination of the annual bill target by income and household size based on: (1) the percentage of income target developed in Step 1, and (2) a minimum monthly payment towards natural gas bills of \$12 per month.
- **Step 3: Determine Annual Required Discount Amount.** Step 3 determines the annual required discount amount needed in order to achieve the annual bill target included in Step 2. The required discount amount is calculated by subtracting the annual bill target in Step 2 from the annual residential bill for the average LIRA customers’ annual consumption by household size category.
- **Step 4: Determine Percentage Discount.** In Step 4, the percentage discount for income and household size is determined. The percentage discount is determined by dividing the required discount in Step 3 by the residential bill for average LIRA customer consumption by household size then rounding the result to the nearest 10%. The minimum discount to be provided to qualified LIRA customers is 10%.
- **Step 5: Determine the LIRA Discount Amount.** Step 5 calculates the LIRA discount amount by multiplying the LIRA percentage discount by the annual residential bill for average LIRA customer consumption by household size. Additionally, an automated process will run monthly at billing to ensure that the account is receiving the appropriate rate discount. The process will evaluate household size, income and bill amount over the last 12 months to calculate the required discount needed to meet the expected energy burden guidelines of 4% or 6%.
- **Step 6: Determination of LIRA Customer Distribution.** In Step 6, the number of current LIRA rate participants by income category and household size is calculated.
- **Step 7: Calculate Projected Discounts.** In Step 7, the projected level of discounts for current LIRA rate participants is calculated by multiplying the discount amount by income category and household size by the number of current participants by income and household size.

- **Step 8: Determination of Total Discounts for the Upcoming 12 Months.** Step 8 provides the determination of the total discounts associated with the LIRA program for the upcoming 12 months. The total discounts are equal to the sum of the monthly total projected discounts for the upcoming 12 months. The total monthly projected discount is equal to the residential bill for the average LIRA customer consumption for the month multiplied by the average discount amount multiplied by the projected number of LIRA customers for the month.

The charge specified in Rider F will be recalculated whenever there is a change to the Residential Sales Service Rate Customer Charge, Distribution Charge, Natural Gas Supply Charge, Gas Adjustment Charge or Gas Procurement Charge.

A summary of the variables that may change with each update of Rider F include:

- Change in residential sales rates;
- Change in the current number of LIRA participants by household size and income category;
- Percentage discounts by household size and income;
- Average LIRA customer annual and monthly volumes by household size;
- Average LIRA discount percentage;
- Total number of LIRA customers current and projected by month; and
- Non-LIRA residential customer volumes.

The calculation of the Reconciliation Charge specified in Rider F will include the following:

1. **LIRA Rate Discount:** the LIRA Rate Discount reconciliation will be based on the previous fiscal year actual over/(under) collections, determined by comparing discounts provided to in bills to LIRA customers as compared to discounts billed to Residential customers under Rider F.
2. **LIRA Program Costs:** the LIRA cost reconciliation will be calculated based on the previous annual fiscal year's costs to administer the LIRA program excluding Company labor and benefits less \$82,924 of net LIRA program costs embedded in base rates that became effective January 1, 2007 (Docket No. R-00061493).
3. **LIRA Forgiven Pre-Program Arrearages:** the LIRA forgiven pre-program arrearage reconciliation will be based on the previous annual fiscal year pre-program forgiven arrearages associated with the LIRA program less \$755,591 of LIRA pre-program arrearages embedded in base rates that became effective on January 1, 2007 (Docket No. R-00061493).
4. **Incremental Customer Credit:** an annual credit of \$35 per LIRA customer will be provided associated with the LIRA incremental customers. The LIRA incremental customer credit will be based on the average number of LIRA customers billed during the previous fiscal year less 11,411. If the average number of LIRA customers billed during the previous fiscal period is 11,411 or less, the credit will be \$0.

Note: In addition, since the filing effective February 1, 2010 and every February 1 thereafter, Rider F has included a levelized rate for over/under collections for the prior 12-month period by comparing projected revenues under the Rider to actual revenue amounts experienced. The annual reconciliation will be based upon actual revenues through December 31 and estimated revenues for January. Estimates for January shall be included in the following reconciliation period. The rate will be designed to recover or refund the applicable under or over recovery over the 12-month period beginning February.

6. Program Use of Community-Based Organizations and Staff Responsibilities.

Community-Based Organizations.

As noted in Section II of this 2022-2026 Plan, National Fuel works with numerous community-based organizations on various projects. Within its 14 county Pennsylvania service territory, National Fuel holds two yearly meetings with local organizations, state agencies, and consumer groups. The locations are rotated throughout the territory so that agencies periodically have an opportunity to attend a meeting in their area. These meetings allow for National Fuel to review the Universal Services Programs and to collect input and suggestions from the involved agencies about the programs. The participant reviews have all been favorable and they will continue to be held twice each year on a rotating basis.

By way of summary, National Fuel works with, among others, the following external parties (including vendors, CBO's, and government agencies) to assist in recruiting, retaining, and administering LIRA:

LIRA Program Organizations	
Organization	Purpose
Department of Human Services (County Board of Assistance Offices)	• Based on the customer need
Social Security Administration	• Based on the customer need
Dival Safety Equipment, Incorporation	• Third party contractor for processing LIRA applications
Matrix Imaging	• Third party contractor responsible for mailing LIRA invitations and reverifications

Also, as noted in Section II of this 2022-2026 Plan, under the direction of National Fuel's Consumer Business Department, which is principally responsible for all facets of National Fuel's Universal Service Programs (including LIRA), National Fuel has an "all hands on deck" approach, ensuring that its employees across all departments and business units are aware of LIRA so as to identify and make referrals to same.

7. Program Description of Outreach and Intake Efforts and Specific Steps to Identify Low-Income Customers with Arrears and Enroll Same.

Initially, it is worth noting that prior to this 2022-2026 Plan, LIRA only targeted low-income *payment-troubled* customers who had difficulty keeping their payment arrangements and who may have been in danger of having their services terminated. Under this design (*i.e.*, LIRA eligibility requirement of customer being "payment-troubled"), LIRA had a monthly average yearly participation by poverty level of 7,849 for the past three years.²⁴

²⁴ See, 2019 PUC Report, p. 52.

The elimination of the “payment-troubled” eligibility requirement will open up the program to additional customer households that are at the qualifying income thresholds.

Referral Process.

A customer meeting the LIRA eligibility requirements may be referred into LIRA through several sources. National Fuel’s Consumer Business Department often makes such referrals. As part of such referral, a National Fuel representative explains the main features of LIRA and the benefits that may be realized by the customer as a result of enrolling. A National Fuel representative also explains the customer’s responsibilities as a LIRA participant, including:

- All adult members of the household must become ratepayers (excluding children of the ratepayers who are dependents and dependents over 65, under applicable provisions of the Internal Revenue Code, U.S. Treasury Regulations, and other related guidance).
- All household income must be verified (in a manner consistent with the guidance contained in the CAP Policy Statement).
- To avoid termination of service, the monthly LIRA Balance Due Amount must be paid.
- No additional extensions or payment arrangements (to avoid termination of service) are offered to LIRA participants.
- Each customer must agree to receive weatherization services, if qualified under LIURP or LC-LIURP Pilot eligibility requirements (see Section VI, B). If a customer does not agree, he/she will be removed from LIRA and placed back in the applicable standard residential rate category.
- The ratepayer must agree to apply annually for LIHEAP.

Once a referral is made directly from National Fuel (per above), a 30 day hold is automatically placed on such customer’s account to allow the necessary time to process the referral. Referred customers are then contacted by telephone and/or letter to determine LIRA eligibility.

As noted elsewhere in this 2022-2026 Plan, although the majority of referrals are expected to be made by National Fuel’s Consumer Business Department, any National Fuel business department may encounter customers who could benefit from the LIRA Program and who appear to be eligible. Referrals may also be made by community agencies/CBO’s that have been involved in the customer’s situation. Certain referral methods for LIRA are listed in the table below.

LIRA Referral Methods	
Method	Availability
Written Mail-in Process	National Fuel’s Call Center screens customer accounts for Program eligibility and then completes referrals. Follow-up will include mailing a LIRA Application to the eligible customer. The customer must then return the completed LIRA Application as

	well as income verification. Documentation can be submitted via fax or US mail.
Agency Referrals	Contact from various agency for eligible customers.
Neighbor for Neighbor	Grant recipients screened for referral and participation in additional Universal Service Programs.
LIURP Referral	LIURP-eligible customers referred to LIRA if they qualify.

Application Process.

After the LIRA referral, an individual record for the prospective LIRA participant will be created. For each referral, a packet with a LIRA application form (the “**LIRA Application**”) and an invitation letter will be automatically generated and mailed.²⁵ An informational page as well as a postage-paid return envelope is also included. For reference, a copy of the LIRA Application is attached hereto as **Exhibit “5”**.

Prospective LIRA customers must complete the LIRA Application and further:

1. Must become enrolled in the Budget Plan.
2. All Adult residents in the household (*i.e.*, those 18 years and over, but excluding children of the ratepayers who are dependents and dependents over 65 under applicable provisions of the Internal Revenue Code, U.S. Treasury Regulations, and other related guidance), must become National Fuel ratepayers as a condition of participation in LIRA.
 - ➔ All such individuals must provide the name and social security numbers or other verifiable form of identification of all persons in the household receiving LIRA.
 - ➔ Consistent with the CAP Policy Statement, National Fuel accepts multiple forms of identification including valid state-issued driver’s licenses, state-issued photo identification cards, and U.S. Passports. Additionally, National Fuel will take the following secondary forms of identification: Green Card, DHS Benefit Statement, and a copy of a mortgage, deed or lease.
3. To provide satisfactory verification to prove income eligibility (as specified herein in the LIRA Application attached hereto as Exhibit “5” and incorporated into this Plan by reference as if fully set forth herein, “**Income Documentation**”). (Additionally, once enrolled, LIRA participants must agree to have their income verified periodically and advise the Company if their income or household size changes.)
4. To receive LIURP services if they meet the eligibility requirements.
5. To apply annually for LIHEAP.
6. For successful enrollment in LIRA, the LIRA Application and supporting documents specified herein must be received by National Fuel within 10 days of the prospective LIRA customers’ receipt of same. In the absence of a response, a phone call is made, a follow-up letter is mailed and a 10 day extension is given.

