

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

|  |   |                           |
|--|---|---------------------------|
| Pennsylvania Public Utility Commission | : |                           |
|  | : | Docket No. R-2015-2468056 |
|  | : |                           |
| v.                                     | : |                           |
|  | : |                           |
| Columbia Gas of Pennsylvania, Inc.     | : |                           |

DIRECT TESTIMONY OF MITCHELL MILLER

ON BEHALF OF

THE COALITION FOR AFFORDABLE UTILITY SERVICES AND  
ENERGY EFFICIENCY IN PENNSYLVANIA ("CAUSE-PA")

June 19, 2015

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CAUSE Stmt. 1  
 R-2015-2468056  
 8-4-15  
 Harrisburg JS

1                   **PREPARED DIRECT TESTIMONY OF MITCHELL MILLER**

2   **Q:     Please state your name, occupation and business address.**

3   A:     Mitchell Miller. I currently provide consulting services regarding utility programs that  
4   promote the public interest with a focus on low income households. My address is 60 Geisel  
5   Road, Harrisburg, PA 17112.

6   **Q:     Briefly outline your education and professional background.**

7   A:     As my attached resume shows, I received my B.S. Degree in Community Development  
8   from Pennsylvania State University, where I graduated *cum laude* in 1974, and a M.A degree in  
9   Public Administration from Shippensburg University in 1984. I have over 35 years of  
10   experience in the development, implementation, and evaluation of program design for residential  
11   utility consumers. The focus of my work has concerned education, energy efficiency, credit and  
12   collections, and customer assistance programs.

13         After serving as a research analyst at both the Pennsylvania Governors Action Center and  
14   the Pennsylvania Public Utility Commission (“Commission”), I was appointed Chief of the  
15   Commission’s Division of Research and Planning in 1978 and, in 1992, I was designated as the  
16   Director of the Bureau of Consumer Services, where I served until my retirement from the  
17   Commission in 2009.

18         Following my retirement from the Commission in 2009, I served for over three years as a  
19   consultant to the Pennsylvania Department of Community and Economic Development  
20   (“DCED”) on weatherization and energy efficiency for the Pennsylvania Weatherization  
21   Assistance Program (WAP). My resume is attached as Appendix A.

22

1 **Q: Please describe the focus of your work over the past thirty-five years.**

2 A: During my tenure at the Commission, I was primarily engaged in activities relating to  
3 regulatory policy involving residential customer service, complaint handling, credit and  
4 collections, and universal service, including customer assistance programs and low-income  
5 energy efficiency and conservation. The Bureau of Consumer Services has regulatory authority  
6 and responsibility for policy development for all areas of consumer services including resolving  
7 consumer complaints and problems, enforcing consumer regulations, developing, implementing  
8 and evaluating programs involving complaint handling, complaint analysis, collections,  
9 enforcement of consumer regulations, utility customer assistance programs and low income  
10 conservation. My focus at DCED was the creation of a performance-based Weatherization  
11 Assistance Program system, dedicated to a high standard of quality, compliance and production.

12 **Q: What is your relevant experience on issues of low-income utility affordability?**

13 A: During my tenure, the Commission emerged as a national leader in research,  
14 development, and oversight of programs addressing credit and collection issues affecting low-  
15 income utility consumers. I was responsible for evaluating utility and Commission customer  
16 service programs, identifying problems and making recommendations for change. These  
17 activities led to the recognition of the need for development of integrated programs for low  
18 income consumers. As director of BCS, I was responsible for the development, oversight, and  
19 monitoring of the initial pilot and then the statutorily required low-income Universal Service  
20 Programs. Each of these programs is structured to provide a different form of assistance to low-  
21 income customers to enable those customers to afford and maintain basic service. For example,  
22 the Customer Assistance Program (CAP) provides alternatives to traditional collection methods  
23 for low income, payment troubled utility customers, and the Low Income Usage Reduction

1 Program (“LIURP”) is a targeted weatherization program designed to assist low-income  
2 households with the highest energy consumption, payment problems, and arrearages. These  
3 programs work in tandem and are designed to assist low-income households have affordable  
4 utility services and safe living environments while reducing utility collection and therefore  
5 benefitting other ratepayers.

6 As director of BCS, I supervised the review and determination of thousands of low-  
7 income consumer complaints and inquiries as well as the reviews of utility performance at  
8 handling these customer complaints and payment arrangement requests.

9 I directed the creation, development, and evaluation of the effectiveness and the  
10 expansion of the Universal Service Programs in Pennsylvania that are targeted toward low-  
11 income households. These programs included CAP and LIURP, as well as the Customer  
12 Assistance Referral Evaluation program (CARES) and utility-funded hardship funds. Since the  
13 programs’ inception, followed by the passage of the Electricity Generation and the Natural Gas  
14 Customer Choice and Competition Acts, which required that the Commission ensure that  
15 universal service and energy conservation services are appropriately funded and available in each  
16 utility distribution territory, until about the time of my retirement in 2009, the Bureau of  
17 Consumer Services was responsible for Commission oversight of these programs.

18 Further, upon my retirement from the Commission, I served as a consultant on  
19 weatherization and energy efficiency for the Pennsylvania Weatherization Assistance Program  
20 (WAP) at DCED. I was instrumental in transforming the WAP program by creating a  
21 performance-based system, dedicated to a high standard of quality, compliance and production.  
22 Innovations included introducing performance standards for production, quality and compliance  
23 and independent state certification and training for all state WAP workers. I was also

1 responsible for coordinating DCED's WAP program with the Commission's LIURP and Act 129  
2 low-income programs. Currently, I also serve as a policy consultant for the Philadelphia Water  
3 Department. The contract is to provide consulting services that will lead to the improvement to  
4 the informal dispute and hearing process, and the development of deferred payment agreements.

5 I have participated at the National Association of Regulatory Utility Commissioners  
6 ("NARUC"), the National Low Income Energy Consortium and the National Energy Utility  
7 Affordability Conference meetings and have presented numerous sessions related to low-income  
8 utility affordability. I current serve on the board of directors of the Keystone Energy Efficiency  
9 Alliance ("KEEA").

10 **Q: Have you testified in any proceeding before the Pennsylvania PUC?**

11 A: Yes. I have submitted testimony in a number of proceedings before the PUC. Most  
12 recently, I submitted testimony in the 2014 Columbia base rate proceeding at Docket No. R-  
13 2014-2406274, and the Verizon Pennsylvania, LLC, and Verizon North, LLC, Petition for  
14 Competitive Classification at Docket Nos. P-2014-2446303, P-2014-2446304. I have also  
15 submitted testimony in the past with regard to the Petition of PECO Energy Company ("PECO")  
16 for Approval its Act 129 Phase II Energy Efficiency and Conservation Plan at Docket No. M-  
17 2012-2333992 and in PECO's Default Service and Universal Service Proceedings at Docket  
18 Nos. P-2012-2283641 and M-2012-2290911.

19 **Q: Have you provided litigation support for the Commission?**

20 A: Although I did not testify in any proceeding during my tenure at the Commission, I  
21 directed the Bureau's activities in policy development, as well as enforcement litigation to ensure  
22 compliance with customer service regulations and statutes.

23

1 **Q: For whom are you testifying in this proceeding?**

2 A: I am testifying on behalf of the Coalition for Affordable Utility Services and Energy  
3 Efficiency in Pennsylvania (“CAUSE-PA”).

4 **Q: What is the purpose of your testimony?**

5 A: CAUSE-PA intervened in this proceeding to ensure that Columbia Gas of Pennsylvania,  
6 Inc.’s (Columbia or the Company) proposed rate increase would not adversely affect Columbia’s  
7 low-income customers’ ability to connect to, maintain, and afford natural gas service, which is  
8 essential for home heating, water heating, and cooking.

9 Specifically, I will describe the effect that an increase in the Residential Customer Charge  
10 will have on the ability for a low-income household to afford natural gas service. I will also  
11 discuss Columbia’s proposal to recover an increased portion of the residential cost of service  
12 through a fixed charge, as opposed to the volumetric charge. As I will explain in detail below,  
13 recovery of customer costs through a fixed charge is unduly discriminatory and uniquely harmful  
14 to low income households. Finally, I will offer recommendations for mitigating the harmful  
15 impact of Columbia’s proposed increase and rate design on low income customers.

16 **Q: What changes does Columbia propose for its residential rate class?**

17 A: In relevant part, Columbia proposes to increase its Residential Customer Charge (fixed  
18 charge) from \$16.75 per month to \$22.60 per month – or \$3.85.<sup>1</sup> Annually, this equates to  
19 \$46.20. My testimony will focus on the negative impact of Columbia’s proposed residential rate  
20 increase and design will have on all low-income households, with a particular focus on those  
21 who are not enrolled in Columbia’s Customer Assistance Program (CAP).

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<sup>1</sup> M. Balmert, CPA St. No. 11, at 14.

1 **Q: Why are you focusing more closely on low income households not enrolled in CAP?**

2 A: I am distinguishing between CAP and non-CAP low income customers – and focusing  
3 more closely on the latter – because non-CAP customers will suffer more immediate and  
4 significant economic harm than those enrolled in CAP.<sup>2</sup> While I have no doubt that this increase  
5 will have an adverse effect on all residential customers, the economic impact of Columbia’s  
6 proposed rate increase will be far more acute for low income households that do not receive bill  
7 assistance through CAP.

8 **Q: Are you focusing on non-CAP low income customers to the exclusion of CAP-**  
9 **enrolled customers?**

10 No. While I am focusing on the impact to low income customers not enrolled in CAP,  
11 CAP customers will experience a rate increase if Columbia’s proposal is approved – though not  
12 as drastic or immediate as the impact to non-CAP low income customers.

13 To be sure, nearly half of all CAP-enrolled customers – 9,756 or 45.5% – will be directly  
14 impacted by the proposed rate increase at the time of their next budget payment re-evaluation.<sup>3</sup>  
15 If Columbia’s proposal is approved, CAP customers enrolled in the 50% of budget payment plan  
16 would pay an additional \$1.93 each month (half of the proposed increase in the customer  
17 charge.) – or \$23.16 each year.<sup>4</sup> As I will explain in depth below, such an increase would have a  
18 tremendous impact on low income families who live well below the self-sufficiency standard,  
19 meaning their income is already insufficient to meet the very basic expenses of housing, child  
20 care, food, medicine, clothing, and transportation.

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<sup>2</sup> Columbia Statement No. 11, M. Balmert, at 14: 15-16; Appendix B, CAUSE-PA to Columbia, I-007.

<sup>3</sup> Appendix B, CAUSE-PA to Columbia, I-001, 008.

<sup>4</sup> *Id.*

1           **Q:     How many non-CAP low-income customers live within Columbia’s service**  
2 **territory?**

3     A:     As of May 1, 2014, Columbia has 105,837 confirmed low-income customers, of which  
4     only 21,443 (20%) are enrolled in CAP.<sup>5</sup> To put this another way, a *minimum* of 80% of low  
5     income customers do not receive CAP assistance. Indeed, the number may be much higher,  
6     given that many low income households may not be confirmed as low income in Columbia’s  
7     system. But regardless of how many additional unconfirmed low income customers Columbia  
8     serves, the bottom line is that an overwhelming majority of low-income customers are not  
9     enrolled in CAP and are likely to be harmed by Columbia’s request to increase its customer charge.

10   **Q:     Why aren’t all low income customers enrolled in CAP?**

11   A:     The simple answer is that not all low income customers are aware of or eligible for  
12   enrollment in CAP. CAP program terms require that customers be low income - below 150% of  
13   federal poverty - and “payment troubled, as designated by a termination notice or at least one  
14   failed payment agreement within past 12 months, or otherwise identified through cross utility  
15   referral and credit scoring.”<sup>6</sup> But many low income households are not payment troubled  
16   because they forgo other basic necessities, including food, medication, child care, and  
17   transportation, to keep their utility account current.<sup>7</sup> In addition, other low-income customers  
18   may not be eligible for CAP because they are unable to pay past arrears or the past arrears  
19   attributed to members of their household.

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<sup>5</sup> Appendix B, CAUSE-PA to Columbia, I-007, I-008. Columbia’s estimated number of low income customers (103,087) is, inexplicably, lower than the number of confirmed low income customers in its system (105,837). Appendix B, CAUSE-PA to Columbia, I-012 Attach. B & I-014, Attach. A, at 2-3 (Columbia’s Universal Service Protected Needs Assessment). This discrepancy highlights the need for more accurate data collection and projections to create a full picture of the low income population in Columbia’s service territory.

<sup>6</sup> Columbia Gas of Pennsylvania, Inc., *Universal Service and Energy Conservation Plan: 2015-2017*, at 17 (2015).

<sup>7</sup> Nat’l Low Income Energy Consortium, *Paid but Unaffordable: The Consequences of Energy Poverty in Missouri – and Elsewhere* (2004), available at [http://www.neuac.org/2004\\_MO%20Overview.pdf](http://www.neuac.org/2004_MO%20Overview.pdf).



1 **Q: How would the proposed rate increase impact low income households?**

2 **A:** The proposed rate increase would have a significant detrimental impact on the ability of  
3 low income households, particularly those not enrolled in CAP, to connect to, maintain, and  
4 afford Columbia's natural gas service.

5 To understand the full extent of the impact on this subset of customers, it is important to  
6 first address the importance of affordability throughout the ratemaking process. Rate  
7 affordability is a critical part of utility regulation and rate design, as it is part and parcel to the  
8 imposition of just and reasonable rates.