²⁵ The LIRA Application will contain the standardized income verification document prescribed in the CAP Policy Statement.

If contact is still not successful, the LIRA offer will be withdrawn unless subsequent special needs or circumstances are identified.

7. After National Fuel receives a completed LIRA Application (and the required supporting documentation), it reviews and verifies such information. Further contacts may be necessary in order to obtain additional information. This is done via telephone. If unsuccessful, a letter is mailed giving the applicant 10 days to respond. Finally, with no response, the LIRA offer is withdrawn. If special needs have been identified, additional outreach may be provided.
8. After income information is received and verified, original documents are returned to the customer. After reviewing the customer's total income and the number of people in the household, the applicants are either accepted into LIRA or rejected. If rejected, the customer is notified as to the reason for the rejection.
9. Once approved for LIRA, an acceptance letter is sent and a representative will attempt to call the customer to review all of the features of the LIRA Program. This personal contact is to make certain that the customer understands the requirements and benefits of the program.
10. Customers are notified when enrolled in LIRA and when their first LIRA bill is due. (Internally, "scripting" used by National Fuel personnel has been modified to clarify National Fuel's different Programs, as recommended by the APPRISE Report.) Upon LIRA enrollment, National Fuel explains Budget Billing, the fact that the monthly payment amounts may go up or down depending upon usage and rates, and that this amount will be reviewed periodically. National Fuel requests that the customer apply for a LIHEAP grant. The importance of paying their bills by the due date is stressed to the customers. It is explained that if LIRA bills are not paid, no debt forgiveness will be given. Additionally, no additional payment arrangements or extensions are offered. The account will immediately become eligible for collection action. Medical certificates will be honored in compliance with PUC Regulations for LIRA households
11. Along with an acceptance letter, a copy of the LIRA Program Features is mailed to the customer. A report is issued to Energy Management for energy audit and weatherization purposes. Going forward, the account is billed at the LIRA rate.

Importantly, the APPRISE Report confirmed that overall, LIRA applicants and participants believed the application process was not difficult. In this regard, of 31 individuals surveyed on this question, 29 reported the application process was not too difficult to complete.²⁶

²⁶ APPRISE Report, p. iii. Additionally, the APPRISE Report confirmed that all participants interviewed had knowledge of their LIRA enrollment.

B. Low-Income Usage Reduction Program (“LIURP”).

1. Program Description.

LIURP is a PUC-mandated usage reduction program for low-income customers.²⁷ LIURP is designed to assist low-income customers reduce their energy usage, thus reducing their bills. Since LIURP’s inception, \$32,524,645 has been expended on usage reduction/weatherization projects for customers who have received LIURP services.

Through LIURP, eligible customers receive, among other things, the following:

- Heating system safety check;
- Energy audit and energy education sessions;
- Wall and/or attic insulation when appropriate;
- Required blower door-guided air sealing;
- Other energy conservation measures; and
- Overall, 25% of jobs receive a post inspection by a National Fuel representative.

All measures installed must be cost-effective (*i.e.*, “pay for themselves” through energy savings in a specified time frame according to PUC guidance relative to LIURP). Customer consumption and payment behavior are monitored for the 12 months before and after weatherization for program evaluation by the PUC.

According to information from the PUC, most participants in National Fuel’s LIURP were employed customers.²⁸ The most frequently listed income sources for LIURP customers include employment income, retirement/pension income, and disability income. Other income sources include that from public assistance and other sources, as well.²⁹

The table that follows provides participation information in National Fuel’s LIURP and the Emergency Repair Replacement Program (“ERRP”) from 2017 to 2019. ERRP assists homeowners with furnace and hot water repair or replacements. The table demonstrates that there were 423 LIURP jobs and 344 ERRP jobs completed during this period. The mean cost of a LIURP job was \$5,287 in 2019, and mean cost of an ERRP job was \$2,569 in 2019.³⁰ This table is based on the analysis of individual participant records with the LIURP enrollment date.

²⁷ See, 52 Pa. Code § 58.3.

²⁸ Information based on data from 2017-2019. See, 2019 PUC Report, p. 42.

²⁹ Information based on data from 2017-2019. See, 2019 PUC Report, p. 42.

³⁰ To control per-job costs, National Fuel bids the work among community agencies and private contractors to maintain the maximum number of jobs at the lowest prices.

LIURP and ERRP Participation and Costs

Participation and Costs	LIURP				ERRP			
	2017	2018	2019	2017-2019	2017	2018	2019	2017-2019
# of Jobs	149	149	125	423	95	134	115	344
# of Unique Customers	149	149	125	423	92	129	114	329
Mean Job Cost	\$4,489	\$5,302	\$5,287	\$5,011	\$1,888	\$2,299	\$2,569	\$2,276
Total Job Costs	\$668,864	\$789,966	\$660,894	\$2,119,724	\$179,379	\$308,084	\$295,465	\$782,927

Source: APPRISE Report, p. 24.

2. Low Consumption-LIURP Pilot.

In an effort to increase enrollment in LIURP, National Fuel crafted a Low Consumption-LIURP Pilot Program (“**LC-LIURP**” or “**LC-LIURP Pilot**”). The LC-LIURP Pilot has been available since January 2020, when National Fuel received PUC approval to implement it on a temporary basis through 2022.³¹ The LC-LIURP Pilot was designed to make usage reduction efforts and projects available to “moderate consumption” households (whose annual consumption is ~~between greater than~~ **or equal to 900** ~~4000~~-CCF and ~~less than~~ 1300 CCF of natural gas) in which the household residence has a similar amount of square footage equal to the identified yearly consumption. The LC-LIURP Pilot was tailored to the unique needs of National Fuel’s service territory, as Pennsylvania’s housing stock continues to be the second oldest in the nation, and the LC-LIURP Pilot provides National Fuel with additional means to remedy inefficient energy sources from dated homes.

A comprehensive description of the LC-LIURP Pilot (including key design elements and eligibility requirements) is found in filings made by National Fuel on March 8, 2019 at Docket Nos. M-2016-2573847 and P-2019-3008559, which are incorporated herein by reference. National Fuel also explicitly lists the following eligibility factors which must be present for participation in the LC-LIURP Pilot:

- Customer must have annual consumption ~~between greater than~~ **or equal to 900** ~~4000~~-CCF and ~~less than~~ 1300 CCF.
- Customer must have 12 months of continuous gas service at the same property address.
- First priority will be given to a homeowner who resides in a single family house in which the square footage of home is less than or equal to 1299 and consumption is greater than or equal to such house’s square footage but does not exceed 1300 CCF threshold.
- Second priority will be given to homeowners regardless of the home’s square footage, if National Fuel believes that the household would achieve sufficient energy savings through participation in the LC-LIURP Pilot.
- Lower priority will be given to customers regardless of home ownership status, such as renters, in single family or multifamily properties.
- Total household income is less than or equal to 150% FPG.
- The house must not have been weatherized in the past 7 years (through LIURP).

³¹ See, PUC Order entered on October 24, 2019 at Docket Nos. M-2016-2573847 and P-2019-3008559.

- Enrolled in LIRA, meets the above criteria, and resides in the following counties: Erie, Crawford, Venango, Warren.

Once the above qualifiers are met, customers are eligible for participation in the LC-LIURP Pilot and treatment measures can be installed. To reduce energy consumption for LC-LIURP participants, primary conservation measures typically include: an energy audit, air sealing, insulation, heating system improvements, repairs or replacements and energy conservation education. A secondary goal is to reduce the overall long-term program costs to National Fuel customers through usage reduction and lessen National Fuel's uncollectible costs. Reducing billing costs for the low-income customer and increasing the comfort level in the home are also desired outcomes.

In proposing the LC-LIURP Pilot to the PUC, National Fuel noted that success will be defined as meeting an average consumption target reduction goal of 18%, (*i.e.*, the mainstream LIURP reduction outcome). National Fuel further indicated that the target population would be 20 customers annually who meet the above criteria, totaling 40 customers from 2020 through 2021.³²

Effect of the COVID-19 Pandemic on the LC-LIURP Pilot and National Fuel's Request to Extend the Term of the LC-LIURP Pilot to Gauge the Efficacy of Same.

In furtherance of the foregoing, upon receiving PUC approval of the LC-LIURP Pilot on January 30, 2020, National Fuel initiated contact with 30 customers for participation. However, shortly after the LC-LIURP Pilot was approved, the COVID-19 pandemic halted all on-site LIURP work.

Consequently, National Fuel has only been able to complete five (5) LC-LIURP weatherization jobs, with associated job costs of \$20,131.³³ Given this pandemic-caused paucity of data, National Fuel is not in a position to evaluate the success of the LC-LIURP Pilot as of the time of the filing of this 2022-2026 Plan.

In creating the LC-LIURP Pilot, National Fuel believed – and continues to believe – that it will maximize ratepayer benefit (by allowing more eligible customers to participate than in the traditional LIURP, as the consumption qualifier allows for greater eligibility). Moreover, National Fuel believed – and continues to believe – that full implementation of the LC-LIURP Pilot will complement National Fuel's LIRA program, and ultimately secure the most affordable customer bills and reduce the cost of uncollectible accounts including LIRA shortfall differences.

Consequently, through the filing of this 2022-2026 USECP Plan, National Fuel respectfully requests a one-year extension of the LC-LIURP Pilot through January 2023 (*i.e.*, expand the LC-LIURP Pilot for an additional year). The additional year will provide National Fuel with adequate time to complete jobs and evaluate results, which will ultimately allow it to determine if the LC-LIURP Pilot has yielded the beneficial results it was designed to achieve. On or before the close of the *extended* LC-LIURP Pilot trial period, National Fuel will petition the PUC so as to report its findings and make a request

³² In proposing the LC-LIURP Pilot, National Fuel further noted that the LC-LIURP Pilot's budget allocation will be \$125,000 annually in 2020 and 2021, with the average job expected to cost less than \$4,500 (*i.e.*, the average LIURP project cost in 2016). To ensure quality data on the success of the LC-LIURP Pilot, National Fuel noted that pre- and post-weather normalized consumption would be captured to evaluate the consumption reduction and the household cost savings, with the LC-LIURP Pilot accounts identified and tracked separately for evaluation purposes.

³³ The only meaningful data point received pertains to the average cost per job, which is \$4,026 (*i.e.*, on track with that expected).

to: (1) extend the LC-LIURP Pilot; (2) discontinue the LC-LIURP Pilot; or (3) incorporate the LC-LIURP Pilot into its existing Universal Service Programs.