9 In terms of determining rate affordability, it is helpful to look at average energy burden,  
10 which is the percentage of household income spent on home energy costs. A residential  
11 ratepayer with a household income of \$50,000 or more pays an average of 3% of their after-tax  
12 income on home energy costs.<sup>8</sup> In comparison, households enrolled in CAP receive a monthly  
13 gas bill that is targeted to between 5 and 17% of household income.<sup>9</sup> Although the program plays  
14 a critically important role in reaching greater affordability for economically vulnerable  
15 populations, CAP does not result in bringing low income customers into full parity with average  
16 residential energy burdens. As I explained above, the energy burden will increase for half of the  
17 CAP population (those enrolled in the 50% Budget Payment Plan) if and when Columbia's  
18 proposed increase is approved, further widening the energy burden divide.

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<sup>8</sup> Diana Hernandez, *Energy Insecurity: A Framework for Understanding Energy, the Built Environment, and Health Among Vulnerable Populations in the Context of Climate Change*, 103(4) Am. J. Pub. Health (2013), available at <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3673265/#bib20>.

<sup>9</sup> 52 Pa. Code § 69.261. The CAP Policy Statement provides that – to reach affordability – gas heating should cost no more than 5-8% of income for a household at between 0 and 50% of poverty; 7-10% of income for a household between 50 and 100% of poverty; and 9-10% of income for a household between 101-150% of poverty. 52 Pa. Code § 69.265. The combined cost to a low-income customer for both gas heating and electric nonheating should not cost no more than 7-13% of income for those at 0-50% of poverty; 11-16% of income for those at 50-100% of poverty; and 15-17% for those at 101-150% of poverty. *Id.*

1 But again, at least 80% of low income customers in Columbia’s service territory – and  
2 likely more - are not enrolled in CAP, and are unable to reduce their energy burdens to that of  
3 CAP participants, most likely because they are unaware of the program or are otherwise  
4 ineligible to participate. Compared to both average residential customers and low income CAP  
5 customers, low-income customers that are not enrolled in CAP have significantly higher energy  
6 burdens. The National Low Income Energy Consortium (NLIEC) conducted a survey designed  
7 to capture a nationally representative picture of the issues facing low income households.<sup>10</sup> The  
8 study found that “households with incomes below 50% of the federal poverty level pay a  
9 staggering 38% or more of their annual income for their home energy bills.”<sup>11</sup> The  
10 overwhelming energy burden on low income households makes it difficult for these customers to  
11 pay for other basic necessities such as housing, food, and medicine; can threaten stable and  
12 continued employment and education; and can create serious public safety risks.<sup>12</sup> Of the  
13 households surveyed in the NLIEC study, 46% went without food and 45% failed to take  
14 medication as prescribed by doctors in order to pay their home energy bills.<sup>13</sup> An alarming 54%  
15 reported using an oven for space heating.

16 The benchmark most often used to assess affordability in Pennsylvania is the Self  
17 Sufficiency Standard, published periodically by the nonprofit Pathways PA.<sup>14</sup> The Self

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<sup>10</sup> Nat’l Low Income Energy Consortium, *Paid but Unaffordable: The Consequences of Energy Poverty in Missouri – and Elsewhere*, at 2-5 (2004), available at [http://www.neuac.org/2004\\_MO%20Overview.pdf](http://www.neuac.org/2004_MO%20Overview.pdf).

<sup>11</sup> *Id.*; see also Diana Hernandez, *Energy Insecurity: A Framework for Understanding Energy, the Built Environment, and Health Among Vulnerable Populations in the Context of Climate Change*, 103(4) *Am. J. Pub. Health* (2013), available at <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3673265/#bib20> (explaining that households with an annual income of \$10,000 pay approximately 33% of their after-tax income on energy costs).

<sup>12</sup> Nat’l Low Income Energy Consortium, *Paid but Unaffordable: The Consequences of Energy Poverty in Missouri – and Elsewhere*, at 2-5 (2004), available at [http://www.neuac.org/2004\\_MO%20Overview.pdf](http://www.neuac.org/2004_MO%20Overview.pdf).

<sup>13</sup> *Id.*

<sup>14</sup> PathWays PA, *2012-2013 Pennsylvania Sufficiency Standard*, available at [http://www.selfsufficiencystandard.org/docs/PA2012\\_Web\\_101112.pdf](http://www.selfsufficiencystandard.org/docs/PA2012_Web_101112.pdf).

1 Sufficiency Standard is a tool that measures the income that a family must earn to meet their  
 2 basic needs. It is calculated by finding the costs of 6 basic needs - housing, child care, food,  
 3 health care, transportation, and taxes - without the help of public subsidies. Unlike the federal  
 4 poverty level, which does not change based on geographic location or family composition, the  
 5 Self Sufficiency Standard accounts for the varied costs of these 6 basic needs in different  
 6 geographical areas and for different aged household members.<sup>15</sup> The average Self Sufficiency  
 7 Standard for the Columbia Gas service territory for a family of four (two adults, one preschool  
 8 age child, and one school-age child) is \$50,435.<sup>16</sup> In comparison, a family of four living at 150%  
 9 of the poverty level has an income of just \$35,775, much less than is necessary to meet the six  
 10 basic categorical needs.

11 Low income customers, even those with assistance from CAP, do not have sufficient  
 12 income to pay for home energy costs. An increase in rates will, thus, necessarily result in  
 13 increased unaffordability and a corresponding increased rate of service termination.

14 **Q: Is the threat of increased termination significant?**

15 **A:** Yes, very significant. Low income customers have a significantly higher rate of  
 16 involuntary, payment-based termination compared to average residential customers. In 2013,

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<sup>15</sup> Unlike the federal poverty level, the Self Sufficiency Standard accounts for geographical area and varies according to the cost generated by children at various ages. The federal poverty level does not account for these important variances, and thus does not produce an accurate picture of the expenses families face in meeting their basic and essential needs. *Id.* at 6.

<sup>16</sup> This figure is an average of the self-sufficiency standard in each of the counties served by Columbia: Adams, \$53,708; Allegheny, \$54,275; Armstrong, \$48,816; Beaver, \$49,987; Bedford, \$44,173; Butler, \$53,088; Centre, \$60,669; Chester, \$73,992; Clarion, \$46,720; Clearfield, \$46,250; Elk, \$45,868; Fayette, \$48,983; Franklin, \$48,475; Fulton, \$46,392; Greene, \$50,541; Indiana, \$49,156; Jefferson, \$42,380; Lawrence, \$52,579; McKean, \$45,348; Mercer, \$52,284; Somerset, \$42,407; Venango, \$51,521; Warren, \$43,755; Washington, \$53,940; Westmoreland, \$51,700; York, \$54,300. *See Pathways PA & Center for Women's Welfare, Self-Sufficiency Standard for Pennsylvania Tables by County, All Family Types (2012), available at <http://www.selfsufficiencystandard.org/pubs.html> (click on Pennsylvania, and Tables by County).*

1 Columbia's confirmed low-income customers had a termination rate of 10.4%, compared to  
 2 3.1% for all residential customers.<sup>17</sup> A low-income customer is over three times more likely than  
 3 an average residential customer to have their service disconnected. At the same time,  
 4 terminations are on the rise in Columbia's service territory. Columbia's year-over-year  
 5 terminations increased 44%, from 1,630 in April, 2014, to 2,342 in April, 2015.<sup>18</sup> In  
 6 comparison, the termination rates for Pennsylvania's regulated gas industry in the same time  
 7 period rose 14%.<sup>19</sup>

8 CAP and LIHEAP undoubtedly helps many low income customers to avoid termination.  
 9 However, these programs are not sufficient to avoid termination for a large percentage of low  
 10 income customers. In 2014, 873 CAP customers were terminated for non-payment. And, since  
 11 2012, 628 LIHEAP recipients had their service terminated within 12 months of receiving a  
 12 federal cash or crisis grant.<sup>20</sup>

13 Evidence further suggests that low income customers are often unable to reconnect  
 14 service, and may go for extensive periods of time before restoration is possible. Between April  
 15 2014 and April 2015, Columbia terminated 2,342 customers, but reconnected just 827.<sup>21</sup> In fact,

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<sup>17</sup> Pa. PUC, Bureau of Consumer Svcs. *2013 Report on Universal Service Programs & Collections Performance of the Pennsylvania Electric Distribution Companies & Natural Gas Distribution Companies*, at 9-10, 14 (2013), available at [http://www.puc.state.pa.us/General/publications\\_reports/pdf/EDC\\_NGDC\\_UniServ\\_Rpt2013.pdf](http://www.puc.state.pa.us/General/publications_reports/pdf/EDC_NGDC_UniServ_Rpt2013.pdf).

<sup>18</sup> Pa. PUC, *Terminations and Reconnections: Year-to-Date April 2014 vs. Year-to-Date April 2015 As Reported by Utilities Pursuant to Monthly Reporting Requirements at 52 Pa. Code 56.231* (May 27, 2015), available at [http://www.puc.state.pa.us/general/pdf/Terminations\\_Table\\_Apr-Apr14-15.pdf](http://www.puc.state.pa.us/general/pdf/Terminations_Table_Apr-Apr14-15.pdf).

<sup>19</sup> *Id.*

<sup>20</sup> See Appendix B, CAUSE-PA to Columbia, I-030, -031.

<sup>21</sup> See *supra* note 18; see also Pa. PUC, Bureau of Consumer Svcs. *2013 Report on Universal Service Programs & Collections Performance of the Pennsylvania Electric Distribution Companies & Natural Gas Distribution Companies*, at 9-10 (2013), available at [http://www.puc.state.pa.us/General/publications\\_reports/pdf/EDC\\_NGDC\\_UniServ\\_Rpt2013.pdf](http://www.puc.state.pa.us/General/publications_reports/pdf/EDC_NGDC_UniServ_Rpt2013.pdf). Columbia was asked in discovery to identify the length of time that confirmed low-income customers remained without service after termination, but asserted in response that it was unable to provide the requested information because it does track whether and when a customer reconnects their service. See Appendix B, CAUSE-PA to Columbia, I-043.

1 every year, termination numbers far surpass reconnection numbers,<sup>22</sup> signaling that more and  
 2 more customers are going without central heating systems, cook-tops, and other essential  
 3 components of a healthy and safe home. When unable to use their primary heating system,  
 4 families often resort to dangerous, high usage / high cost heating methods – such as electric  
 5 space-heaters, electric stoves, and/or portable generators – which increases the risk of carbon  
 6 monoxide poisoning and house fires.<sup>23</sup> Loss of essential utility service is also a common catalyst  
 7 to homelessness.<sup>24</sup> The Commission has consistently documented this in its annual Cold  
 8 Weather Survey. The 2014 results of its annual Cold Weather Survey showed that about 25,172  
 9 households entered the winter season without heat-related utility service, compared to 19,653 in  
 10 2013.<sup>25</sup> Of this figure, 16,403 were natural gas heating customers and 8,769 were electric heating  
 11 customers. It is important to note that the annual Cold Weather Survey only tracks accounts

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<sup>22</sup> Pa. PUC, *Fifth Biennial Report to the General Assembly and the Governor Pursuant to Section 1415: Implementation of Chapter 14*, at 39, 45 & t. 24, 28, 30 (Dec. 14, 2014).

<sup>23</sup> “Space heaters accounted for 33% of 2007-2011 reported home heating fires, 81% of home heating fire civilian deaths, 70% of home heating fire civilian injuries, and 51% of home heating fire direct property damage.” Nat’l Fire Protection Ass’n, Fire Analysis & Research Division, *Home Fires Involving Heating Equipment*, at ix & 33 (Oct. 2013). While there are no state-wide statistics on space heater-related fires in Pennsylvania, we can see that the national statistics are on par with statewide statistics by looking to the local news carriers, which regularly report on space-heater related fires, injuries, and deaths.

<sup>24</sup> Roger D. Colton, *Prepayment Utility Meters, Affordable Home Energy, and the Low Income Utility Consumer*, ABA J. Affordable Housing & Community Development (2001). As explained by Mr. Colton,

Home energy costs invariably affect the availability of housing as well. There is, for example, a documented relationship between utility disconnection and homelessness. Research in Philadelphia has found that “the relationship between terminations and homelessness is ... clearly discernible.” Surveys of homeless persons and emergency shelter providers across Pennsylvania “have found the loss of utility service to be a minor, but consistent contributor to homelessness. Among the dominant housing-related reasons for homelessness, utility terminations were cited as the cause 7.9% of the time.” High energy prices “also undoubtedly contribute to the other, more frequently cited reasons for homelessness, such as ‘lack of housing in income range,’ and ‘eviction for nonpayment.’”

*Id.* (internal citations omitted). Research conducted by the University of Colorado, Denver, in 2006 is consistent with the earlier Pennsylvania research cited by Mr. Colton, and found that the inability to pay for home energy is a leading cause of homelessness for families with children. Colorado Interagency Council on Homelessness et al., *Colorado Statewide Homeless Count* (2007).

<sup>25</sup> Pa. PUC, *Cold Weather Re-Survey* (Feb. 2, 2015), [http://www.puc.pa.gov/general/publications\\_reports/pdf/Cold\\_Weather\\_Results\\_2014-2.pdf](http://www.puc.pa.gov/general/publications_reports/pdf/Cold_Weather_Results_2014-2.pdf).

1 which were terminated in the year the survey is conducted, and does not track customers who  
2 were terminated in years' past and never restored. So, in all actuality, the number of individuals  
3 without an operational central heating system could be exponentially higher.

4 The trend of increased terminations is troubling. Low income customers are already  
5 subject to regular and lengthy termination. A continued rise in the rate of termination for  
6 residential customers as a result of increased unaffordability will only further contribute to this  
7 dangerous and socially irresponsible result.