3. Program Eligibility.

Eligibility criteria for National Fuel's *traditional* LIURP includes the following:

- Annual ~~usage consumption greater than or equal to~~ ~~of more than~~ 1300 CCF.
- Income below 150% of the FPG, an exception allows for 20% of the annual budget to be spent on the income level from 151-200%; which can include special needs customers, such as senior citizens (*i.e.*, those 55 years of age or older), customers with medical needs or disabilities, and/or customers with young children in the home.
- Residence at the premises for at least one year with 12 months of continuous service.

Eligibility criteria for National Fuel's LC-LIURP Pilot are listed in the preceding section and in the filings made by National Fuel on March 8, 2019 at Docket Nos. M-2016-2573847 and P-2019-3008559, which are incorporated herein by reference

4. Program Needs Assessment.

The LIURP needs assessment is based on 2020 ACS, specifically focusing on those households with income that are likely to fall below 200% FPG. In this regard, the following chart depicts the number of such customers in National Fuel's Pennsylvania service territory that are likely to fall below 200% FPG, and who therefore could benefit from LIURP.

Census Data by County - 2015-2019 Estimates									
	Total Households	Number <=150%	Percent <=150%	Number 150-200%	Percent 150-200%	Number <=200%	Percent 200%	NFG Households	NFG Number <=200%
Armstrong County	28,137	7,595	26.99%	2980	10.59%	10,575	37.58%	593	223
Butler County	76,502	13,749	17.97%	5961	7.79%	19,710	25.76%	2,105	542
Cameron County	2,184	717	32.83%	333	15.25%	1,050	48.08%	1,314	632
Clarion County	16,021	5,513	34.41%	1909	11.92%	7,422	46.33%	3,821	1,770
Clearfield County	31,248	9,821	31.43%	3750	12.00%	13,571	43.43%	6,921	3,006
Crawford County	35,164	10,812	30.75%	4175	11.87%	14,987	42.62%	17,461	7,442
Elk County	14,020	3,256	23.22%	1841	13.13%	5,097	36.36%	10,945	3,979
Erie County	110,318	35,051	31.77%	12150	11.01%	47,201	42.79%	91,258	39,046
Forest County	1,839	659	35.83%	196	10.66%	855	46.49%	897	417
Jefferson County	18,427	5,916	32.11%	2437	13.23%	8,353	45.33%	6,518	2,955
McKean County	17,147	5,568	32.47%	1739	10.14%	7,307	42.61%	5,735	2,444
Mercer County	46,340	12,862	27.76%	4859	10.49%	17,721	38.24%	26,461	10,119
Potter County	6,480	2,220	34.26%	727	11.22%	2,947	45.48%	4	2
Venango County	22,050	6,442	29.22%	2781	12.61%	9,223	41.83%	14,475	6,055
Warren County	17,115	4,645	27.14%	2224	12.99%	6,869	40.13%	9,741	3,909
Total/Avg.	442,992	124,826	28.18%	48,062	10.85%	172,888	39.03%	198,249	82,540

Census Data Compiled by Mollie Van Loon
 CSIS Project
 Penn State University
 3/15/2020

Sources:
 U.S. Census Bureau, 2015-2019 5-Year American Community Survey
 NFG - ADHOC - Total active residential accounts by county

Per the above chart, as of 2019, there are approximately 82,540 households, in National Fuel's Pennsylvania service territory, with incomes less than or equal to 200% of the FPG.

As of March 2021, a review of confirmed low-income accounts indicate that approximately 9,753 homes meet the yearly consumption level of equal to or greater than 1300 CCF and income threshold of 200% FPL for National Fuel's weatherization program.

Recommendations.

In the spirit of continuous improvement, National Fuel has reviewed and taken steps to implement several LIURP "enhancements" during and leading up to the term of the 2022-2026 Plan. More specifically, the APPRISE Report recommended that National Fuel focus on having improved communication and reestablishment of an annual contractor meeting for those contractors participating in LIURP. As a result, National Fuel will facilitate an annual meeting in July each year beginning in 2021.

Additionally, in response to directives from the PUC, all customers whose residence receives any work connected to LIURP, will have a blower door test completed pre- and post-weatherization jobs.

Finally, as "improved outreach" was a recurring theme given to National Fuel and other public utilities with respect to Universal Service Programs, National Fuel continues to leverage all available means to perform customer outreach. Specifically in the LIURP context, National Fuel (together with other Pennsylvania public utilities and partners) will be launching a statewide advertising campaign, coordinated by the Energy Association of Pennsylvania ("EAP"). Additionally, National Fuel will continue targeted LIURP outreach and training in each of the 14 counties within its Pennsylvania service territory.

5. Program Budget.

Historically, LIURP's annual budget has been \$1,300,000 (set by a rate case). As a result, National Fuel's LIURP annual budget during the plan years covered by this 2022-2026 Plan will be \$1,300,000. Of the \$1,300,000 annual LIURP budget: (1) approximately \$300,000 per year is allocated to ERRP (*i.e.*, the program that repairs or replaces furnaces and water heaters for owner occupied customers ~~that use less than the threshold amount of 1300 CCF of gas in a year~~); (2) approximately \$187,000 is utilized for administrative costs; and (3) during the term of the LC-LIURP Pilot, a maximum of \$250,000 can be spent on LC-LIURP Pilot projects.

To the extent unspent LIURP funds remain at the end of a given year, National Fuel applies such funds to the next year's LIURP budget (in addition to the \$1,300,000 budget for that year). Recently (and due in large part to the effects of the COVID-19 pandemic), National Fuel has underspent its annual LIURP budgeted amount, yielding unused funds for carryover into future years. As an example, in 2020, due in large part to COVID-19 restrictions, National Fuel underspent its \$1,300,000 LIURP budget by approximately \$500,000. (This pandemic-related underspend is largely the result of "shelter-in-place" orders in effect from March-June 2020. While National Fuel resumed work after these orders were lifted, work has remained slow due to lingering customer concerns relative to COVID-19 and allowing outside contractors into their homes.)

Ultimately, \$2,609,065 will be available for usage-reduction jobs in 2021. These additional resources of \$1,309,065 will result in additional annual jobs until the carryover resources are depleted. It is possible that some of these funds will be unspent in 2021,

which will create additional funds for use in LIURP projects during some of the time covered by this 2022-2026 Plan.

6. Program Projected Enrollment Levels.

The APPRISE Report noted that in 2019: (1) 125 LIURP jobs and 115 ERRP jobs were completed; (2) the mean LIURP job cost was \$5,287 and the mean 2019 ERRP job cost was \$2,569; and (3) 94% of the 2019 LIURP jobs received insulation, 66%, received air sealing, and 27%, received heating system replacements.³⁴ The APPRISE Report indicated that the foregoing metrics are high measure penetration rates that led to the high program savings rates.

Given: (1) National Fuel’s funding of LIURP during the time period covered by this 2022-2026 Plan will remain unchanged from National Fuel’s Previous Plan; and (2) the costs associated with each LIURP job have remained relatively constant year-over-year (and are expected to remain constant during the plan years covered by this Plan), National Fuel expects that it will serve a similar number of customers on an annual basis that it has historically served through LIURP.

7. Program Use of Community-Based Organizations and Staff Responsibilities.

As noted in Section II of this 2022-2026 Plan, National Fuel works with numerous community-based organizations and other external stakeholders on its Universal Service Programs, including LIURP. By way of additional information, specifically in the LIURP context, National Fuel works with seven community-based organizations (specifically, CAA’s), and, in addition, has recently begun partnering with seven independent contractors to help ensure the maximum number of LIURP projects can be completed in a timely and efficient manner.³⁵

A list of these community partners is found in the below table.

LIURP Contractors	
Community Based Contractors	
Central PA Community Action, Incorporated	207 E. Cherry Street, Clearfield, PA 16830
Community Action Partnership of Mercer County	75 S. Dock Street, Sharon, PA 16146
Community Action, Incorporated	105 Grace Way, Punxsutawney, PA 15767
Greater Erie Community Action Committee (GECAC)*	18 West Ninth Street, Erie, PA 16501
Northwest PA Weatherization, Incorporated	7940 Franklin Pike, Meadville, PA 16335
The Housing Authority of the County of Erie	PO Box 38, 120 South Center Street, Corry, PA 16407
Warren/Forest Counties Economic Opportunity Council	1209 Pennsylvania Avenue, PO Box 547, Warren, PA 16365
Private Contractors	
CleaResult	525 Greenfield Road, 2fl, Lancaster, PA 17601
Collins Plumbing and Heating, Incorporated	4 Oak Grove Street, Oil City, PA 16301
Comfort Solutions, Incorporated	947 Buffalo Street, Franklin, PA 16323
Lee Plumbing and Heating	3463 Schlindwein Drive, Erie, PA 16509
Mincin Insulation Service	289 Baldwin Road, Pittsburgh, PA 15207
R. L. Rick Heating and Air Conditioning	2133 Parker Avenue, Erie, PA 16510
*This agency is no longer a vendor.	

In addition, National Fuel continues to coordinate with agencies and other weatherization programs available to the customer and remains diligent to complete coordinated

³⁴ APPRISE Report, pp. 24, 26.

³⁵ National Fuel added independent contractor partnerships to help complete LIURP jobs as the CAAs have not been able to complete as many LIURP jobs as National Fuel has targeted.

weatherization jobs with Penelec, where appropriate. National Fuel will concentrate on collaborating with Penelec to provide significant energy savings that are more convenient for its customers.

National Fuel utilizes the following methods to coordinate LIURP with other low-income energy efficiency programs:

- National Fuel exchanges customer information with Penelec (*i.e.*, National Fuel's electric energy partner). Penelec is able to identify some non-heating customers to participate in their program, so National Fuel can coordinate these jobs. This helps these customers increase energy affordability, and measures are completed at the same time so it is convenient for the customer.
 - National Fuel has also had extensive communication with CleaResults, in an ongoing attempt to complete more dedicated coordinated jobs with Penelec.
- CAA's contact National Fuel when they are providing Weatherization Assistance Program ("**WAP**") jobs and make inquiry as to whether such customer can also be eligible to participate in National Fuel's LIURP. If approved, the CAAs will perform the required work and invoice National Fuel accordingly.

Additionally, a recent Pennsylvania Home Performance Conference established a baseline and best practices for many different weatherization measures and facilitated productive discussions with CAAs and state approved contractors. This will help to improve consistency and aid in program coordination.