8 **Q: Columbia Witness Mark R. Kempic, argues that an increase in Columbia's overall**  
9 **rate of return, and corresponding rate increase, is warranted based on "management**  
10 **effectiveness." How do you respond to this assertion?**

11 A: Pennsylvania has never embraced performance based ratemaking. Exemplary service is  
12 the standard to which all utilities are urged to achieve. Mr. Kempic asserts that Columbia's  
13 performance relative to the other gas companies is substantially superior, such that it warrants a  
14 raise in Columbia's profit.<sup>26</sup> But even if Pennsylvania did have performance based ratemaking,  
15 which it does not, the evidence put forth in support of Columbia's service standards shows only  
16 that Columbia meets its obligations in providing natural gas service. Columbia cites to the  
17 Commission's Management Performance Audit as proof that it provides superior service worthy  
18 of increased profit margins. It is true that, in comparison to other companies, Columbia performs  
19 well. But, it still only "Meets Expected Performance" in half of the auditor's categories:  
20 Executive Management and Organizational Structure, Affiliated Interests, Emergency  
21 Preparedness, and Human Resources. The auditors noted that minor improvement was necessary  
22 in the Corporate Governance and Financial Management categories, and moderate improvement

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<sup>26</sup> Columbia Statement 1, M.R. Kempic, at 16-28.

1 was necessary in two of the most critical categories: Customer Service and Gas Operations. The  
2 very structure of the audit – which categorizes only by whether improvement is necessary – is a  
3 clear indication that merit-based revenue increases cannot be justified in Pennsylvania by the  
4 audit findings alone.

5 **Q: Do you have any recommendations that would help mitigate the effect of a rate**  
6 **increase on low-income households, if one were approved?**

7 A: Yes. As a general matter, I recommend that Columbia increase its coordination between  
8 universal service and energy efficiency and conservation programs, both within the Company  
9 and externally with other utility and/or government-run programs. Columbia’s current lack of  
10 cross-program enrollment evidences the need for more targeted coordination. Of the 289 low  
11 income customers who accessed Columbia’s Emergency Repair Program, just 96 were enrolled  
12 in CAP before accessing ERP, and just 27 enrolled in CAP after receiving ERP.<sup>27</sup> Even fewer  
13 customers – just 29 – received LIURP assistance after or in conjunction with ERP.<sup>28</sup> As far as  
14 CAP and LIHEAP coordination, Columbia revealed that “as of May 27, 2015, the last date CPA  
15 received any [LIHEAP] grants from DHS, there were 12,064 customers enrolled in CAP that did  
16 not receive a LIHEAP or CRISIS grant in the current heating season.”<sup>29</sup> In that same period of  
17 time, there were 15,214 low income customers who received a LIHEAP grant (cash or crisis),  
18 but who were not enrolled in CAP.<sup>30</sup>

19 Specifically, I recommend that Columbia better coordinate its Emergency Repair  
20 Program with the LIHEAP Crisis Interface program, which is run by the Department of

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<sup>27</sup> See Appendix B, CAUSE-PA to Columbia, I-018, Attachment A.

<sup>28</sup> *Id.*

<sup>29</sup> See Appendix B, CAUSE-PA to Columbia, I-010.

<sup>30</sup> See Appendix B, CAUSE-PA to Columbia, I-011.

1 Community and Economic Development. In reviewing Columbia's testimony, I was surprised to  
2 find that Columbia did not identify any targeted efforts to leverage its program impact through  
3 increased coordination with other programs which offer complementary services. In 2014, less  
4 than half of the ERP participants – 125 of 289 – received LIHEAP assistance.<sup>31</sup> Better  
5 coordinating ERP with LIURP and LIHEAP Crisis Interface – as well as CAP and other  
6 Universal Service programs - would eliminate overlapping costs while channeling program  
7 dollars where they are most needed.

8 In addition to increased coordination, I also believe that additional data collection is  
9 necessary to better assess the need for enhanced assistance programs in response to further  
10 increased rates. Columbia does not currently track the length of time that customers remain  
11 without service after termination for a payment-related issue.<sup>32</sup> Columbia also fails to keep  
12 record of customers denied or otherwise turned away from ERP due to insufficient funding,  
13 building deficiencies, or other circumstances. Tracking both the duration of payment-related  
14 termination and universal service denials would allow a better assessment of the adequacy of  
15 funding and program terms.

16 Moreover, I believe that increased program outreach is necessary to ensure that  
17 Columbia's programs are accessible. The fact remains, just 20% of confirmed low income  
18 households in Columbia's service territory receive CAP assistance, and even less receive  
19 assistance through other assistance programs. Additional outreach is therefore warranted to  
20 reach greater levels of affordability and, in turn, lower termination rates.

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<sup>31</sup> See Appendix B, CAUSE-PA to Columbia, I-018, Attach. A.

<sup>32</sup> See Appendix B, CAUSE-PA to Columbia, I-043.



1 Finally, increased coordination, data collection, and outreach is only meaningful when  
2 there is a corresponding mechanism for enforcement. Therefore, I recommend that Columbia be  
3 required to meet quantifiable goals, including decreased payment-related terminations, as well as  
4 increased service reconnections, universal service program enrollment, and cross-program  
5 participation. Including an enforcement mechanism will ensure that Columbia takes meaningful  
6 steps to achieve greater affordability and access to service for all its customers, regardless of  
7 income status.

8 **Q: How would Columbia's proposed rate design impact low income households?**

9 A: Columbia is proposing to recover an increased portion of its costs through the fixed  
10 residential customer charge. Increased fixed charges are uniquely harmful to low-income  
11 customers, and should not be approved.

12 To explain, increasing the costs recovered through a fixed charge – as opposed to a  
13 volumetric based charge – undermines the ability for customers to reduce bills through  
14 conservation and consumption reduction. This is particularly problematic for low-income  
15 customers, given that low income households have significantly less budget elasticity than non-  
16 low-income households. By increasing the fixed charge that a residential customer must pay,  
17 without any link to customer's usage, Columbia is blatantly undermining the goals of the Low  
18 Income Usage Reduction Program (LIURP), which is designed to lower consumption and  
19 increase energy affordability for low income customers.

20 On June 10, 2015, The National Association of State Utility Consumer Advocates  
21 (NASUCA) passed a resolution opposing efforts to increase fixed customer charges for

1 distribution services.<sup>33</sup> In the resolution, NASUCA explains that “low-income customers (with  
2 incomes at or below 150% of the federal poverty level) on average use less [energy] than the  
3 statewide residential average and less than their higher-income counterparts.”<sup>34</sup> In particular,  
4 NASUCA notes that elderly and minority customers, who are disproportionately low income,<sup>35</sup>  
5 also use less energy on average than their younger and Caucasian counterparts, respectively. By  
6 imposing a higher fixed charge, these populations will suffer the largest, most detrimental  
7 economic impact – and will simultaneously lose the ability to offset unaffordable costs by  
8 participating in energy efficiency and/or conservation programming.

9 **Q: Mr. Balmert explained in testimony that an increased fixed charge would have**  
10 **“significant benefits” to consumers, including “increased stability and predictability of**  
11 **customers’ bills, greater simplicity and understandability of customers’ bills, a**  
12 **corresponding reduction in bill complaints, and mitigation of intra-class cross**  
13 **subsidization.” (M. Balmert, St. 11, at 14-17). How do you respond?**

14 A: It is true that shifting cost recovery from a variable, volumetric-based rate to a fixed  
15 charge will produce a more predictable bill that is perhaps easier to understand because there is  
16 no calculation required to assess a fixed charge. Indeed, this is the premise behind budget  
17 billing, which is available to all customers regardless of income. However, predictability and  
18 simplicity alone does not prove that consumers will derive any meaningful benefit. A simple,

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<sup>33</sup> Nat’l Ass’n of State Utility Consumer Advocates, Customer Charge Resolution, 2015-1 (June 10, 2015)

<sup>34</sup> *Id.*

<sup>35</sup> Pathways PA, *Overlooked and Undercounted: How the Great Recession Impacted Household Self-Sufficiency in Pennsylvania* (Oct. 2012) (“While the majority of families with inadequate income in Pennsylvania are White, people of color are disproportionately likely to have inadequate incomes, particularly Latinos and African Americans. ... Since the Great Recession, the proportion of households with inadequate income has increased the most for race / ethnic groups of color.”).

1 predictable bill only provides low income customers with a meaningful benefit if it also produces  
2 an affordable bill.

3 For CAP customers, with bills structured and intended to be fixed at an affordable level,  
4 stability and predictability is a meaningful budgeting tool. However, for low-income customers  
5 who are not enrolled in CAP, bill stability of an already unaffordable bill will not, by virtue of  
6 stability alone, provide a benefit to the customer. Likewise, while it is true that moving to a  
7 larger fixed fee for gas distribution may lower a low-income customer's winter heating burden  
8 when their usage is relatively high, it is unlikely that this reduction would make an actual  
9 difference for the household over the course of the year.

10 To explain, residential customers use significantly less gas in the months of May through  
11 November each year than they do in the traditionally colder months, December through March.  
12 A shift to a higher fixed customer charge will significantly reduce the ability to have appreciable  
13 bill savings from May through November. For poor households, this matters. As I described  
14 above, poor households struggle on a monthly basis to pay all of their bills, often choosing to  
15 forego food or medicine in order to keep service connected. Many of these households count on  
16 the fact that their gas bills will be lower in the spring and summer to allow them to get caught up  
17 on other payments during this time. Shifting more costs of distribution service to a fixed charge  
18 that does not decrease when consumption levels are low will adversely affect low-income  
19 households' ability to remain current on their bills.

1 **Q. Mr. Balmert argued that increasing the fixed charge is appropriate in this case**  
2 **because “customer-related costs that bear no relationship to customer gas consumption**  
3 **patterns should be recovered through the fixed portion of the rate design.”<sup>36</sup> Do you agree?**

4 No, I disagree with this premise. Fixed charge recovery for distribution system costs  
5 undermines the basic principles of ratemaking: To produce bills that are just, reasonable, and not  
6 discriminatory, while allowing for a reasonable rate of return. Charging the same flat fixed rate  
7 for distribution service inequitably assigns distribution costs on those least able to afford the cost  
8 of energy, without any corresponding benefit or service enhancement. In turn, as mentioned  
9 above, fixed customer charges undermine the overarching policy goal of decreasing energy  
10 consumption through targeted energy efficiency and conservation programming.

11 Columbia’s proposed rate design will actually decrease bills for higher volume users,  
12 who are more often high wage earners with larger homes, a greater opportunity for usage  
13 reduction, and a more flexible income with which to absorb an increase and/or install  
14 consumption reduction measures. At the same time, a higher fixed charge would place the  
15 highest financial burden on low income customers, who often reside in small multifamily units  
16 with fewer square feet to accomplish effective consumption reduction, and who have an inelastic  
17 budget with which to absorb an increase in fixed fees.<sup>37</sup> While consumption reduction is free for  
18 this population through LJURP programming, the measures installed will be less effective at  
19 achieving additional savings for this population if fixed service charges increase.

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<sup>36</sup> Columbia St. 11, Balmert, at 11:1-5.

<sup>37</sup> “Multifamily housing, generally defined as residential buildings with 5 or more units, is an important part of America’s low income housing supply. It houses about a quarter (27.3%) of all households with incomes below the poverty line, 28.4% of all very low income families and nearly half (48.9%) of all very low income renters.” Gary Pivo, Energy Efficiency and its Relationship to Household Income in Multifamily Rental Housing (Sep. 2012), [https://www.fanniemae.com/content/fact\\_sheet/energy-efficiency-rental-housing.pdf](https://www.fanniemae.com/content/fact_sheet/energy-efficiency-rental-housing.pdf).

1 Further increasing fixed charges also fails to align with the fact that higher-use customers  
2 rely on having a distribution system large enough to accommodate their needs, and therefore  
3 should shoulder a higher percentage of the distribution system costs. Again, low income  
4 customers are more likely to live in relatively smaller, multifamily homes, and therefore demand  
5 less in terms of system capacity. When properly treated through available energy efficiency and  
6 weatherization programming, the results are even greater in achieving comparably lower usage  
7 levels and, correspondingly, less demand on the distribution system. Higher income families are  
8 more likely to live in larger homes, with more demand on the natural gas distribution system.  
9 Quite simply, low income customers should not be expected to shoulder the burden of a larger  
10 capacity system – with continued upgrades – when, proportionately, their demand on the  
11 distribution system is much lower than the system demand for other residential customers.

12 Looking to other industries with similarly high fixed costs provides some additional  
13 context and insight into the inequity of higher fixed charges. Airlines, for example, incur the  
14 same fixed costs – fuel, plane maintenance, safety training, employees, customer service – to fly  
15 customers from one destination to another. However, first class passengers are charged more for  
16 their ticket because they use more space on the plane. Coach passengers, however, pay a smaller  
17 percentage of the fixed cost of service because they use less space in the cabin. Similarly, in the  
18 context of gas ratemaking, customers with larger homes – which have comparatively greater  
19 demand for accompanying infrastructure – should pay a higher percentage of the fixed costs of  
20 service. Basing the customer charge on volume would resolve this inequitable disparity in the  
21 costs and benefits of distribution system infrastructure.

22 **Q: Do you have any recommendations that could help mitigate the effect of a rate**  
23 **increase on low-income households, if one were approved?**

1 A: Yes. For the reasons explained above, I recommend that any approved increase in the  
2 residential rate be applied to the volumetric charge. In fact, I believe a larger portion of the  
3 current fixed charge should be shifted to the volumetric charge to prevent unjust and  
4 unreasonable application of fixed charges to low income customers, and to ensure that universal  
5 service and energy efficiency and conservation programs remain fully effective at reducing costs  
6 for low income customers to achieve equitable levels of affordability.

7 **Q: Is there anything else you would like to discuss related to Columbia's request for**  
8 **rate increase?**

9 A: Yes. I am very concerned about the calculation – and recovery – of the “CAP Plus”  
10 amount, which is added to every CAP bill based on the total LIHEAP annual receipts. Columbia  
11 revealed in discovery that the “plus” amount for this program year is \$5.69/month, and that it  
12 rounds this amount to \$6.00.<sup>38</sup> For each CAP customer, Columbia collects an additional \$.31 /  
13 month, or \$3.72 / year, that is not offset by LIHEAP receipts.<sup>39</sup> For the entire CAP population –  
14 21,211 customers – this amounts to an additional \$78,904.92 annually.<sup>40</sup> Columbia provides no  
15 justification for the need to round up the total “plus” amount.

16 It is critical for the Commission to examine the legitimacy and legality of the CAP Plus  
17 program in light of Columbia's request to increase the fixed customer charge. Indeed, as I have  
18 described above, adding any amount to a CAP bill further undermines the ability of the program  
19 to reach appropriate levels of affordability that are reasonably comparable to the energy burden  
20 of other residential ratepayers. But, when the Plus amount is imposed in addition to an increased

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<sup>38</sup> See Appendix B, CAUSE-PA to Columbia, I-003 and Attach. A.

<sup>39</sup> *Id.*

<sup>40</sup> *Id.*

1 fixed customer charge, the result is an unacceptably high energy burden that is not in line with  
2 the Commission's guidelines for affordability.

3 **Q: Please summarize your conclusions.**

4 A: My conclusions are:

- 5 • The Commission should reject Columbia's request for a residential rate increase.
- 6 • If the Commission grants any residential rate increase, it should (a) offset the  
7 impact of the rate increase on low income customers through increased universal  
8 service and energy efficiency program coordination, data collection, and funding,  
9 and (b) require Columbia to restructure the rate design to offset the impact on low  
10 and moderate income customers by increasing the rate through the volumetric  
11 charge as opposed to the fixed charge.
- 12 • The Commission should reject Columbia's attempt to obtain an approved rate  
13 increase based on performance / merit.
- 14 • The Commission should require Columbia to refund CAP customers for the  
15 amount charged in excess of the calculated "plus" amount, and should reexamine  
16 the CAP Plus program's continued legitimacy, in light of Columbia's request to  
17 increase the fixed customer charge.

18 **Q. Does this conclude your Direct Testimony?**

19 A. Yes.





**APPENDIX A**

**Contents of Appendix:**

- Mitchell Miller CV

**MITCHELL MILLER**  
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Harrisburg, PA 17112  
Home: (717) 599-5510 Mobile: (717) 903-2196  
[Mitchmiller77@hotmail.com](mailto:Mitchmiller77@hotmail.com)

## **EMPLOYMENT**

### **2009-Present Mitch Miller Consulting LLC:**

Practice provides consulting services that promote the public interest with a focus on low income households. Specifically over 35 years of expertise is applied to the evaluation of regulatory policy involving customer service, complaint handling, credit and collections and universal service. Objective is to promote public policy development, program design, and implementation of programs for consumer education, energy efficiency, credit and collections, and customer assistance.

### **2009-2012 Pennsylvania Department of Community and Economic Development Consultant**

Served as a Consultant on weatherization and energy efficiency for the Pennsylvania Weatherization Assistance Program (WAP) at PA DCED. Was instrumental in transforming the WAP program by creating a performance-based system, dedicated to a high standard of quality, compliance and production. Innovations include introducing performance standards for production, quality and compliance and independent certification and training for all state WAP workers. Also responsible for coordinating the states WAP program with the PUC, utilities and other efficiency programs.

### **1992-2009 Pennsylvania Public Utility Commission, Bureau of Consumer Services Harrisburg, PA Director**

Until his retirement from state service Mr. Miller was director of Consumer Services and PA PUC. His bureau has regulatory authority and responsibility for policy development for all areas of consumer services including resolving consumer complaints and problems, enforcing consumer regulations, developing, implementing and evaluating programs involving complaint handling, complaint analysis collections, enforcement of consumer regulations, utility customer assistance programs and low income conservation. He also directed BCS responsibilities for implementing the Pennsylvania Electric, Gas and Telephone Customer Choice Programs. *Specific areas under his Direction include:*

#### **Program evaluation and regulation**

- Monitoring and evaluating the customer service practices and programs of utilities
- Promulgating regulations, implementing procedures to meet regulatory requirement and taking enforcement action to assure compliance

- Field reviews and audits of utilities' operations and advice the Commission regarding issues of interest and concern of utility consumers
- Compliance enforcement including informal investigations and prosecution of formal cases
- Track trends in the number and type of consumer complaints and inquiries, utility performance at handling customer complaints and payment arrangement requests. Other databases utilized to track utility termination activity, collection of delinquent accounts, compliance with customer service regulations and other areas critical to evaluating utility customer service performance.
- Produce utility performance and evaluative reports for the PUC, utilities and the public

### **Universal service programs**

- The LIURP is targeted toward low-income households with the highest energy consumption, payment problems, and high arrearages. Since the program's inception to 2009, the major electric and gas companies required to participate in LIURP have spent over \$530 million to provide weatherization treatments to more than 350,000 low-income households in Pennsylvania. The budgets for 2008 were 22 million for electric utilities and 9 million for gas utilities
- Customer Assistance Programs (CAPs) provide an alternative to traditional collection methods for low income, payment troubled utility customers. Customers make regular monthly payments, which may be for an amount that is less than the current bill for utility service. Budgets for CAP programs in 2008 were 189 million for electric companies and 174 million for gas companies. Utility companies have spent over 2 billion dollars for CAP through 1998.

### **Utility Complaint Handling and Regulation**

- Responsible for establishing procedures and directing 90 staff in investigating annually over 100,000 informal consumer complaints for regulated fixed utilities, payment arrangement requests and responding to over 70,000 inquiries.
- Arbitrate billing, credit and other informal complaints and issue binding decisions to resolve informal disputes expeditiously. Investigators also issue decisions regarding the amortization of overdue electric, gas, steam heat, water, wastewater and basic telephone bills.

### **1978-1992 Pennsylvania Public Utility Commission, Division of Research and Planning Harrisburg, PA**

#### **Chief**

Reported to Director of Bureau of Consumer Services with direct responsibility for the direction, supervision and planning of a Division of 15 professionals who are delegated program responsibilities for regulation enforcement, utility program evaluation, customer assistance programs and consumer education. As the first Division Chief he was instrumental in creating these activities

- Bureau's compliance program in enforcing customer service regulations and statues through regulator interpretations, citations and litigation; including preparing with legal staff formal records, briefs, motions, interrogatories, reviewing utility responses and negotiating equitable settlements.

- Development and implementation of computer information evaluation systems for evaluation of utility customer service programs; systematic performance problems are identified through statistical analysis and observation and correction actions recommended via public reports, formal rate cases and consumer services audit programs.
- Managed the development of Commission's first consumer education program including proposing annual plans, statewide networking, supervising staff in conducting of workshops and conferences, and preparation of consumer education materials.
- Supervised the development of an integrated program for low income consumers; through program evaluation, leading to testimony, preparation of policy recommendations, interdepartmental coordination, regulation promulgation and establishing evaluation criteria

**1977-1978 Pennsylvania Public Utility Commission**

**Harrisburg, PA**

**Research Analyst**

Responsible for evaluating existing utility and Commission customer service programs and identifying problems and recommendations for change, which led to Division's current programs.

**1974-1977 Governor's Action Center**

**Harrisburg, PA**

**Research Supervisor**

Office supervisor for a research and information unit. Duties included the modification and maintenance of an information and evaluation system, writing *technical and topical reports, quality control review and staff training*. Responsible for the supervision of five case evaluator and student interns.

**EDUCATION**

M.S., Shippensburg University, 1984

Major: Public Administration

G.P.A. 3.9/4.0

B.S., Pennsylvania State University, 1974

Major: Community Development

Cum Laude

**Additional Affiliations**

*Keystone Energy Efficiency Alliance*

Co-Chair National Energy and Utility Affordability Conference

## APPENDIX B

### Contents of Appendix:

- CAUSE-PA to Columbia I-001
- CAUSE-PA to Columbia I-002
- CAUSE-PA to Columbia I-003 and Attachment A
- CAUSE-PA to Columbia I-007
- CAUSE-PA to Columbia I-008
- CAUSE-PA to Columbia I-010
- CAUSE-PA to Columbia I-011
- CAUSE-PA to Columbia I-012 and Attachments A and B
- CAUSE-PA to Columbia I-014 and Attachment A
- CAUSE-PA to Columbia I-018 and Attachment A
- CAUSE-PA to Columbia I-030
- CAUSE-PA to Columbia I-031
- CAUSE-PA to Columbia I-043

COLUMBIA GAS OF PENNSYLVANIA INC.

R-2015-2468056

Data Requests

CAUSE-PA - Set 1

Question No. CAUSE-PA 1-001:

Will CAP customer bills be impacted by an increase in the customer charge?

Please explain why or why not, and identify the financial impact of the increase on:

- a. The CPA CAP program as a whole;
- b. On average for:
  - i. All CPA CAP customers;
  - ii. CPA CAP customers, disaggregated by payment plan type;
  - iii. CPA CAP customers disaggregated by percentage of income tier;
  - iv. CPA CAP customers who receive LIHEAP; and
  - v. CPA CAP customers who do not receive LIHEAP.

Response:

- a. The majority of CAP customers will experience no impact resulting from an increase in the customer charge, as their monthly CAP payment is based on factors unrelated to rates or monthly bills. However, those customers whose monthly CAP payment is the "50% of budget payment option" may experience an increase after the next budget payment re-evaluation, which will occur in May, 2016. At that time, any increase or decrease in bill factors including usage, base rates, gas cost rates/supplier charges or customer charge which result in a total bill increase or decrease will impact their budget payment.

- b. As stated above, only those customers on the 50% of budget payment option (9,756 as of May, 2015) could potentially experience an increase resulting from a total bill increase, whether such increase is reflected in usage, base rates, gas cost rates/supplier charge or the customer charge. CPA is recommending a \$3.85 increase in the customer charge which would equate to a \$1.93 a month increase in the CAP payment after the next budget payment re-evaluation, if all other bill factors and rates remained constant.

COLUMBIA GAS OF PENNSYLVANIA INC.

R-2015-2468056

Data Requests

CAUSE-PA - Set 1

Question No. CAUSE-PA 1-002:

Will the CPA CAP shortfall be impacted by the increase in CPA's customer charge? Please explain why or why not, and identify the dollar amount of any anticipated impact.

Response:

Yes, if a CAP customer's total bill increases without their asked to pay amount increasing, there will be an additional cost to shortfall. An increase in the customer charge of \$3.85 will equate to a \$46.20 per CAP customer annual increase to shortfall. The exception to this would be customers on the 50% of budget payment plan. In June of next year, all other things being equal, the customer would be billed an additional \$1.93 per month as a result of the requested increase in the customer charge. Therefore the annual addition to shortfall related to an increase in the customer charge per each of these CAP customers would equate to \$23.16.



COLUMBIA GAS OF PENNSYLVANIA INC.

R-2015-2468056

Data Requests

CAUSE-PA - Set 1

Question No. CAUSE-PA 1-003:

What is the "CAP-Plus" amount currently added to CAP customer bills? Please explain the rationale used to arrive at this figure, provide any work-papers or other documents used for calculations, and identify whether and when CPA intends to next adjust this amount.

Response:

The current CAP plus amount is \$6.00. Please see CAUSE-PA-1-003 Attachment A for CAP PLUS calculation procedures. Columbia recalculates CAP Plus every year for inclusion on the first billing date of the November billing cycle.

The calculation for the current CAP Plus is as follows:

|                    |    |              |
|--------------------|----|--------------|
| LIHEAP Receipts    | \$ | 1,448,491.16 |
| # of CAP Customers |    | 21,211       |
| Average Increase   | \$ | 68.29        |
| Average Monthly    | \$ | 5.69         |
| Nearest Dollar     | \$ | 6.00         |

## CAP Plus Calculation Procedures

Beginning in November, 2010, Columbia initiated the CAP Plus program. This program increased monthly payments for all CAP customers in an effort to negate the impact of the Department of Public Welfare's policy change on LIHEAP postings to CAP accounts. All customers will see a change in their payment plan.

DIS will automatically add the plus amount (which is subject to change yearly) to the installment amount. The customer, screening agency and Dollar Energy Central will not see any notation of this since the amount will be included in the asked to pay amount. Customers will see a change each November based on the new "plus amount".

Calculation of the plus amount is as follows:

### Step 1

Add up LIHEAP grants from October 1, XXXX to September 30, XXXX of most recent heating season.  
Use LIHEAP amounts provided by accounting.  
(Ex. 10/1/09 – 9/30/10 = 4,584,556.88)

### Step 2

Calculate Annual Average CAP increase:  
Take Total LIHEAP receipts on Active CAP accounts and divide by # of CAP customers billed in recent complete month. Use monthly participation levels spreadsheet. (ex. 4,584,556.88/ 22,999 = 199.34)

### Step 3

Calculate Monthly Average CAP increase  
Divide Annual Average CAP increase by 12 (ex. 199.34/12 = 16.61)  
Round to nearest dollar (ex 16.61 = \$17)

COLUMBIA GAS OF PENNSYLVANIA INC.