Also, as noted in Section II of this 2022-2026 Plan, under the direction of National Fuel's Consumer Business Department, which is principally responsible for all facets of National Fuel's Universal Service Programs (including LIURP), National Fuel has an "all hands on deck" approach, ensuring that its employees across all departments and business units are aware of LIURP so as to identify and make referrals to same.

8. Program Differences between Approved Plan and Implementation of Same.

Participation in the LIURP Program.

National Fuel's LIURP has generally functioned consistent with the 2017-2020 Plan. However, National Fuel has underspent its \$1,300,000 LIURP budget in recent years. In this regard, in 2020, due in large part to the effects of COVID-19, National Fuel underspent its LIURP budget by approximately \$500,000. (This pandemic-related underspend is largely the result of "shelter-in-place" orders in effect from March-June 2020. While National Fuel resumed work after these orders were lifted, work has remained slow due to lingering customer concerns relative to COVID-19 and allowing outside contractors into their homes.)

As noted above, National Fuel applies these unspent funds to weatherization jobs in future years. In this regard, due to the underspent LIURP funds in 2020, National Fuel has \$2,609,065 available for usage-reduction jobs in 2021. These additional resources of \$1,309,065 will result in additional annual jobs until the carryover resources are depleted. It is possible that some of these funds will be unspent in 2021, which will create additional funds for use in LIURP projects during some of the time covered by this 2022-2026 Plan.

Delayed Rollout of the LC-LIURP Program as a Result of the COVID-19 Pandemic.

Additionally (and as noted above), with respect to the LC-LIURP Pilot, as a result of the COVID-19 pandemic (whose impact began shortly after the approval of the LC-LIURP Pilot), National Fuel has only been able to complete five LC-LIURP weatherization jobs, (as opposed to the 40 it projected). Given the pandemic-caused paucity of data, National Fuel is not in a position to evaluate the success of the LC-LIURP Pilot.

Consequently, through the filing of this 2022-2026 USECP Plan, National Fuel has requested a one-year extension of the LC-LIURP Pilot through January 2023 (*i.e.*, expand the LC-LIURP Pilot for an additional year). The additional year will provide National Fuel with adequate time to complete jobs and evaluate results, which will ultimately allow it to determine if the LC-LIURP Pilot has yielded the beneficial results it was designed to achieve.

9. Program Description of Outreach and Intake Efforts and Specific Steps to Identify Low-Income Customers with Arrears and Enroll Same.

LIURP Referrals.

In addition to direct referrals from National Fuel's LIRA, customers are referred to LIURP in the following ways:

- National Fuel's call center and field operations generates referrals based on calls from customers having problems with their bill, or those who express interest in weatherization programs.
- Identified customers who have annual consumption ~~in excess of~~ greater than or equal to 1300 CCF will be referred to National Fuel's Energy Management Department for possible participation in LIURP. Identified eligible customers using less than 1300 CCF in need of furnace or water heater repair or replacement will also be referred to the Energy Management Department for possible LIURP participation under the ERRP.
- National Fuel's outreach efforts, including bill stuffers or social media (*e.g.*, Facebook and Twitter).
- Agency referrals of customers to LIURP.
- Internal account review performed by National Fuel on all accounts that receive LIHEAP and Neighbor for Neighbor award recipients.

C. Neighbor for Neighbor Heat Fund (“Neighbor for Neighbor”).

1. Program Description.

Designed as a “hardship fund,” Neighbor for Neighbor is a voluntary Universal Service Program designed to provide assistance to qualifying individuals requiring aid to meet basic energy needs.³⁶ Neighbor for Neighbor provides assistance to individuals to: (1) prevent disconnection of utility service; (2) pay overdue bills; (3) purchase any type of heating fuel; or (4) repair or replace heating equipment.

Neighbor for Neighbor is funded by public donations, with National Fuel stockholders providing dollar-for-dollar matching funding (up to \$67,000 annually) for use within National Fuel’s Pennsylvania service territory. The Neighbor for Neighbor Advisory Board (“**Advisory Board**”), made up of individuals representing human service organizations, ~~provides feedback and recommendations for continuous improvement to National Fuel regarding coordinates Neighbor for Neighbor. The Advisory Board approves and implements changes~~ based on community needs.

Since 2012, grant amounts have ranged from \$300 to \$500 for natural gas customers and \$200 for non-natural gas customers. Additionally, the Advisory Board also reviews eligibility criteria annually. The Greater Erie Community Action Committee (“**GECAC**”) is Neighbor for Neighbor’s financial agency. Applications and screening are handled by designated service organizations in each county.

Historically, ~~the Advisory Board~~ ~~the NFN Program~~ had required a customer to make five good faith payments, one within in the last 90 days, in order to receive a Neighbor for Neighbor grant. However, in response to the COVID-19 pandemic, ~~in June 2020, the payment criteria was changed so that customers making three the good faith payment requirement has been temporarily suspended s (irrespective of the 90 day payment date) can receive a Neighbor for Neighbor Grant.~~

A customer is limited to receiving one Neighbor for Neighbor grant per calendar year. The current maximum for National Fuel customers is \$400 and the maximum for non-natural gas applicants within its service territory is \$200. Grants are issued to the energy vendor or to contractors for repairs.

As shown in the table below, the APPRISE Report indicated that there were 243 Neighbor for Neighbor grants awarded for National Fuel overdue bills in FY 2019 with a mean pledge amount of \$284. There were 41 additional Neighbor for Neighbor grants awarded to other vendors in FY 2019 and the mean pledge amount was \$174.

Neighbor for Neighbor Grants*					
Neighbor for Neighbor Grants		Year			FY2017- FY2019
		FY2017	FY2018	FY2019	
Grants to NFG	Number of Grants	245	316	243	804
	Mean Pledge Amount	\$355	\$379	\$284	\$343
	Total Pledged Amount	\$86,963	\$119,648	\$68,959	\$275,570
Grants to Other Vendors	Number of Grants	34	57	41	132
	Mean Pledge Amount	\$294	\$298	\$174	\$259
	Total Pledged Amount	\$10,010	\$16,977	\$7,144	\$34,132

Source: APPRISE Report, p. 27

³⁶ See, hardship fund programs at 52 Pa. Code §§ 62.1 et seq.

National Fuel plans on acting upon the following Neighbor for Neighbor recommendations from the APPRISE Report: (1) continued training for agencies involved in the Neighbor for Neighbor to increase awareness, program referrals, and participation levels; (2) creation of an online system for Neighbor for Neighbor submission and tracking; and (3) leveraging technology to increase overall awareness for the Neighbor for Neighbor program and more responsive grant processing and tracking. In this regard, National Fuel will be seeking a new Request for Proposal for the Neighbor for Neighbor Program in 2021. National Fuel will give priority to bids which leverage technology to assist in producing more efficient and effective program processing.

2. Program Eligibility.

To receive Neighbor for Neighbor funds, an applicant must have an energy-related "need." Additionally, the following conditions should be present:

- The applicant must reside within National Fuel's service territory.
- The applicant must be living in the household applying for a grant.
- National Fuel customers must have made three customer payments in the past year (with LIHEAP and CRISIS grants not counting towards such purpose).
- Must meet one of the following criteria:
 - Be 55 years of age or older.
 - Household falls within the 151%-200% poverty level.
 - An individual within the household is disabled (no age restriction).
 - Household is receiving unemployment compensation
 - Household has verifiable, recent loss of income within the past 30 days.
 - Applicant must provide documentation from their employer or from the unemployment office
 - A Veteran resides in the household.
 - Household has a medical related emergency (no age restriction).
 - To verify medical emergency, a signed document from the applicant's doctor stating that there is a medical need for the customer to have access to natural gas service in their home must be provided.

3. Program Needs Assessment.

Informed by, among other things, the eligibility criteria noted above, National Fuel has developed an appropriate Needs Assessment of eligibility for Neighbor for Neighbor.

Such information is found in the tables that follow. However, National Fuel notes that: (a) it works with community-based organizations, like GECAC, to identify eligible households on a case-by-case basis; and (b) the Company further notes that eligible households do not have to be a National Fuel customer or even natural gas customer, in order to receive a Neighbor for Neighbor grant.

Estimated Number of NFG Household Members Over 55						
	Total Population	Total Population Over 55 Years of Age	% of Population Over 55 Years of Age	Total Households	NFG Households	Number of NFG Household Members Over 55 Years of Age
Armstrong County	65,867	24,981	37.93%	28,137	593	225
Butler County	186,899	62,861	33.63%	76,502	2,105	708
Cameron County	4,611	2,061	44.70%	2,184	1,314	587
Clarion County	38,715	12,980	33.53%	16,021	3,821	1,281
Clearfield County	79,908	28,176	35.26%	31,248	6,921	2,440
Crawford County	85,665	29,881	34.88%	35,164	17,461	6,091
Elk County	30,340	11,567	38.12%	14,020	10,944	4,172
Erie County	273,835	86,400	31.55%	110,318	91,259	28,794
Forest County	7,313	2,618	35.80%	1,839	897	321
Jefferson County	43,846	15,736	35.89%	18,427	6,518	2,339
McKean County	41,401	14,105	34.07%	17,147	5,736	1,954
Mercer County	111,518	40,544	36.36%	46,340	26,461	9,620
Venango County	51,818	20,167	38.92%	22,050	14,475	5,634
Warren County	39,756	15,525	39.05%	17,115	9,741	3,804
Total/Avg.	1,061,492	367,602	34.63%	436,512	198,246	67,971

Sources:
U.S. Census Bureau, TableD DP02: 2015-2019 5-Year American Community Survey
NFG - ADHOC - Total active residential accounts by county

Estimated Number of NFG Households with Disabilities						
	Total Population	Total Population with Disabilities 65+	% of Population with Disabilities	Total Households	NFG Households	Estimated Number of NFG Households with Disabilities
Armstrong County	65,867	5,325	8.08%	28,137	593	48
Butler County	186,899	10,720	5.74%	76,502	2,105	121
Cameron County	4,611	453	9.82%	2,184	1,314	129
Clarion County	38,715	2,804	7.24%	16,021	3,821	277
Clearfield County	79,908	5,778	7.23%	31,248	6,921	500
Crawford County	85,665	5,993	7.00%	35,164	17,461	1,222
Elk County	30,340	2,154	7.10%	14,020	10,944	777
Erie County	273,835	16,706	6.10%	110,318	91,259	5,567
Forest County	7,313	628	8.59%	1,839	897	77
Jefferson County	43,846	3,244	7.40%	18,427	6,518	482
McKean County	41,401	2,738	6.61%	17,147	5,736	379
Mercer County	111,518	7,793	6.99%	46,340	26,461	1,849
Venango County	51,818	4,170	8.05%	22,050	14,475	1,165
Warren County	39,756	2,812	7.07%	17,115	9,741	689
Total/Avg.	1,061,492	71,318	6.72%	436,512	198,246	13,319