R-2015-2468056

Data Requests

CAUSE-PA - Set 1

Question No. CAUSE-PA 1-007:

As of May 1, 2015, how many confirmed low-income customers reside within CPA's service territory, disaggregated by percentage of federal poverty level (50%, 100%, and 150% of the federal poverty level)?

Response:

Below is the current breakdown of customers with identified low income in Columbia's records.

| FPIG     | # of Customers |
|----------|----------------|
| 0 - 50%  | 20,471         |
| 51 - 100 | 45,225         |
| 101-150  | 40,141         |
|          | 105837         |

COLUMBIA GAS OF PENNSYLVANIA INC.

R-2015-2468056

Data Requests

CAUSE-PA - Set 1

Question No. CAUSE-PA 1-008:

As of May 1, 2015, how many of CPA's confirmed low-income customers were/are enrolled in CAP, disaggregated by payment plan type (percentage of income, average annual payment, 50% of budget billing, or senior CAP)?

Response:

Please see the breakdown by payment plan type billed to all confirmed low income CAP customers in May, 2015.

| Payment Plan Type   | # of CAP Customers |
|---------------------|--------------------|
| % of Income         | 3530               |
| Average of Payments | 6869               |
| 50% of Budget       | 9756               |
| Minimum Payment     | 1278               |
| Senior CAP          | 10                 |

COLUMBIA GAS OF PENNSYLVANIA INC.

R-2015-2468056

Data Requests

CAUSE-PA - Set 1

Question No. CAUSE-PA 1-010:

As of May 1, 2015, how many of CPA's confirmed low-income customers were enrolled in CAP, but did not receive a LIHEAP Grant?

Response:

As of May 27, 2015, the last date CPA received any grants from DHS, there were 12,064 customers enrolled in CAP that did not receive a LIHEAP or CRISIS grant in the current heating season.

**COLUMBIA GAS OF PENNSYLVANIA INC.**

**R-2015-2468056**

**Data Requests**

**CAUSE-PA - Set 1**

**Question No. CAUSE-PA 1-011:**

**As of May 1, 2015, how many of CPA's confirmed low-income customers received a LIHEAP Cash or Crisis Grant in the 2014-2015 LIHEAP program year, but were not enrolled in CAP?**

**Response:**

**As of May 27, 2015, the last date CPA received grants from DHS, there are 15, 214 customers that received a LIHEAP and/or CRISIS grant that are currently not enrolled in CAP.**

COLUMBIA GAS OF PENNSYLVANIA INC.

R-2015-2468056

Data Requests

CAUSE-PA - Set 1

Question No. CAUSE-PA 1-012:

As of May 1, 2015, how many estimated low income customers reside within Columbia's service territory? To the extent possible, please disaggregate by income (50%, 100%, and 150% of the federal poverty level). Also, please explain how CPA arrived at its estimated figures, and include citation and/or copies of any and all workpapers used to perform the estimation.

Response:

CPA uses a combination of census data and company customer counts to estimate the number of low income customers residing in its service territory. Please see CAUSE-PA-1-012 Attachment A for an excerpt of census data provided by the Bureau of Consumer Services. Columbia uses these figures and compares them to the total residential counts in each county. Columbia equates the same percentage to total population as to low income population to arrive at the estimate. CAUSE-PA-1-12 Attachment B Columbia LI estimates the current estimated low income count. These figures are not available at the requested disaggregated FPIG level.

Poverty Levels for Pennsylvania Counties (Low Income - < 150 and Higher Income 150 >): 2010-2012.  
 Poverty Levels Shown for Households, Families and Individuals.  
 Source: 2010-2012 American Community Survey 3-Year Estimates - United States Census Bureau

CAUSE-PA 1-012  
 Attachment A  
 Page 1 of 6

| County     | Poverty Level of Households (a) |        |        |        |        | Poverty Level of Families (b) |       |        |        |        |
|------------|---------------------------------|--------|--------|--------|--------|-------------------------------|-------|--------|--------|--------|
|            | Total N                         | < 150  |        | 150 >  |        | Total N                       | < 150 |        | 150 >  |        |
|            |                                 | N *    | % *    | N *    | % *    |                               | N     | %      | N      | %      |
| Adams      | 37919                           | 8501   | 22.42% | 29418  | 77.58% | 26798                         | 3326  | 12.41% | 23472  | 87.59% |
| Allegheny  | 522238                          | 133670 | 25.60% | 388568 | 74.40% | 302707                        | 45647 | 15.08% | 257060 | 84.92% |
| Armstrong  | 28735                           | 8376   | 29.15% | 20359  | 70.85% | 19565                         | 3516  | 17.97% | 16049  | 82.03% |
| Beaver     | 70787                           | 19128  | 27.02% | 51659  | 72.98% | 46701                         | 7218  | 15.46% | 39483  | 84.54% |
| Bedford    | 20570                           | 6608   | 32.12% | 13962  | 67.88% | 14150                         | 2950  | 20.85% | 11200  | 79.15% |
| Berks      | 154092                          | 43374  | 28.15% | 110718 | 71.85% | 106037                        | 17533 | 16.53% | 88504  | 83.47% |
| Blair      | 50990                           | 16134  | 31.64% | 34856  | 68.36% | 33409                         | 5738  | 17.18% | 27671  | 82.82% |
| Bradford   | 24103                           | 7921   | 32.86% | 16182  | 67.14% | 16222                         | 2955  | 18.22% | 13267  | 81.78% |
| Bucks      | 230384                          | 31980  | 13.88% | 198404 | 86.12% | 164945                        | 12774 | 7.74%  | 152171 | 92.26% |
| Butler     | 73147                           | 15473  | 21.15% | 57674  | 78.85% | 49880                         | 5462  | 10.95% | 44418  | 89.05% |
| Cambria    | 58197                           | 18052  | 31.02% | 40145  | 68.98% | 36835                         | 6368  | 17.29% | 30467  | 82.71% |
| Carbon     | 25919                           | 6965   | 26.87% | 18954  | 73.13% | 17479                         | 2566  | 14.68% | 14913  | 85.32% |
| Centre     | 57266                           | 19759  | 34.50% | 37507  | 65.50% | 31572                         | 3933  | 12.46% | 27639  | 87.54% |
| Chester    | 184364                          | 28115  | 15.25% | 156249 | 84.75% | 129571                        | 10026 | 7.74%  | 119545 | 92.26% |
| Clarion    | 16027                           | 5869   | 36.62% | 10158  | 63.38% | 10040                         | 1787  | 17.80% | 8253   | 82.20% |
| Clearfield | 32158                           | 10466  | 32.55% | 21692  | 67.45% | 21418                         | 4084  | 19.07% | 17334  | 80.93% |
| Clinton    | 15287                           | 5033   | 32.92% | 10254  | 67.08% | 9585                          | 1794  | 18.72% | 7791   | 81.28% |
| Columbia   | 26188                           | 8650   | 33.03% | 17538  | 66.97% | 16726                         | 2782  | 16.63% | 13944  | 83.37% |
| Crawford   | 35042                           | 12165  | 34.72% | 22877  | 65.28% | 23235                         | 4945  | 21.28% | 18290  | 78.72% |
| Cumberland | 95126                           | 17309  | 18.20% | 77817  | 81.80% | 62278                         | 6424  | 10.32% | 55854  | 89.68% |
| Dauphin    | 107891                          | 29307  | 27.16% | 78584  | 72.84% | 69137                         | 10935 | 15.82% | 58202  | 84.18% |
| Delaware   | 205185                          | 45158  | 22.01% | 160027 | 77.99% | 136492                        | 17654 | 12.93% | 118838 | 87.07% |
| Elk        | 13596                           | 2824   | 20.77% | 10772  | 79.23% | 9134                          | 1286  | 14.08% | 7848   | 85.92% |
| Erie       | 109522                          | 35654  | 32.55% | 73868  | 67.45% | 69270                         | 13889 | 20.05% | 55381  | 79.95% |
| Fayette    | 54372                           | 20392  | 37.50% | 33980  | 62.50% | 35319                         | 8337  | 23.60% | 26982  | 76.40% |
| Franklin   | 57739                           | 15053  | 26.07% | 42686  | 73.93% | 40519                         | 5826  | 14.38% | 34693  | 85.62% |
| Greene     | 14222                           | 4366   | 30.70% | 9856   | 69.30% | 9441                          | 1688  | 17.88% | 7753   | 82.12% |
| Huntingdon | 16992                           | 4933   | 29.03% | 12059  | 70.97% | 11750                         | 2020  | 17.19% | 9730   | 82.81% |
| Indiana    | 34652                           | 12699  | 36.65% | 21953  | 63.35% | 22016                         | 3906  | 17.74% | 18110  | 82.26% |
| Jefferson  | 18637                           | 6469   | 34.71% | 12168  | 65.29% | 12316                         | 2659  | 21.59% | 9657   | 78.41% |

Compiled by  
 Mollie Van Loon  
 CSIS Project  
 Penn State Univ.  
 6/10/2015



|                            |         |         |        |         |        |         |        |        |         |        |
|----------------------------|---------|---------|--------|---------|--------|---------|--------|--------|---------|--------|
| Juniata                    | 9321    | 3051    | 32.73% | 6270    | 67.27% | 6636    | 1179   | 17.77% | 5457    | 82.23% |
| Lackawanna                 | 85721   | 25379   | 29.61% | 60342   | 70.39% | 54108   | 9555   | 17.66% | 44553   | 82.34% |
| Lancaster                  | 193931  | 49905   | 25.73% | 144026  | 74.27% | 136285  | 19601  | 14.38% | 116684  | 85.62% |
| Lawrence                   | 36752   | 11698   | 31.83% | 25054   | 68.17% | 24714   | 4904   | 19.84% | 19810   | 80.16% |
| Lebanon                    | 51807   | 12881   | 24.86% | 38926   | 75.14% | 36187   | 5029   | 13.90% | 31158   | 86.10% |
| Lehigh                     | 133322  | 38978   | 29.24% | 94344   | 70.76% | 89592   | 15274  | 17.05% | 74318   | 82.95% |
| Luzerne                    | 130097  | 41496   | 31.90% | 88601   | 68.10% | 82182   | 16209  | 19.72% | 65973   | 80.28% |
| Lycoming                   | 45933   | 14484   | 31.53% | 31449   | 68.47% | 29753   | 5131   | 17.25% | 24622   | 82.75% |
| McKean                     | 17373   | 5967    | 34.35% | 11406   | 65.65% | 11487   | 2432   | 21.17% | 9055    | 78.83% |
| Mercer                     | 46345   | 14969   | 32.30% | 31376   | 67.70% | 30662   | 5840   | 19.05% | 24822   | 80.95% |
| Mifflin                    | 18947   | 7373    | 38.91% | 11574   | 61.09% | 12514   | 2911   | 23.26% | 9603    | 76.74% |
| Monroe                     | 58173   | 15786   | 27.14% | 42387   | 72.86% | 42796   | 7319   | 17.10% | 35477   | 82.90% |
| Montgomery                 | 307618  | 46236   | 15.03% | 261382  | 84.97% | 209839  | 15322  | 7.30%  | 194517  | 92.70% |
| Northampton                | 112120  | 23948   | 21.36% | 88172   | 78.64% | 77522   | 9586   | 12.37% | 67936   | 87.63% |
| Northumberland             | 39109   | 12149   | 31.06% | 26960   | 68.94% | 25683   | 4975   | 19.37% | 20708   | 80.63% |
| Perry                      | 18231   | 4265    | 23.39% | 13966   | 76.61% | 12914   | 1794   | 13.89% | 11120   | 86.11% |
| Philadelphia               | 576889  | 262214  | 45.45% | 314675  | 54.55% | 307744  | 101677 | 33.04% | 206067  | 66.96% |
| Pike                       | 21759   | 4748    | 21.82% | 17011   | 78.18% | 15579   | 2093   | 13.43% | 13486   | 86.57% |
| Schuylkill                 | 59689   | 17548   | 29.40% | 42141   | 70.60% | 39733   | 6789   | 17.09% | 32944   | 82.91% |
| Snyder                     | 14481   | 4587    | 31.68% | 9894    | 68.32% | 10483   | 1644   | 15.68% | 8839    | 84.32% |
| Somerset                   | 29626   | 9077    | 30.64% | 20549   | 69.36% | 20030   | 3424   | 17.09% | 16606   | 82.91% |
| Susquehanna                | 17001   | 5012    | 29.48% | 11989   | 70.52% | 11691   | 2049   | 17.53% | 9642    | 82.47% |
| Tioga                      | 17039   | 5644    | 33.12% | 11395   | 66.88% | 11570   | 2340   | 20.22% | 9230    | 79.78% |
| Union                      | 15295   | 4346    | 28.41% | 10949   | 71.59% | 10260   | 1700   | 16.57% | 8560    | 83.43% |
| Venango                    | 22956   | 7761    | 33.81% | 15195   | 66.19% | 15281   | 3108   | 20.34% | 12173   | 79.66% |
| Warren                     | 17046   | 5169    | 30.32% | 11877   | 69.68% | 11259   | 1855   | 16.48% | 9404    | 83.52% |
| Washington                 | 83920   | 19617   | 23.38% | 64303   | 76.62% | 55054   | 7309   | 13.28% | 47745   | 86.72% |
| Wayne                      | 19521   | 6040    | 30.94% | 13481   | 69.06% | 13294   | 2253   | 16.95% | 11041   | 83.05% |
| Westmoreland               | 152022  | 38247   | 25.16% | 113775  | 74.84% | 101085  | 14690  | 14.53% | 86395   | 85.47% |
| Wyoming                    | 10852   | 2995    | 27.60% | 7857    | 72.40% | 7531    | 1128   | 14.98% | 6403    | 85.02% |
| York                       | 168566  | 38362   | 22.76% | 130204  | 77.24% | 118611  | 14918  | 12.58% | 103693  | 87.42% |
| Total (for 61 counties)    | 4922809 | 1360335 | 27.63% | 3562474 | 72.37% | 3186626 | 514066 | 16.13% | 2672560 | 83.87% |
| Total (for 67 counties) ** | 4949625 | 1368512 | 27.65% | 3581113 | 72.35% | 3204787 | 517026 | 16.13% | 2687761 | 83.87% |

Notes:

- \* *Imputed figures.*
- \*\* The 67 Counties Totals are based on the 3-Year and 5-Year total estimates combined.
- (a) Poverty levels for "Households" are imputed from four tables of the American Community Survey 2010-2012 data release:
  - Table B17002. Ratio of Income to Poverty Level in the Past 12 Months (Universe - Population) - 3 Year Estimates.
  - Table B17026. Ratio of Income to Poverty Level in the Past 12 Months of Families by Family Type (Universe - Families) - 3 Year Estimates.
  - Table B11001. Household Type (Including Living Alone) (Universe - Households) - 3 Year Estimates.
  - Table B11002. Household Type by Relatives and Nonrelatives for Population in Households (Universe - Population) - 3 Year Estimates.
- (b) Poverty levels for "Families" is from following American Community Survey 2010-2012 data release table:
  - Table B17026. Ratio of Income to Poverty Level in the Past 12 Months of Families by Family Type (Universe - Families) - 3 Year Estimates.
- (c) Poverty levels for "Individuals" is from following American Community Survey 2001-2012 data release table:
  - Table B17002. Ratio of Income to Poverty Level in the Past 12 Months (Universe - Population) - 3 Year Estimates.

Clarification note for Table B11002: Household Type is designated as "Family" or "Non-Family". Within both Family & Non-family household types, there are designations for "Relatives" & "Non-Relatives". A "Non-Relative" in a "Family" household is anyone living in the household but not related to the household head by birth, marriage, or adoption (i.e. step-children or foster children).

| County     | Poverty Level of Individuals (c) |        |        |        |        |
|------------|----------------------------------|--------|--------|--------|--------|
|            | Total N                          | < 150  |        | 150 >  |        |
|            |                                  | N      | %      | N      | %      |
| Adams      | 97136                            | 16762  | 17.26% | 80374  | 82.74% |
| Allegheny  | 1193955                          | 247404 | 20.72% | 946551 | 79.28% |
| Armstrong  | 67853                            | 15880  | 23.40% | 51973  | 76.60% |
| Beaver     | 167407                           | 35384  | 21.14% | 132023 | 78.86% |
| Bedford    | 48681                            | 12789  | 26.27% | 35892  | 73.73% |
| Berks      | 399984                           | 88861  | 22.22% | 311123 | 77.78% |
| Blair      | 123868                           | 30193  | 24.38% | 93675  | 75.62% |
| Bradford   | 61655                            | 15701  | 25.47% | 45954  | 74.53% |
| Bucks      | 617967                           | 64783  | 10.48% | 553184 | 89.52% |
| Butler     | 179598                           | 28994  | 16.14% | 150604 | 83.86% |
| Cambria    | 134718                           | 32522  | 24.14% | 102196 | 75.86% |
| Carbon     | 64132                            | 13293  | 20.73% | 50839  | 79.27% |
| Centre     | 137648                           | 38319  | 27.84% | 99329  | 72.16% |
| Chester    | 490535                           | 55846  | 11.38% | 434689 | 88.62% |
| Clarion    | 37904                            | 10916  | 28.80% | 26988  | 71.20% |
| Clearfield | 76366                            | 19537  | 25.58% | 56829  | 74.42% |
| Clinton    | 36639                            | 9745   | 26.60% | 26894  | 73.40% |
| Columbia   | 62851                            | 16669  | 26.52% | 46182  | 73.48% |
| Crawford   | 84363                            | 23517  | 27.88% | 60846  | 72.12% |
| Cumberland | 223688                           | 32177  | 14.38% | 191511 | 85.62% |
| Dauphin    | 264355                           | 56626  | 21.42% | 207729 | 78.58% |
| Delaware   | 538575                           | 92083  | 17.10% | 446492 | 82.90% |
| Elk        | 31390                            | 5435   | 17.31% | 25955  | 82.69% |
| Erie       | 268163                           | 70945  | 26.46% | 197218 | 73.54% |
| Fayette    | 132146                           | 40244  | 30.45% | 91902  | 69.55% |
| Franklin   | 148211                           | 29355  | 19.81% | 118856 | 80.19% |
| Greene     | 33522                            | 8151   | 24.32% | 25371  | 75.68% |
| Huntingdon | 40705                            | 9279   | 22.80% | 31426  | 77.20% |
| Indiana    | 83510                            | 23737  | 28.42% | 59773  | 71.58% |
| Jefferson  | 44205                            | 12410  | 28.07% | 31795  | 71.93% |

|                           |          |         |        |         |        |
|---------------------------|----------|---------|--------|---------|--------|
| Juniata                   | 24446    | 6140    | 25.12% | 18306   | 74.88% |
| Lackawanna                | 206877   | 49042   | 23.71% | 157835  | 76.29% |
| Lancaster                 | 509157   | 100502  | 19.74% | 408655  | 80.26% |
| Lawrence                  | 87963    | 22429   | 25.50% | 65534   | 74.50% |
| Lebanon                   | 131189   | 25064   | 19.11% | 106125  | 80.89% |
| Lehigh                    | 343669   | 78349   | 22.80% | 265320  | 77.20% |
| Luzerne                   | 309548   | 79881   | 25.81% | 229667  | 74.19% |
| Lycoming                  | 111300   | 27551   | 24.75% | 83749   | 75.25% |
| McKean                    | 40044    | 11129   | 27.79% | 28915   | 72.21% |
| Mercer                    | 109089   | 27653   | 25.35% | 81436   | 74.65% |
| Mifflin                   | 46149    | 14205   | 30.78% | 31944   | 69.22% |
| Monroe                    | 165854   | 36548   | 22.04% | 129306  | 77.96% |
| Montgomery                | 785328   | 86359   | 11.00% | 698969  | 89.00% |
| Northampton               | 287796   | 48319   | 16.79% | 239477  | 83.21% |
| Northumberland            | 89444    | 22712   | 25.39% | 66732   | 74.61% |
| Perry                     | 45187    | 8522    | 18.86% | 36665   | 81.14% |
| Philadelphia              | 1495831  | 587531  | 39.28% | 908300  | 60.72% |
| Pike                      | 56707    | 9742    | 17.18% | 46965   | 82.82% |
| Schuylkill                | 140296   | 32760   | 23.35% | 107536  | 76.65% |
| Snyder                    | 37285    | 8670    | 23.25% | 28615   | 76.75% |
| Somerset                  | 73078    | 17093   | 23.39% | 55985   | 76.61% |
| Susquehanna               | 42546    | 9884    | 23.23% | 32662   | 76.77% |
| Tioga                     | 40457    | 10869   | 26.87% | 29588   | 73.13% |
| Union                     | 35738    | 8267    | 23.13% | 27471   | 76.87% |
| Venango                   | 53420    | 14389   | 26.94% | 39031   | 73.06% |
| Warren                    | 40486    | 9523    | 23.52% | 30963   | 76.48% |
| Washington                | 203711   | 37230   | 18.28% | 166481  | 81.72% |
| Wayne                     | 48762    | 11544   | 23.67% | 37218   | 76.33% |
| Westmoreland              | 356233   | 70552   | 19.81% | 285681  | 80.19% |
| Wyoming                   | 27452    | 5824    | 21.22% | 21628   | 78.78% |
| York                      | 428358   | 74853   | 17.47% | 353505  | 82.53% |
| Total (for 61 counties)   | 12265130 | 2710693 | 22.10% | 9554437 | 77.90% |
| Total (for 67 counties)** | 12331148 | 2726050 | 22.11% | 9605098 | 77.89% |

| County   | Poverty Level of Households (a) |       |        |       |        | Poverty Level of Families (b) |       |        |       |        |
|----------|---------------------------------|-------|--------|-------|--------|-------------------------------|-------|--------|-------|--------|
|          | Total N                         | < 150 |        | 150 > |        | Total N                       | < 150 |        | 150 > |        |
|          |                                 | N *   | % *    | N *   | % *    |                               | N     | %      | N     | %      |
| Cameron  | 2184                            | 596   | 27.29% | 1588  | 72.71% | 1329                          | 203   | 15.27% | 1126  | 84.73% |
| Forest   | 1958                            | 723   | 36.93% | 1235  | 63.07% | 1217                          | 205   | 16.84% | 1012  | 83.16% |
| Fulton   | 5973                            | 1702  | 28.49% | 4271  | 71.51% | 4193                          | 694   | 16.55% | 3499  | 83.45% |
| Montour  | 7268                            | 1907  | 26.24% | 5361  | 73.76% | 5048                          | 612   | 12.12% | 4436  | 87.88% |
| Potter   | 7057                            | 2362  | 33.47% | 4695  | 66.53% | 4811                          | 982   | 20.41% | 3829  | 79.59% |
| Sullivan | 2376                            | 887   | 37.33% | 1489  | 62.67% | 1563                          | 264   | 16.89% | 1299  | 83.11% |
| Total    | 26816                           | 8177  | 30.49% | 18639 | 69.51% | 18161                         | 2960  | 16.30% | 15201 | 83.70% |

| County   | Poverty Level of Individuals (c) |       |        |       |        |
|----------|----------------------------------|-------|--------|-------|--------|
|          | Total N                          | < 150 |        | 150 > |        |
|          |                                  | N     | %      | N     | %      |
| Cameron  | 4979                             | 1078  | 21.65% | 3901  | 78.35% |
| Forest   | 5264                             | 1417  | 26.92% | 3847  | 73.08% |
| Fulton   | 14681                            | 3315  | 22.58% | 11366 | 77.42% |
| Montour  | 17623                            | 3333  | 18.91% | 14290 | 81.09% |
| Potter   | 17165                            | 4570  | 26.62% | 12595 | 73.38% |
| Sullivan | 6306                             | 1644  | 26.07% | 4662  | 73.93% |
| Total    | 66018                            | 15357 | 23.26% | 50661 | 76.74% |

Notes:

- \* Imputed figures.
- (a) Poverty levels for "Households" are imputed from four tables of the American Community Survey 2008-2012 data release:
  - Table C17002. Ratio of Income to Poverty Level in the Past 12 Months (Universe - Population) - 5 Year Estimates.
  - Table B17026. Ratio of Income to Poverty Level in the Past 12 Months of Families by Family Type (Universe - Families) - 5 Year Estimates.
  - Table B11001. Household Type (Including Living Alone) (Universe - Households) - 5 year Estimates.
  - Table B11002. Household Type by Relatives and Nonrelatives for Population in Households (Universe - Population) - 5 Year Estimates.
- (b) Poverty levels for "Families" is from following American Community Survey 2008-2012 data release table:
  - Table B17026. Ratio of Income to Poverty Level in the Past 12 Months of Families by Family Type (Universe - Families) - 5 Year Estimates.
- (c) Poverty levels for "Individuals" is from following American Community Survey 2008-2012 data release table:
  - Table C17002. Ratio of Income to Poverty Level in the Past 12 Months (Universe - Population) - 5 Year Estimates.

| County       | Customer Count | Census Household | Percent Customers CPA | Census Household Low-income | Low Income CPA |
|--------------|----------------|------------------|-----------------------|-----------------------------|----------------|
| Adams        | 13,070         | 37,919           | 34.47%                | 8,501                       | 2,930          |
| Allegheny    | 97,156         | 522,238          | 18.60%                | 133,670                     | 24,868         |
| Armstrong    | 862            | 28,735           | 3.00%                 | 8,376                       | 251            |
| Beaver       | 34,511         | 70,787           | 48.75%                | 19,128                      | 9,326          |
| Bedford      | 11             | 20,570           | 0.05%                 | 6,608                       | 4              |
| Butler       | 8,732          | 73,147           | 11.94%                | 15,473                      | 1,847          |
| Centre       | 10,910         | 57,266           | 19.05%                | 19,759                      | 3,764          |
| Clarion      | 3,568          | 16,027           | 22.26%                | 5,869                       | 1,307          |
| Elk          | 32             | 13,596           | 0.24%                 | 2,824                       | 7              |
| Fayette      | 22,037         | 54,372           | 40.53%                | 20,392                      | 8,265          |
| Franklin     | 4,367          | 15,053           | 29.01%                | 15,053                      | 4,367          |
| Fulton       | 3              | 5,659            | 0.05%                 | 1,225                       | 1              |
| Greene       | 2,684          | 14,222           | 18.87%                | 4,366                       | 824            |
| Indiana      | 550            | 34,652           | 1.59%                 | 12,699                      | 202            |
| Jefferson    | 366            | 18,637           | 1.96%                 | 6,469                       | 127            |
| Lawrence     | 18,026         | 36,752           | 49.05%                | 11,698                      | 5,738          |
| McKean       | 3,182          | 17,373           | 18.32%                | 5,967                       | 1,093          |
| Mercer       | 28             | 46,345           | 0.06%                 | 14,969                      | 9              |
| Somerset     | 4,556          | 29,626           | 15.38%                | 9,077                       | 1,396          |
| Venango      | 688            | 22,956           | 3.00%                 | 7,761                       | 233            |
| Warren       | 2,338          | 17,046           | 13.72%                | 5,169                       | 709            |
| Washington   | 40,860         | 83,920           | 48.69%                | 19,671                      | 9,578          |
| Westmoreland | 20,414         | 152,022          | 13.43%                | 38,247                      | 5,136          |
| York         | 92,754         | 168,566          | 55.03%                | 38,362                      | 21,109         |
|              |                |                  | 19.46%                | 431,333                     | 103,087        |

COLUMBLA GAS OF PENNSYLVANIA INC.