Sources:
U.S. Census Bureau, TableD DP02: 2015-2019 5-Year American Community Survey
NFG - ADHOC - Total active residential accounts by county

Estimated Number of Veterans in NFG Households						
	Total Population	Total Veterans Population	% of Population Reported as a Veteran	Total Households	NFG Households	Est. NFG Households with Veterans
Armstrong County	65,867	5,267	8.00%	28,137	593	47
Butler County	186,899	13,168	7.05%	76,502	2,105	148
Cameron County	4,611	437	9.48%	2,184	1,314	125
Clarion County	38,715	2,714	7.01%	16,021	3,821	268
Clearfield County	79,908	6,105	7.64%	31,248	6,921	529
Crawford County	85,665	6,011	7.02%	35,164	17,461	1,225
Elk County	30,340	2,396	7.90%	14,020	10,944	864
Erie County	273,835	19,481	7.11%	110,318	91,259	6,492
Forest County	7,313	582	7.96%	1,839	897	71
Jefferson County	43,846	2,954	6.74%	18,427	6,518	439
McKean County	41,401	3,225	7.79%	17,147	5,736	447
Mercer County	111,518	8,688	7.79%	46,340	26,461	2,061
Venango County	51,818	4,455	8.60%	22,050	14,475	1,244
Warren County	39,756	3,727	9.37%	17,115	9,741	913
Total/Avg.	1,061,492	79,210	7.46%	436,512	198,246	14,875

Sources:
U.S. Census Bureau, TableD DP02: 2015-2019 5-Year American Community Survey
NFG - ADHOC - Total active residential accounts by county

4. Program Projected Enrollment Levels.

The tables listed in the preceding section, identify households that may be eligible to receive a Neighbor for Neighbor grant. By way of summary, in National Fuel’s Pennsylvania service territory:

- Approximately 67,971 households meets the “age requirement of 55 and over” eligibility requirement;
- Approximately 13,319 households meet the “household member with disability” eligibility requirement;
- Approximately 6,250 households meet the “unemployment benefits” eligibility requirement; and
- Approximately 14,875 National Fuel meet the “veteran in household” eligibility requirement.

While National Fuel is unable to provide an exact enrollment estimate for plan years 2022-2026 (particularly since Neighbor for Neighbor is available to all individuals who reside in National Fuel’s Pennsylvania service territory, including non-customers), using historical data, National Fuel anticipates an average of 312 yearly referral for Neighbor for Neighbor grants during each of the years contained in the 2022-2026 Plan. The chart below highlights the grants awarded for the last three years.

Neighbor for Neighbor Grants*					
Neighbor for Neighbor Grants		Year			FY2017- FY2019
		FY2017	FY2018	FY2019	
Grants to NFG	Number of Grants	245	316	243	804
	Mean Pledge Amount	\$355	\$379	\$284	\$343
	Total Pledged Amount	\$86,963	\$119,648	\$68,959	\$275,570
Grants to Other Vendors	Number of Grants	34	57	41	132
	Mean Pledge Amount	\$294	\$298	\$174	\$259
	Total Pledged Amount	\$10,010	\$16,977	\$7,144	\$34,132

Source: APPRISE Report, p. 27

*APPRISE data may differ from National Fuel data due to different reporting timeframes

The APPRISE Report noted that there were 243 Neighbor for Neighbor grants awarded for National Fuel overdue bills in FY 2019 with a mean pledge amount of \$284. There were 41 additional Neighbor for Neighbor grants awarded to other vendors in FY 2019 and the mean pledge amount was \$174.

5. Program Budget.

Historically, Neighbor for Neighbor has received shareholder donations totaling over \$67,000 per year in addition to ratepayer donations, employee pledges and fundraisers. Additional funds have been allocated if unprecedented circumstances are present. The Company anticipates the donations will remain at this level based on historical need through the next plan period, however the COVID-19 pandemic may impact the number of referrals received.

6. Program Use of Community-Based Organizations and Staff Responsibilities.

As noted in Section II of this 2022-2026 Plan, National Fuel works with numerous community-based organizations and other external stakeholders on its Universal Service Programs, including Neighbor for Neighbor. By way of additional response, National Fuel also notes the role of: (1) GECAC (as Neighbor for Neighbor financial agent); (2) the role of the Advisory Board, composed of individuals representing human service organizations, in coordinating the Neighbor for Neighbor program; and (3) the fact that applications and screening processes are handled by designated service organizations in each county in National Fuel’s Pennsylvania service territory. The table below shows participating agencies in National Fuel’s Neighbor for Neighbor program.

Neighbor for Neighbor Participating Agency List		
Butler/Armstrong Counties	Butler Salvation Army	313 West Cunningham Street, Butler, PA 16001
Clarion County	United Way of Clarion	PO Box 207, Clarion PA 16421
Clearfield/Jefferson Counties	CPCA-Clearfield	207 East Cherry Street, Clearfield, PA 16830
Crawford County	Associated Charities	409 East Central Avenue, Titusville, PA 16354
Crawford County	Center for Family Services	213 Center Street, Meadville, PA 16335
Elk/Cameron County	Northern Tier Community Action	PO Box 389, Emporium, PA 15834
Erie County	GECAC	18 West Ninth Street, Erie, PA 16501
McKean County	Salvation Army	111 Jackson Avenue, PO Box 314, Bradford, PA 16146
Mercer County	Community Action Partnership of Mercer County	75 South Dock Street, Sharon, PA 16146
Venango County	United Way of Venango County	1999 Alleghany Blvd., Reno, PA 16343
Warren/Forest Counties	Warren/Forest Counties Economic Opportunity Council	1209 Pennsylvania Avenue West, PO Box 547, Warren, PA 16365

Also, as noted in Section II of this 2022-2026 Plan, under the direction of National Fuel’s Consumer Business Department, which is principally responsible for all facets of National Fuel’s Universal Service Programs (including Neighbor for Neighbor), National Fuel has an “all hands on deck” approach, ensuring that its employees across all departments and business units are aware of Neighbor for Neighbor so as to identify and make referrals to same.

7. Program Description of Outreach and Intake Efforts and Specific Steps to Identify Low-Income Customers with Arrears and Enroll Same.

As noted elsewhere herein, referrals to Neighbor for Neighbor occur through a variety of sources, including: (1) National Fuel personnel; (2) community agencies; or (3) by customers. Additionally, National Fuel and other stakeholders routinely engage in targeted outreach for the Neighbor for Neighbor program. Examples of such targeted agency Outreach would include but not be limited to: McKean County Children and Youth, St. Martin Center and the Venango County United Way. By way of further example, three additional outreach programs are scheduled for Spring 2021 at the Erie County Office of Children and Youth, Venango Human Services, and Stairways Behavioral Health. These specific efforts have increased awareness and have been well received.

Upon referral, intake, and review, the individual will be processed into the Neighbor for Neighbor program, for consideration to receive a grant.

E. Customer Assistance and Referral Evaluations Services (“CARES”).

1. Program Description.

National Fuel developed CARES to assist low-income, fixed income, special needs, and payment-troubled customers who are experiencing short-term financial hardships. CARES aims to address two primary issues:

- **Health and Safety Concerns:** CARES provides temporary protection from termination until financial assistance is found or payment arrangements can be made. National Fuel staff work individually with select payment-troubled customers to maximize their ability to pay their utility bills.
- **Customers with Special Needs:** These customers include those who have experienced a family crisis such as loss of income, divorce, or major illness; and those with physical or mental disabilities, low-incomes, or are older adults. CARES provides case management services including payment arrangements and referrals. The referrals may include programs that provide cash assistance, food, shelter, employment, and medical assistance.

Since CARES was designed to address short-term financial hardships, it is subject to the following parameters:

- The maximum amount of time that a customer should be a participant in CARES is four months.
- If possible, the CARES customer should attempt to pay toward the account arrearage or monthly bills. The customer must cooperate with the CARES representative to obtain assistance from referral agencies.

2. Program Eligibility.

CARES is provided to payment-troubled customers with temporary special circumstances, a temporary inability to pay, and who are in danger of having service terminated. Except in unusual circumstances, the CARES customer is low-income, a senior citizen (*i.e.*, 55 years of age or older), or a special needs customer.

For purposes of CARES, “payment-troubled” means customers who have difficulty paying bills and contact the Company to obtain a payment arrangement.

National Fuel’s senior citizen customers can designate a third-party (often a relative or a representative from the local Area Agency on Aging) to be notified of termination notices for their account. The third-party must agree to such request.

3. Program Needs Assessment.

National Fuel provides gas service to approximately 197,000 customers in a 14 county service area in Northwestern Pennsylvania. The Company has identified and confirmed that 24,340, or 12.3%, of its Pennsylvania customers have confirmed income levels less than 150% of the FPG. This is determined by the receipt of LIHEAP and CRISIS grants and customers self-reporting income information (obtained when discussing payment agreements with the Company). The estimated number of customers at or below 150%

of the FPG may be as high as 59,860, based on the 2020 Census data. However, anyone with a short-term financial hardship is eligible for CARES regardless of income.

To illustrate the typical customer who benefits from CARES, several tables showing data from 2017-2019 are listed below. In sum, these tables display: (1) the total amount due at the time of CARES enrollment; (2) 22% of those enrolled in CARES had a balance between \$100 and \$500, 7% had a balance between \$500 and \$1,000 and 15% had a balance of more than \$1,000 for the 2019 CARES enrollments; and (3) the mean balance for the 2019 CARES enrollments was \$691.

Total Amount Due at the Time of CARES Enrollment								
Amount Due	Year of CARES Enrollment						2017-2019	
	2017		2018		2019			
	#	%	#	%	#	%	#	%
≤ \$0	9	32%	8	26%	19	41%	36	34%
\$1 - \$100	1	4%	4	13%	7	15%	12	11%
\$101 - \$500	9	32%	11	35%	10	22%	30	29%
\$501 - \$1,000	7	25%	4	13%	3	7%	14	13%
> \$1,000	2	7%	4	13%	7	15%	13	12%
Total	28	100%	31	100%	46	100%	105	100%
Mean	\$621		\$401		\$691		\$587	

Note: Each participant is included in the year of their most recent participation.

Source: APPRISE Report, P. 28

Additionally, the number and percent of customers who received LIHEAP following CARES enrollment, and the mean LIHEAP grant amount for those customers is displayed in the below table. By way of summary, the table displays: (1) 17% of CARES participants received LIHEAP in 2019; (2) of those enrolled in CARES, the mean LIHEAP grant amount was \$356 for the recipients in 2019; and (3) there were 25 CARES customers from 2017-2019 who received LIHEAP assistance, with a mean grant of \$312.

LIHEAP Receipt	Years of CARES Enrollment			2017-2019
	2017	2018	2019	
Number Received LIHEAP	9	8	8	25
Percent Received LIHEAP	32%	26%	17%	24%
Mean LIHEAP Grant - Recipients	\$206	\$389	\$356	\$312

Note: Each participant is included in the year of their most recent participation.

4. Program Projected Enrollment Levels.

Historically, the enrollment for CARES remains less than 50 annually. In 2019, a total of 46 customers participated in CARES. These customers owed an average of \$691 on their bill and 17% of these recipients received LIHEAP. The mean grant was \$356.³⁷ Similarly, the 2022-2026 Universal Service plan specific to CARES referrals is not expected to exceed 50 customers per year.

³⁷ See, APPRISE Report, p. iii.

CARES Enrollment								
CARES Enrollment Source	Year of CARES Enrollment						2017-2019	
	2017		2018		2019		#	%
	#	%	#	%	#	%		
NFG	23	82%	29	94%	45	98%	97	92%
Agency	5	18%	2	6%	1	2%	8	8%
Total	28	100%	31	100%	46	100%	105	100%

Note: Each participant is included in the year of their most recent participation.

Source: APPRISE 2020 Evaluation, P. 27

5. Program Budget.

The expenditure for the 2017-2019 reporting period was \$13,271 in the aggregate, with an average cost annually of \$4,424. Going forward, the budget will continue to be \$4,424 annually for the time period covered by the 2022-2026 Plan. APPRISE did not have any recommendations for CARES. CARES will continue assisting customers who need more individualized help and referrals. CARES often bridges the gap to facilitate additional customer program awareness and participation.

6. Program Use of Community-Based Organizations and Staff Responsibilities.

As noted in Section II of this 2022-2026 Plan, National Fuel works with numerous community-based organizations and other external stakeholders on its Universal Service Programs, including CARES.

Also, as noted in Section II of this 2022-2026 Plan, under the direction of National Fuel’s Consumer Business Department, which is principally responsible for all facets of National Fuel’s Universal Service Programs (including CARES), National Fuel has an “all hands on deck” approach, ensuring that its employees across all departments and business units are aware of CARES so as to identify and make referrals to same.

7. Program Description of Outreach and Intake Efforts and Specific Steps to Identify Low-Income Customers with Arrears and Enroll Same.

Referrals.

Most referrals into CARES are provided by National Fuel’s Consumer Business Department and Operations field personnel, however, any department within National Fuel or any human service agencies may refer a customer for CARES.

LIHEAP Outreach Efforts.

As part of CARES, National Fuel conducts annual LIHEAP outreach campaigns with educational letters, mailings, news media releases, and advertising. Many outreach methods are used, including the following:

- Awareness cards are mailed to agencies, grocery stores, pharmacies, and other public venues such as libraries. In addition, National Fuel Operations personnel are also provided with these cards.

- Partnering with legislators, National Fuel completes LIHEAP and LIRA Customer open house assistance.
- Outreach personnel are scheduled on talk radio shows highlighting available program funds and customer assistance programs.
- Outreach staff also provide information through Community School initiatives.
- In 2019, National Fuel started to use various forms of social media to increase awareness of assistance programs including LIHEAP.
- National Fuel's website is being enhanced to provide a better vehicle for communicating information.

Account Processing.

After a CARES referral is received, a 30-day CARES hold is placed on the account to allow National Fuel time to process the referral. Referred customers are contacted by National Fuel to determine the best method of helping the customer. Contacts may include telephone calls, letters, and additional follow-up.

The CARES representative conducts an in-depth analysis of the customer's payment situation, including documenting income and expenses. If the customer can pay the Budget Plan plus an amount toward the arrears, a payment arrangement is negotiated. If the customer is unable to pay that arrangement, the customer can receive a CARES flat payment arrangement which can be less than the Budget Plan and cannot exceed four months.

After the initial case information is gathered, the CARES representative will review the case to determine the best methods to follow in providing assistance to the customer. An assessment of the basic causes of the customer's bill paying problems is made and a personalized, needs-based referral and action plan is formulated and initialized to obtain assistance for the customer. Assistance includes helping the customer receive financial assistance, medical and mental health services, food, clothing, shelter, etc. Once a customer's needs have been determined, the CARES representative makes the appropriate connection or referral to agencies and programs that can provide assistance. This also includes capturing customer demographics and other account data.

When an account is removed from the CARES program, it is generally the result of the fact that the customer's temporary financial problem has been resolved. If the customer has an unpaid balance, a budget-plus arrangement will be negotiated. Low-income customers with long-term payment problems will be referred to the Company's LIRA program.

VII. CONCLUSION.

National Fuel has a rich, long history of providing natural gas services and payment programs/options that meet the unique needs of its diverse customer base. In this regard, many of National Fuel's efforts pre-dated formal guidance and regulation from the PUC. A complete history of National Fuel's various universal service and energy conservation programs are detailed in previous USECP Plans filed by National Fuel.

National Fuel currently offers the following Universal Service Plans:

- **Low-Income Residential Assistance Program (LIRA);**
- **Low-Income Usage Reduction Program (LIURP);**
- **Neighbor for Neighbor Heat Fund; and**
- **Customer Assistance and Referral Evaluation Services (CARES).**

As outlined in this 2022-2026 Plan, National Fuel is proud of these Programs and the impact they have had to date. As such, National Fuel plans on continuing these Programs during Plan years 2022-2026. However, in the spirit of continuous improvement and making a maximal impact, National Fuel proposes to make the modifications and enhancements to these Programs as outlined above.

In presenting this 2022-2026 Plan and proposing the Program modifications outlined above, National Fuel has taken care to ensure that the 2022-2026 Plan carefully balances: (a) assisting customers eligible to participate in National Fuel's Universal Service Programs, with (b) the effect such Programs have on the rates paid by non-enrolled customers.

EXHIBIT 1 – Summary of Universal Services

Universal Service Programs Spending Levels						
Program Year	Annual Cap Spending	LIURP Spending	CARES Spending	Total Annual Universal Service Spending	Average Annual Universal Spending per Residential Cust	Total Customers
2017	\$1,199,650	\$1,047,123	\$4,206	\$2,250,979	\$11.43	196,950
2018	\$1,849,773	\$1,331,938	\$4,523	\$3,186,234	\$16.16	197,108
2019	\$2,168,777	\$1,178,597	\$4,542	\$3,351,916	\$17.03	196,778
2020	\$1,988,960	\$820,235	\$4,908	\$2,814,103	\$14.22	197,945

NOTE: Due to COVID-19 Pandemic impact 2020, data was not representative and therefore not used for analysis throughout this 2022-2026 Plan.

LIURP available resources will continue to be allocated at \$1.3M annually. There have been carryover funds from 2019 and 2020 which now totals approximately \$1.3M. This excess will be allocated and carried over into 2022.

CARES has averaged out at \$4,424 annually based on the past three years, so there is no reason to increase the established budget. The program will continue to assist the “transitional needy” customer with an aggregate of no more than 50 customers annually. Through the CARES program, maximum customer benefits have been realized using a casework approach referring “vulnerable” and “special need” customers to agencies and programs for assistance.

Neighbor for Neighbor has had an average of 312 annual grant recipients averaging \$331. In 2021, National Fuel could see greater need for customer assistance for the Neighbor for Neighbor eligible subpopulations, as they have been profoundly impacted by the COVID-19 pandemic.

Based on the data in the table above, LIRA accounts for 53% of National Fuel’s total Universal Service Program spending. The average annual Universal Service Program spending as seen above has increased. The Universal Service spending per resident customer has gone from \$11.43 in 2017 to \$17.03 in 2019, representing a 67% increase. National Fuel believes that 2020 was not a true representative program year due to the COVID-19 pandemic. As such, when reviewing and analyzing data for trends and insight this information was not used. As a result of the COVID-19 pandemic, customers were not cancelled from LIRA and the moratorium on collections resulted in less customer contact and less program enrollments. Customer engagement has been minimal and program participation in all Universal Service Programs has been very limited. Numerous outreach efforts have been unsuccessful since March 2020. National Fuel is expecting the imminent collection season to initiate contact engagement and result in increased referrals and customer participation in all assistance programs both internally and externally.

EXHIBIT 2 – LIRA Program Features Sheet

LIRA PROGRAM FEATURES

Please Read and Keep

Here are things you should know about the program and your responsibilities as a LIRA customer.

LOWER RATES

As a LIRA customer, the amount of gas you use is billed at a reduced rate. The amount of the reduction depends on your household income and the number of people living with you.

RESPONSIBILITY FOR ACCOUNT

All adults who are 18 years old or older and living at this address must agree to accept responsibility for the gas account. (This does not include children who are dependents and dependents over age 65 as defined by federal tax rules.) All adults have to sign and date the application. By signing, you agree and understand that you will be held responsible for any all gas bills rendered on this account from the date of your signature until cancellation of your LIRA Program participation.

IDENTIFICATION, PROOF OF INCOME

All adults must provide satisfactory identification information, as well as providing proof of the total household income. Copies of verified income for the last 30 days or 12 months needs to be provided, using whatever is more beneficial for acceptance into the LIRA program. When you are a LIRA participant, any changes in household income should be reported to the Company as soon as possible. Also LIRA participants must provide proof of income when requested.

CUSTOMER CHOICE

If you decide to buy your gas from a supplier other than National Fuel, you will be removed from the program. National Fuel is unable to offer a discount on the gas you buy from another supplier.