R-2015-2468056

Data Requests

CAUSE-PA - Set 1

**Question No. CAUSE-PA 1-014:**

**Please provide a copy of CPA's most recent Universal Service and Energy Conservation Plan needs assessment.**

**Response:**

**Please see CAUSE-PA-1-14 Attachment A.**

## Universal Service Projected Needs Assessment

Columbia developed the projected needs assessment on the premise that Universal Service Programs should be offered as a menu of options to suit the circumstances of individual customers. Columbia assesses the potential participant and recommends the programs that best suit his or her payment-troubled situation. One size does not fit all, nor does one program suit all customers.

Columbia has implemented this philosophy through administrative processes within its customer services protocols to serve its low-income, payment-troubled customers at the first point of contact. This process was previously referred to as the One-Stop-Shop approach.

Columbia referenced two sources to complete this assessment. The first is the 2012 Federal Census Data, the most current census data available. The second is Columbia's customer information system.

The Bureau of Consumer Services' developed a Needs Assessment Proposal dated May 9, 2001 to help define and illustrate what is expected in the needs assessment. The proposal outlined the following six criteria:

### 1) Identified Low-Income Customers

In recognition that the CAP is designed to address the needs of chronic low-income, payment-troubled customers, Columbia began its process of identifying potential CAP customers by reviewing customers who have continued to meet certain criteria for a twelve month period. The selection criteria used were: all level 1 and 2 customers who have had payment agreements; all accounts that have received LIURP, CAP, LIHEAP or other energy assistance programs including Hardship Funds; all accounts whose financial summaries show incomes below 150% of Federal Poverty Guidelines.

The following table identifies that using this criteria, 67,711 customers are identified as low-income on Columbia's records, either through participation in a Universal Service program that confirms their income to be below 150% of federal poverty guidelines, or through non-verified self-declaration by the customer.

### The Number of Identified Low-Income Customers

|        | CAP    | Level 1&2 | Total  |
|--------|--------|-----------|--------|
| 13-Jan | 19,948 | 47,761    | 67,709 |
| 13-Feb | 20,156 | 49,734    | 69,890 |
| 13-Mar | 20,234 | 50,000    | 70,234 |



|                |               |               |               |
|----------------|---------------|---------------|---------------|
| <b>13-Apr</b>  | 20,446        | 49,566        | 70,012        |
| <b>13-May</b>  | 15,455        | 53,821        | 69,276        |
| <b>13-Jun</b>  | 20,597        | 47,284        | 67,881        |
| <b>13-Jul</b>  | 20,296        | 47,216        | 67,512        |
| <b>13-Aug</b>  | 20,213        | 45,463        | 65,676        |
| <b>13-Sep</b>  | 20,217        | 45,461        | 65,678        |
| <b>13-Oct</b>  | 19,913        | 45,691        | 65,604        |
| <b>13-Nov</b>  | 19,997        | 46,347        | 66,344        |
| <b>13-Dec</b>  | 20,103        | 46,618        | 66,721        |
| <b>Average</b> | <b>19,798</b> | <b>47,914</b> | <b>67,711</b> |

2) Estimated Low-income Customers

In addition to quantifying verified and self-declared low-income customers, Columbia also uses updated federal census data to estimate the number of low-income customers that it serves. The table below references the number of households that Columbia serves and equates that to a percentage (average of 19.46%) compared to the total number of households within each county. The census data indicates that there are 431,333 low-income households within the counties Columbia serves. Using that same percentage, 103,087 households are estimated to be Columbia low-income households.

| County    | Columbia Customers | Census Household | Columbia Customers / Census Household | Census Household Low Income | Low Income / Census |
|-----------|--------------------|------------------|---------------------------------------|-----------------------------|---------------------|
| Adams     | 13,070             | 37,919           | 34.47%                                | 8,501                       | 2,930               |
| Allegheny | 97,156             | 522,238          | 18.60%                                | 133,670                     | 24,868              |
| Armstrong | 862                | 28,735           | 3.00%                                 | 8,376                       | 251                 |
| Beaver    | 34,511             | 70,787           | 48.75%                                | 19,128                      | 9,326               |
| Bedford   | 11                 | 20,570           | 0.05%                                 | 6,608                       | 4                   |
| Butler    | 8,732              | 73,147           | 11.94%                                | 15,473                      | 1,847               |
| Centre    | 10,910             | 57,266           | 19.05%                                | 19,759                      | 3,764               |
| Clarion   | 3,568              | 16,027           | 22.26%                                | 5,869                       | 1,307               |
| Elk       | 32                 | 13,596           | 0.24%                                 | 2,824                       | 7                   |
| Fayette   | 22,037             | 54,372           | 40.53%                                | 20,392                      | 8,265               |
| Franklin  | 4,367              | 15,053           | 29.01%                                | 15,053                      | 4,367               |
| Fulton    | 3                  | 5,659            | 0.05%                                 | 1,225                       | 1                   |
| Greene    | 2,684              | 14,222           | 18.87%                                | 4,366                       | 824                 |
| Indiana   | 550                | 34,652           | 1.59%                                 | 12,699                      | 202                 |
| Jefferson | 366                | 18,637           | 1.96%                                 | 6,469                       | 127                 |

|              |        |         |        |         |         |
|--------------|--------|---------|--------|---------|---------|
| Lawrence     | 18,026 | 36,752  | 49.05% | 11,698  | 5,738   |
| McKean       | 3,182  | 17,373  | 18.32% | 5,967   | 1,093   |
| Mercer       | 28     | 46,345  | 0.06%  | 14,969  | 9       |
| Somerset     | 4,556  | 29,626  | 15.38% | 9,077   | 1,396   |
| Venango      | 688    | 22,956  | 3.00%  | 7,761   | 233     |
| Warren       | 2,338  | 17,046  | 13.72% | 5,169   | 709     |
| Washington   | 40,860 | 83,920  | 48.69% | 19,671  | 9,578   |
| Westmoreland | 20,414 | 152,022 | 13.43% | 38,247  | 5,136   |
| York         | 92,754 | 168,566 | 55.03% | 38,362  | 21,109  |
|              |        |         | 19.46% | 431,333 | 103,087 |

- 1) **Columbia Customer Count** – Number of households per county served by Columbia.
- 2) **Census Household** – Number of households per county identified by census data.
- 3) **Percent Customers Columbia** – Percent of total county households served by Columbia (#1 / #2).
- 4) **Census Household Low-Income** – Number of low-income households per county identified by census data.
- 5) **Low-Income Columbia** – Estimated number of low-income households per county served by Columbia (#3 X #4).

3) The Number of Identified Payment-troubled, Low-income Customers

Based upon the definitions at 52 Pa. Code §§ 54.72, 62.2 and 69.262, "Payment Troubled" is defined as a household that has failed to maintain one or more payment arrangements in a one-year period. Columbia used data gained from its actual experiences to identify the number of payment-troubled customers. Columbia reviewed confirmed low income accounts that are in arrears on payment agreements and not on payment agreements and took the average monthly of both to arrive at the identified, payment-troubled low-income total of 17,063.

4) Estimate of Potentially Payment-troubled, Low-income Customers

Next, Columbia compared the data obtained from its customer information system to census data. The number of customers identified as low-income customers based on Columbia's customer information system is 67,711. The number of customers estimated by census data to be low income is 103,087. The census figures suggest that Columbia's service territory has 35,376 more low income customers than Columbia's data indicate.

5) Number of Customers Who Still Need LIURP Services and the Cost to Serve that Number

Pursuant to BCS's May 9, 2001, document, Columbia identified the number of customers that meet the LIURP eligibility criteria, excluding those customers who

have already received weatherization services. According to data from Columbia's customer information system, 22,409 customers meet the LIURP eligibility criteria. Of that total, 12,599 are property owners while the remaining 9,810 are renters. Columbia historically has had difficulty obtaining landlord approvals to weatherize homes. Assuming a 50% success rate, Columbia anticipates that 1/2 of the 9,810 renters in addition to the 12,599 property owners, totaling 17,504 could receive weatherization services. The estimated cost to serve these customers is \$101,960,800 at Columbia's current average expenditure per weatherized household.

6) Enrollment Size of CAP to Serve All Eligible Customers

Columbia determined the appropriate size of the CAP to serve all eligible customers. Using the data discussed above and Columbia's enrollment history, the Company submits that the appropriate size of the CAP should remain at 27,135 customers – Columbia's previously established enrollment limit. Despite ongoing enrollment efforts, the active total number of customers enrolled in CAP had remained stable at 25,000 customers up until 2010. In 2010, enrollment declined and has not rebounded to higher than 25,000 since then. This suggests that the upper limit of the program at 27,135 is adequate and that every customer who has had a need for CAP has been permitted to participate in the program; and that no customer has been turned away due to the upper limit on enrollment. Based on Columbia's experience, there is no evidence suggesting that the CAP enrollment limit is too restrictive or that it should be increased.

The Universal Service Programs, CARES, CAP, Hardship Funds and LIURP respond to the identified needs in different ways. Approximately 20,100 customers are currently receiving benefits from CAP, while 500 additional customers have received assistance through CARES services. Hardship Fund recipients average 2,800 annually along with an additional 600 households receiving weatherization services each year. Columbia identified that there are 27,135 customers who are potential participants for CAP. Columbia looks to serve these customers through the menu of options available under Universal Services.

**Projected Enrollment \***

|                       | 2015   | 2016   | 2017   | 2018   |
|-----------------------|--------|--------|--------|--------|
| <b>LIURP</b>          | 600    | 600    | 600    | 600    |
| <b>CARES</b>          | 500    | 500    | 500    | 500    |
| <b>CAP **</b>         | 22,000 | 22,000 | 22,000 | 22,000 |
| <b>Hardship Funds</b> | 2,800  | 2,800  | 2,800  | 2,800  |

\* The projected enrollments stated in this table are estimates and should not be considered ceilings. Although Columbia is estimating enrollment levels, Columbia will continue to promote programs and enroll customers needing assistance beyond these participation levels as needed.

\*\* Although Columbia historically has enrolled approximately 6,000 new customers annually, overall participation has remained consistent or declined due to customers moving or defaulting from the CAP program

### **Conclusion**

Columbia's Universal Service Program is designed to address the multifaceted needs of Columbia's diverse customer base. The present array of Universal Service Programs is an appropriate mix of services that meets the requirements of 66 Pa. C.S. §2203(8) and 52 Pa. Code Chapter 62. Columbia respectfully requests that the Commission approve the changes identified herein. In addition, Columbia respectfully requests that the Commission approve its 2015-2018 Universal Service and Energy Conservation Plan in its entirety and that the Commission adjust the date for submitting the Company's next triennial submission to three years from the approval date of the 2015-2018 Universal Service and Energy Conservation Plan.

COLUMBIA GAS OF PENNSYLVANIA INC.

R-2015-2468056

Data Requests

CAUSE-PA - Set 1

Question No. CAUSE-PA 1-018:

With regard to CPA's Emergency Repair Program (ERP), please provide the following:

- a. How many households have been served by ERP since the program's inception? Please disaggregate by program year and income level of the household receiving services.
- b. How many households received ERP service in the winter months (December 1 – March 31) and in non-winter months (April 1- November 30) since the program's inception? Please disaggregate by program year.
- c. How many ERP participants were enrolled in CAP at the time they received ERP assistance? Please disaggregate by program year.
- d. How many ERP participants were enrolled in CAP after receiving ERP assistance? Please disaggregate by program year.
- e. How many ERP participants received weatherization and/or energy efficiency measures through CPA's LIURP program after receiving or in conjunction with ERP assistance?
- f. How many ERP participants received a LIHEAP Crisis Grant during the program year in which ERP service was rendered? Please specify whether the LIHEAP Crisis Grant was applied to line repair costs.
- g. How many ERP participants were terminated within 6 months or 12 months of receiving ERP assistance?
- h. How many customers were denied or otherwise turned away from ERP due to:
  - i. insufficient program funding;
  - ii. health and/or safety issues with the home, such as structural deficiencies or other hazardous circumstances (please specify the issues that prevented CPA from performing ERP services);

- iii. income level (please specify the income level of the ERP applicant(s) / candidate(s));
- iv. other issues (please specify the issue that prevented service).

Please disaggregate each answer by program year.