BUDGET PLAN

Your gas account will be placed on our Budget Plan. This plan allows you to pay the same amount each month. The amount you pay each month is reviewed from time to time in order to make sure that you are not paying too much or too little. As a result of these reviews, your monthly payment amount may change.

REWARD FOR PAYING ON TIME

If you pay your bill each month while participating in the LIRA program (within the first 36 months of participation), any pre-LIRA balance which was owed will be eliminated and forgiven each time you pay your monthly bill. This amount never has to be paid back. Additionally, if you get behind and miss forgiveness for a time period

Please see reverse

but then catchup your current LIRA balance, you will receive additional Pre-LIRA forgiveness (must be within 36 months of initial LIRA enrollment). You remain responsible for any amounts that are not forgiven.

LATE PAYMENTS

If you don't pay your bill while on LIRA you will be sent a termination notice. The notice amount must be paid in full or your service will be turned off. No extensions or payment arrangements will be offered. If your gas service is turned off for non-payment, you have to do the following to have the gas service turned back on:

- * Pay the amount shown as "Notice Amount" on your termination notice.
- * Pay a turn-of charge as defined by current tariff.
- * Enter into a payment arrangement on any unforgiven Pre-LIRA balance on your account. The payment arrangement amount must be paid each month, in addition to your regular monthly Budget Plan amount.
- * In addition, you must pay a down payment equal to one month's LIRA Budget Plan amount plus the arrangement amount mentioned above or catch any missed payments on a prior arrangement for any unforgiven pre-LIRA balance.

ENERGY AUDIT

As a LIRA participant, you may have an energy audit performed on your home. An audit can show you where you might be able to conserve gas and lower your gas bill. Our experts will check your furnace, water heater, insulation, weather stripping and any other areas in your home where you may be able to reduce energy costs. They may even suggest some heating behavior changes that will help you save some money each month.

WEATHERIZATION

If you qualify, you must agree to have your home weatherized. The Low Income Usage Reduction Program (LIURP) provides insulation and other energy saving improvements at no cost to you. If you are a renter your landlord must agree to weatherization work.

LIHEAP

If you qualify for the Low Income Home Energy Assistance Program (LIHEAP), you must apply for a grant through your county assistance office or online at www.compass.state.pa.us. If a grant is received; it is applied to your current account balance.

EXHIBIT 3 – Additional LIRA Program Elements

Low-Income Home Energy Assistance Program (LIHEAP). When LIHEAP funds are available, customers are informed when the program is open and encouraged to name National Fuel as primary fuel provider. Upon contact, the representative can assess whether additional assistance is necessary to help the customer with the LIHEAP application. If the calls are unsuccessful, a notification is sent by mail. Additionally, there is an annual mail campaign for all identified LIRA participants who have not yet received LIHEAP benefits from the current season. A letter is sent annually encouraging the LIRA participants to apply. Currently, if a LIRA participant fails to apply for or receive a LIHEAP grant, the Company allows the LIRA participant to continue to receive the benefits of the LIRA program, provided they meet LIRA eligibility criteria.

Application of LIHEAP Funds. All LIHEAP grants will be applied to the customers' LIRA Program obligations in accordance with applicable vendor requirements by the Pennsylvania Department of Human Services. The LIHEAP grant will be applied to the customer's LIRA Balance-Due Amount and will remain as a credit on the bill until the entire credit balance is depleted.

LIRA participants are responsible for best utilizing LIHEAP grants in accordance with their home energy requirements and CAPs. Again, if a participant does not direct a LIHEAP grant to the Company, the Company will allow the participant to continue to receive the same LIRA benefits and pay the same rates as those participants who have directed their payments to the Company.

Delinquency Processing. If a LIRA customer fails to pay a monthly LIRA bill, the Company's collection process will begin. This process includes all required regulatory notification and procedural steps. The actual termination notices mailed to LIRA customers will reflect the specifics for avoiding termination of service. To avoid termination of service, the LIRA customer must pay the amount set forth in the termination notice prior to the scheduled termination date. This amount will include all missed LIRA payments (discounted amounts) that have not been paid while on the program, and this amount must be paid in full.

To avoid abuses and promote payment responsibility, the LIRA Program includes the following procedures to manage delinquent accounts.

Termination Process. Terminations may occur between April 1 and November 30, as noted below.

1. If a LIRA customer fails to pay a monthly LIRA Budget Billing, the Company's collection process will begin. This process includes all required regulatory notification and procedural steps. The actual termination notices mailed to LIRA customers will reflect the means for avoiding termination of service.
2. To avoid termination of service, the LIRA customer must pay the amount set forth in the termination notice prior to the scheduled termination date.

3. The delinquent LIRA participant will not be offered a payment arrangement or an extension beyond the termination date will not be granted.
4. Medical Certificates will be honored in compliance with PUC Regulations for LIRA households.
5. Service will be terminated if the customer fails to pay the notice amount (and no certified medical condition exists or PUC complaint hold exists).

Termination will not occur between December 1 and March 31. Once termination notices are permitted to be sent, a customer who has missed any payments over the winter months will receive a notice for all missed payments. The number of missed payments should not exceed five (5) months except in extenuating circumstances such as a medical certification or a complaint to the PUC's Bureau of Consumer Services.

Reconnection Process. If service has been terminated, the customer must pay the termination notice amount and a reconnection fee per the Company's Tariff.

A ratepayer whose service is reconnected due to the submission of a medical certificate will not be reinstated in the LIRA Program until all financial requirements are met. (This would be the same condition that would apply for that same customer seeking reconnection without a medical certificate.) A more detailed explanation of the reconnection process follows below:

1. Pay a reconnection charge per the Company's Tariff.
2. Pay the entire arrearage which accrued while a LIRA Program participant (including the current bill if after the due date).
3. If the account had a preprogram arrearage, they will be eligible for continued arrearage forgiveness opportunities if they completely catch up their LIRA program arrears and if they have forgiveness months remaining, including the forgiveness amounts for the months that payment was missed. If they are not eligible for arrearage forgiveness:
 - a. The customer may be required to pay part or all of the arrearage prior to reconnection in accordance with PUC regulations. § 56.191(c)(2);
 - b. The Company may negotiate a payment arrangement specific to the preprogram arrearage; and
 - c. The duration of any negotiated payment arrangement will comply with PUC regulations 52 Pa. Code § 56.191(c)(2).

All customers listed on the application are responsible for the balance accrued while a LIRA participant. The terms for reconnection will apply to each adult resident as a ratepayer, unless the resident can demonstrate to the Company's satisfaction extenuating circumstances including, but not limited to, divorce, abandonment, or spousal abuse, where the spouse has established a separate residence.

If a LIRA customer has services shut off after negotiating a payment arrangement as described in 3(b) and (c) above, he or she would be required to pay the entire arrearage owing to have service restored. No arrangement will be offered on either the missed LIRA payments or the pre-program arrearage.

Reconnection of Service Outside of the LIRA Program. Any of the listed LIRA customers on an account may apply for service outside the LIRA Program at another address. Each of the LIRA customers is responsible for the balances that accrued while a LIRA customer. Responsibility for the pre-program arrearages remains with those listed on the mortgage, deed or lease.

Reverification of LIRA Accounts. Active LIRA accounts are re-verified upon changes in household complement or income. All active LIRA accounts are mailed a reverification letter and an application to recertify. The customer is given 10 days to respond. If no response to the initial request, an additional letter is sent to remind them to return their information within 10 days. A phone call has been added to the re-verify process to educate the customer, stress the importance of the program and to encourage them to return their paperwork. If the customer fails to respond, his/her LIRA enrollment will be cancelled, unless special circumstances are identified, then follow up may be required.

If the customer responds, all information is verified and checked for completeness. Additional information may be requested from the customer, in which case phone contact is attempted first, followed by a letter. The customer is given an additional 10 days to respond, after which he/she is subject to cancellation from the Program. Once again, special circumstances may be taken into consideration.

Depending upon the information provided, the customer may at this point be ineligible to continue on LIRA. The customer is notified of the reason for his or her ineligibility.

All customer information is updated. If a customer's total household income or the number of household members has changed, the discount percentage may be adjusted.

The LIRA reverification process requires participants to re-verify their status every two (2) years. If the household size or income changes, the reverification can be done more frequently upon request. If: (1) a household's primary source of income is Social Security, Supplemental Security Income, or pensions; or (2) a household received LIHEAP benefits, the reverification is required every three (3) years. Additionally, any zero income household would be re-verified every six (6) months. The zero income form preapproved by the PUC will need to be completed. As of January 2021, there are only 393 LIRA households with zero income identified.

Cancellation of a LIRA Account. If a LIRA account is canceled for any reason, a letter is generated. The letter informs the customer of the cancellation and the reason.

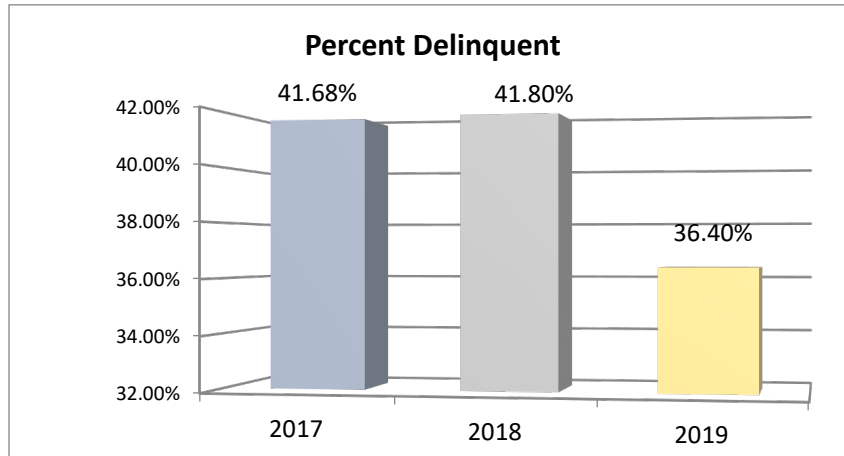
A report will be generated to inform the Energy Management Department of the cancellation. Energy Management will eliminate the account from the audit list, but the account may still be considered for weatherization.

Reapplication for LIRA at a New Address. When the entire LIRA household moves, the LIRA rate and any remaining debt forgiveness will continue at the new location. When only part of the household moves to a new address, the previously responsible LIRA participant and any new adults must be identified on a new signed LIRA application. Reapplication is necessary when multiple households are coming together at a new address to verify household income and to ensure the best discount is applied and to confirm responsible LIRA ratepayers. National Fuel has improved its exit reporting based on a recommendation identified in the APPRISE Evaluation. These changes ensure that LIRA transfers and LIRA moves (due to relocating to an address not serviced by National Fuel) are reported separately. Both scenarios were previously captured as customer moved, inflating the number of customers being canceled from the LIRA.

Account Maintenance. Once the LIRA account is established, maintenance is critical to the success of the program. A number of LIRA reports monitor participants, payments, account status and eligibility.

EXHIBIT 4 – Historic LIRA Trends/Takeaways from APPRISE Report

As evidenced on the graph below there have been decreases in LIRA delinquency over the last three years. From 2018 to 2019, LIRA customer payment behavior shows an improvement of 5.4%. Better paying behavior results in corresponding increases in arrearage forgiveness. Based on this information, 63.6% of LIRA customers are good payers.



LIRA Retention. Comparing LIRA retention data from the last plan with more recent information, it is clear that there have been shifts in the identified time retention categories. APPRISE indicated that 31% of the 2019 participants remained on the program beyond 5 years. This is a change from the 2017-2020 Plan (where the same metric was 38%). The APPRISE Report identified that LIRA customers maintain 39% program retention post 3 years. National Fuel’s 2022 initiative is to increase enrollment to 9,000 participants. National Fuel is currently sponsoring a LIRA enrollment initiative. National Fuel’s goal is to continue to increase participation by 500 annually, totaling 11,000 LIRA participants in 2026.

It would seem that there are LIRA customers that are cancelling their participation after receiving all LIRA debt forgiveness. This can possibly be attributed to customers being able to better manage regular gas bills due to low rates along with receipt of LIHEAP without the need to recertify with LIRA. National Fuel representatives also reinforce the benefit of remaining in LIRA but ultimately participation remains the customer’s choice.

LIRA Exits. The chart below identifies the removal reasons from LIRA for 2019, which is reflective of prior years. Customers being cancelled from LIRA for not responding to re-verifying their household information is the primary reason customers are being removed from the program. A phone call step has been added to the re-verify process to help reduce this number. A successful contact educates the customer about the benefits of the program and reminds them of the importance of returning their paperwork. Customers who move are the second highest reason that participants are canceled from LIRA. All LIRA moves have previously been reported as exits, including accounts where LIRA transferred to a new location. With this plan, reporting has been revised to identify transfers and exits separately.

Exit Reason	All 2019 LIRA Participants
Non-Response	53%
Moved	26%
Over Income	8%
Shut-Off Due to Nonpayment	5%
Entered into an IP	2%
Customer Request	2%
Deceased	1%
No Longer Meets Eligibility Criteria	<1%
Other	3%

Source: APPRISE Report, p. 21

Summary. The goal of LIRA is to establish affordable monthly payments that will encourage regular payments, remove customers from the traditional collection cycle; increase participation in energy assistance funds, access hardship funds if needed, and to promote energy conservation. The APPRISE Report results supported the premise that participation in LIRA does decrease terminations and related costs. More payments were also received post LIRA with decreased associated collection costs.

National Fuel continues with initiatives to increase LIRA program participation to 9,000. In 2018 and 2020 National Fuel completed campaigns inviting eligible customers to enroll in LIRA. Again, in February 2021, National Fuel has initiated another campaign focused on increasing LIRA participation. Enrollment has remained at approximately 8,000 despite National Fuel’s attempts to increase it. Even with COVID-19, it has been challenging to engage customers due to the termination moratorium. There were 9,856 LIRA customers who did participate in 2019 with a mean LIRA discount of \$152 or 17% of the bill. Approximately 31% of these customers had been on the Program for 4.6 years and the mean discount for these customers was 21%. The mean pre-program arrearage for this group was \$596.³⁸ APPRISE also confirmed that all participants they interviewed did know they were participating in LIRA. Most referrals were from the Company’s Call Center or a local agency and most participants enrolled in LIRA to lower their gas bill due to fixed or lower income. LIRA percentage of payments made for 2017-2019 were 72.7%, 69.4% and 76.2%, respectively contrasted to the industry percentages for the same period at 64.5%, 65.2% and 57%, respectively. Again, LIRA customers are generally making more payments than the industry average. Also, the LIRA gas bills are lower for 2017 and 2018 than the industry average.³⁹

Again, 29 out of 31 participants interviewed by APPRISE reported that it was not difficult to apply for the LIRA program with 19 out of 20 expressing the same about the reverification LIRA process. Of the LIRA participants surveyed, 28 of felt they had a good understanding of the program benefits. These findings were all positive. Prior to enrollment, 27 participants found it very difficult to pay their gas bill and further 25 stated that the program was important in making their ends meet monthly. New enrollees

³⁸ See, APPRISE Report, p. iii.

³⁹ See, 2019 PUC Report, pp. 55, 58, and 59.

received an average discount of \$191 and reduced their mean energy burden from 16% to 14%; unfortunately this is still well above the required CAP Policy Statement guidelines of 4% and 6%. APPRISE cited 23% of 2019 LIRA participants with incomes below 50% of the FPG were also above originally established 6.5 % of the energy burden.⁴⁰

As determined by APPRISE, LIRA has had positive impacts on participant payments. The cash payments to accounts went from 5.9 payments to 7.2 payments in the LIRA year post-period. LIRA balances declined by \$201 when compared to the control group. The percentage of the bill covered by payments increased from 93% to 114% in the year following LIRA enrollment.⁴¹ The percentage of LIRA dollars paid by National Fuel customers went from 68.9%, 67.2% and then to 72% in 2017, 2018, and 2019, respectively. Compared to the industry standard reported in the 2019 PUC Report at 72.5%, 68.2% and 77% for the same years. This indicates that the costs continue to rise but still are lower than the industry costs. Also, more LIRA customers received LIHEAP. In summary, new LIRA enrollees experienced a significant reduction in collection calls, field visits and notices, ultimately reducing the dedicated collection process costs. At the conclusion of the evaluation LIRA participants offered the following comments: “the Program has been helpful in lowering my gas bill and consequently reducing my stress,” “this is a great Program for low-income households,” and “it has been a blessing and I hope I can continue participating in it.”⁴²

National Fuel will identify and explore opportunities with its US Committee with specific emphasis on partnering with DHS. This will include the continued effort for information sharing. National Fuel has had discussions with its electric energy partner Penelec, a FirstEnergy Company, about modifying the CAP application to include a question to allow cross referrals to CAP. Outreach efforts, creativity and collaboration continue to be key in expanding Universal Service program participation. As the winter moratorium ends in April 2021, National Fuel expects to see more customers experiencing difficulty paying their bills. From this expanded engagement, National Fuel expects numerous referrals to its Universal Service Programs in 2021. National Fuel believes that as a direct result of eliminating the “payment-troubled” LIRA qualification, it will see an increase in LIRA eligible and interested customers.

This 2022-2026 Plan complies with the new CAP Policy Statement adopting 4% and 6% energy burden maximums. This modification will provide LIRA participants greater affordability; most especially to the poorest group (0-50% of FPG). National Fuel will continue to monitor the LIRA customer energy burden quarterly assuring compliance at the 4% and 6% income percentage requirements.

⁴⁰ See, APPRISE Report, p. v.

⁴¹ See, APPRISE Report, p. iv.

⁴² See, APPRISE Report, p. 42.

EXHIBIT 5 – LIRA Application

NATIONAL FUEL
LIRA Application
P.O. Box 895 • Buffalo, NY 14207

IF YOU NEED HELP COMPLETING THIS APPLICATION, PLEASE CALL 1-855-321-6575.

Name: _____ Account Number: _____
 Address: _____
 City, State, and Zip: _____
 Telephone Number: _____ Marital Status: _____
 M-Married S-Single D-Divorced Sp-Separated W-Widowed

PERSONS LIVING IN YOUR HOME

Name (First, Last)	Dependent* Yes/No	Gender	Date of Birth	Age	Relationship To You	Social Security Number (or Alternate ID)**	Source Of Income	Monthly Amount
EXAMPLE: John Smith	NO	Male	10/23/45	75	Self	123-45-6789		

Verification of Income:

Proof of 1 month or 12 months of verified income (best to qualify)

Source of Income	Acceptable Proof (Copy)	Source of Income	Acceptable Proof (Copy)
Wages	Recent pay stubs, statement from employer	Pension.....	Pension check, benefit letter
Child Support	Court order, copy of check	Unemployment.....	Eligibility letter, benefit check
Public Assistance	Notice of eligibility	Social Security	Benefit statement, bank statement

*Dependents - Defined as children or other individuals who are dependents under federal tax rules
 **Alternate ID (provide copy of one of the following): Valid driver license, green card, state issued ID, passport

Does your household receive food stamps? (Please circle) Yes No Monthly Amount _____
 Do you own or rent your home? (Please circle) Own Rent
 Describe your home: (Please circle) House Apartment Duplex/Flat Mobile Home Housing Authority

IMPORTANT

If you don't pay your gas bill, you will be sent a termination notice. The notice amount must be paid in full or your gas service will be turned off. No extensions or payment arrangements will be offered. If your gas service is turned off, you have to do the following to have the gas service turned back on:

1. Pay the amount shown as "Notice Amount" on your termination notice.
2. Pay a turn-on charge per tariff.
3. Agree to a payment arrangement on any unforgiven balance for your account. The arrangement amount must be paid each month, in addition to your regular monthly Budget Plan amount.
4. In addition, you must pay a down payment equal to one month's Budget Plan amount plus the arrangement amount mentioned above.

These requirements will apply to each adult ratepayer in the household unless one or more of the ratepayers can demonstrate, to National Fuel's satisfaction, some compelling circumstance such as divorce, abandonment, or spousal abuse which forced a spouse to establish a separate residence. _____

AGREEMENT SIGNATURES: All of the information provided in this application is correct to the best of my (our) knowledge. All adults living at this address must sign below. I/we understand that all bills must be paid in order to receive the full benefit of the LIRA program. My/Our signature(s) implies that I/we have read and understand the contents of this application and that I/we agree to all terms and conditions of the LIRA Program.

If you currently have First Energy as your electric utility and are interested in participating in their Customer Assistance Program, please circle Y.

ALL ADULTS (18 OR OVER) MUST SIGN BELOW

NAME (Please Print)	SIGNATURE	DATE