**Response:**

- a-g. Please see CAUSE-PA 1-018 Attachment A. Accurate records are available from 2005 to present. The program began in 1996 and approximately 3,100 customers have been served through the program since its inception. Once a customer is verified to be income qualified (150% Federal Poverty Level or below) specific income data is not recorded or tracked.
- h. The company does not currently track ERP denials.

|         | 18a           | 18b          |         | 18c <sup>1</sup> | 18d <sup>2</sup> | 18e                                    | 18f <sup>3</sup> | 18g                    |
|---------|---------------|--------------|---------|------------------|------------------|--|------------------|------------------------|
| Year    | ERP Customers | Jan-Mar, Dec | Apr-Nov | In CAP and ERP   | CAP After ERP*   | LIURP after or in conjunction with ERP | LIHEAP & ERP     | Disconnected after ERP |
| 2005    | 152           | 27           | 125     | 110              | 55               | 47                                     | 43               | 0                      |
| 2006    | 160           | 47           | 113     | 107              | 52               | 21                                     | 73               | 0                      |
| 2007    | 180           | 33           | 147     | 106              | 40               | 21                                     | 77               | 0                      |
| 2008    | 163           | 67           | 96      | 108              | 43               | 13                                     | 56               | 3                      |
| 2009    | 185           | 29           | 156     | 128              | 49               | 38                                     | 79               | 1                      |
| 2010    | 135           | 67           | 68      | 88               | 33               | 35                                     | 51               | 0                      |
| 2011    | 224           | 57           | 167     | 126              | 39               | 52                                     | 102              | 1                      |
| 2012    | 232           | 38           | 194     | 162              | 55               | 50                                     | 113              | 1                      |
| 2013    | 214           | 58           | 156     | 95               | 32               | 32                                     | 79               | 1                      |
| 2014    | 289           | 62           | 227     | 96               | 27               | 29                                     | 125              | 2                      |
| 2015YTD | 117           | 73           | 44      | 72               | 7                | 15                                     | 49               | 0                      |

<sup>1</sup> Customers reported were in both programs in the same calendar year

<sup>2</sup> enrolled anytime after ERP completion. Could be in both c & d

<sup>3</sup>unable to specify if CRISIS grant related to service related repairs

COLUMBIA GAS OF PENNSYLVANIA INC.

R-2015-2468056

Data Requests

CAUSE-PA - Set 1

Question No. CAUSE-PA 1-030:

How many CAP customers, disaggregated by income tier, received a LIHEAP Grant during the following periods, disaggregated by the type of grant received – Cash, Crisis, or both Cash and Crisis:

- a. November 1, 2012 - May 30, 2013
- b. November 1, 2013 - May 30, 2014
- c. November 1, 2014 - May 30, 2015

Response:

The Company is providing data for all LIHEAP CASH and CRISIS grants received for the heating season up to May 31 of each year. The Company does receive LIHEAP grants prior to November 1.

| FPIG       | 2012/2013 |        |      | 2013/2014 |        |      | 2014/2015 |        |      |
|------------|-----------|--------|------|-----------|--------|------|-----------|--------|------|
|            | CASH      | CRISIS | BOTH | CASH      | CRISIS | BOTH | CASH      | CRISIS | BOTH |
| <50        | 1563      | 100    | 14   | 1284      | 57     | 30   | 1498      | 222    | 28   |
| 51 AND 100 | 3953      | 172    | 11   | 4036      | 50     | 12   | 4037      | 469    | 14   |
| >100       | 2071      | 47     | 22   | 2184      | 22     | 15   | 2186      | 190    | 10   |



COLUMBIA GAS OF PENNSYLVANIA INC.

R-2015-2468056

Data Requests

CAUSE-PA - Set 1

Question No. CAUSE-PA 1-031:

Of the customers identified in I-30 (a)-(c), how many had their service terminated within 12 months of receiving a LIHEAP Grant?

Response:

686 of the CAP customers identified in I-30 (a) – (c) had their service terminated within 12 months of receiving a LIHEAP CASH or CRISIS grant.

COLUMBIA GAS OF PENNSYLVANIA INC.

R-2015-2468056

Data Requests

CAUSE-PA - Set 1

Question No. CAUSE-PA 1-043:

Please provide the monthly reconnection figures reported to BCS for January-December of 2013 and 2014, and January-May of 2015. For each monthly reconnection figure, please separately identify the number of reconnections for CAP customers, confirmed low-income non-CAP customers, and non-low income customers. For each sub-category, please indicate the number of accounts that were without service for the following periods of time: 5-10 days, 10-20 days, 20-30 days, or over 30 days. If this information is unknown, please provide a detailed explanation of why the company does not monitor the duration of time its customers are without service and identify any and all changes needed to begin tracking the same.

Response:

Please see CAUSE-PA1-043 Attachment A for the reconnect figures, broken down by CAP, Low Income non-CAP and non Low-Income.

CPA's customer information system does not have the functionality to link the same terminated account to the same reconnected account and store it over time. CPA can identify the number of customers terminated and the number of customers reconnected at any given point, but the history of who was terminated and the subsequent reconnection of that household or ratepayer is difficult to track accurately. Spouses, roommates, adult children, or significant others can reconnect in different names. Each time an account is terminated, the sequence number changes on the account even when the same ratepayer reconnects service. This does not always happen in sequential order. Different orders are taken depending on the situation, such as if a meter is removed, if it is a CAP customer, or if the customer has been off for an extended period of time. In addition, if a customer is terminated and reconnected within 5 days, the account never goes to a final status and the occurrence is not recorded in a data field needed for the company to retrieve at a later date.

The Commission has not requested or directed the tracking of periods of time that reconnected customers were in terminated status, nor is such tracking mandated by any regulation. Consequently, the functionality to track such data was not created. Moreover, significant programming would be needed to implement these changes. Additionally, revisions to existing operating policies and order standardization used for reconnections/connections/meter change outs etc. would be required in order to accurately report the duration that customers are without service.

Columbia believes that the tracking of such data is unnecessary, costly, and would add no value to the information that the Company currently tracks regarding its terminations and reconnections.

**RECONNECTIONS**

| 2013   | All Residential |             |                   | Low Income - NON CAP |             |                  | CAP     |             |                  |
|--------|-----------------|-------------|-------------------|----------------------|-------------|------------------|---------|-------------|------------------|
|        | Heating         | Non-Heating | Total Residential | Heating              | Non-Heating | Total Low Income | Heating | Non-Heating | Total Low Income |
| Jan    | 80              | 3           | 83                | 36                   | 1           | 37               | 32      | 0           | 32               |
| Feb    | 27              | 1           | 28                | 12                   | 0           | 12               | 31      | 0           | 31               |
| Mar    | 23              | 0           | 23                | 10                   | 0           | 10               | 28      | 0           | 28               |
| Apr    | 733             | 13          | 746               | 363                  | 8           | 371              | 22      | 0           | 22               |
| May    | 872             | 14          | 886               | 400                  | 8           | 408              | 30      | 0           | 30               |
| Jun    | 645             | 15          | 660               | 285                  | 12          | 297              | 33      | 0           | 33               |
| Jul    | 478             | 7           | 485               | 239                  | 3           | 242              | 46      | 0           | 46               |
| Aug    | 665             | 10          | 675               | 347                  | 6           | 353              | 52      | 0           | 52               |
| Sep    | 781             | 16          | 797               | 418                  | 10          | 428              | 91      | 0           | 91               |
| Oct    | 1,112           | 16          | 1,128             | 531                  | 11          | 542              | 140     | 0           | 140              |
| Nov    | 781             | 18          | 799               | 434                  | 9           | 443              | 172     | 0           | 172              |
| Dec    | 172             | 8           | 180               | 97                   | 5           | 102              | 53      | 0           | 53               |
| Totals | 6,369           | 121         | 6,490             | 6,611                | 13,101      | 3245             | 730     | 0           | 730              |

**RECONNECTIONS**

| 2014   | All Residential |             |                   | Low Income - NON CAP |             |                  | CAP     |             |                  |
|--------|-----------------|-------------|-------------------|----------------------|-------------|------------------|---------|-------------|------------------|
|        | Heating         | Non-Heating | Total Residential | Heating              | Non-Heating | Total Low Income | Heating | Non-Heating | Total Low Income |
| Jan    | 103             | 0           | 103               | 44                   | 0           | 44               | 39      | 0           | 39               |
| Feb    | 33              | 0           | 33                | 11                   | 0           | 11               | 27      | 0           | 27               |
| Mar    | 16              | 0           | 16                | 11                   | 0           | 11               | 25      | 0           | 25               |
| Apr    | 348             | 4           | 352               | 154                  | 3           | 157              | 39      | 0           | 39               |
| May    | 955             | 13          | 968               | 453                  | 8           | 461              | 53      | 0           | 53               |
| Jun    | 725             | 11          | 736               | 338                  | 8           | 346              | 57      | 0           | 57               |
| Jul    | 545             | 8           | 553               | 292                  | 6           | 298              | 78      | 0           | 78               |
| Aug    | 580             | 14          | 594               | 352                  | 8           | 360              | 76      | 0           | 76               |
| Sep    | 743             | 8           | 751               | 413                  | 5           | 418              | 142     | 0           | 142              |
| Oct    | 1,092           | 11          | 1,103             | 573                  | 3           | 576              | 244     | 0           | 244              |
| Nov    | 868             | 6           | 874               | 467                  | 3           | 470              | 214     | 0           | 214              |
| Dec    | 128             | 2           | 130               | 70                   | 1           | 71               | 68      | 0           | 68               |
| Totals | 6,136           | 77          | 6,213             | 6,290                | 12,503      | 3223             | 1,062   | 0           | 1062             |

**RECONNECTIONS**

| 2015   | All Residential |             |                   | Low Income - NON CAP |             |                  | CAP     |             |                  |
|--------|-----------------|-------------|-------------------|----------------------|-------------|------------------|---------|-------------|------------------|
|        | Heating         | Non-Heating | Total Residential | Heating              | Non-Heating | Total Low Income | Heating | Non-Heating | Total Low Income |
| Jan    | 76              | 1           | 77                | 34                   | 0           | 34               | 54      | 0           | 54               |
| Feb    | 51              | 1           | 52                | 18                   | 0           | 18               | 48      | 0           | 48               |
| Mar    | 14              | 0           | 14                | 7                    | 0           | 7                | 34      | 0           | 34               |
| Apr    | 677             | 7           | 684               | 330                  | 3           | 333              | 42      | 0           | 42               |
| May    | 908             | 11          | 919               | 450                  | 5           | 455              | 56      | 0           | 56               |
| Jun    |                 |             | 0                 |                      |             | 0                |         |             | 0                |
| Jul    |                 |             | 0                 |                      |             | 0                |         |             | 0                |
| Aug    |                 |             | 0                 |                      |             | 0                |         |             | 0                |
| Sep    |                 |             | 0                 |                      |             | 0                |         |             | 0                |
| Oct    |                 |             | 0                 |                      |             | 0                |         |             | 0                |
| Nov    |                 |             | 0                 |                      |             | 0                |         |             | 0                |
| Dec    |                 |             | 0                 |                      |             | 0                |         |             | 0                |
| Totals | 1,726           | 20          | 1,746             | 1,766                | 3,512       | 847              | 234     | 0           | 234              |

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :  
: Docket No. R-2015-2468056  
: v. :  
: :  
Columbia Gas of Pennsylvania, Inc. :

**SURREBUTTAL TESTIMONY OF MITCHELL MILLER  
ON BEHALF OF  
THE COALITION FOR AFFORDABLE UTILITY SERVICES AND  
ENERGY EFFICIENCY IN PENNSYLVANIA ("CAUSE-PA")**

July 28, 2015

**RECEIVED**  
**2015 AUG -7 PM 12:19**  
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**SECRETARY'S BUREAU**

CAUSE Stmt. 1-SR  
R-2015-2468056  
8.4-15  
Harrisburg J8

1           **PREPARED SURREBUTTAL TESTIMONY OF MITCHELL MILLER**

2   **Q:     Please state your name, occupation and business address.**

3   A:     Mitchell Miller. I currently provide consulting services regarding utility programs that  
4   promote the public interest with a focus on low income households. My address is 60 Geisel  
5   Road, Harrisburg, PA 17112.

6   **Q:     Did you previously submit testimony in this proceeding?**

7   A:     Yes. I submitted Direct Testimony, pre-marked as CAUSE-PA Statement 1.

8   **Q:     Please summarize the substantive areas you will respond to in your Surrebuttal  
9   Testimony and explain how your testimony is organized.**

10  A:     I will first respond to Mr. Balmert's Rebuttal Testimony, and his assertion that  
11  affordability is addressed by universal service programming and the principle of gradualism. As  
12  such, he asserts that affordability should not otherwise be a factor in rate allocation or design.  
13  (Columbia St. 111-R, Balmert, at 13-14). I will then address his conclusion that low income  
14  customers use more gas than non-low income residential ratepayers. I submit, all things being  
15  equal, low income customers use less natural gas than non-low income residential ratepayers.  
16  Aggregate low income usage data, however, is skewed by the segment of low income households  
17  which reside in inefficient homes.

18         Next, in response to Ms. Krajovic's rejection of my recommendation for enhanced  
19  universal service program coordination, I will explain why further coordination of universal  
20  service programming is necessary and prudent – especially in light of the average usage data set  
21  forth by Mr. Balmert.

1           After addressing Mr. Balmert and Ms. Krajovic's rebuttal testimony, I will briefly  
2 address the Commission's Final Order regarding Columbia's 2015-2018 USECP, which ordered  
3 parties to address the issue of cost recovery for Columbia's Hardship Fund in the context of this  
4 base rate proceeding.<sup>1</sup> I will therefore offer recommendations to ensure that the Hardship Fund  
5 continues to provide meaningful assistance for Columbia's customers.

6 **Q:     Please summarize the relevant portions of Witness Balmert's testimony to which**  
7 **you plan to respond.**

8 A:     Witness Balmert asserts in his Rebuttal Testimony: (1) that a customer's ability to pay is  
9 only relevant in the context of the Company's Universal Service programming, and should not  
10 be a factor in rate allocation or rate design; and (2) that low income customers will benefit from  
11 increased fixed charges because low income customers use more natural gas than non-low  
12 income residential customers. I will address each in turn.

13 **Q:     Do you believe Mr. Balmert erred in his conclusion that the customer's ability to**  
14 **pay is only relevant in the context of Universal Service programming?**

15 A:     Yes. The ability for a customer to pay is a critical consideration when designing a rate  
16 which is both just and reasonable. Any increase in rates for an essential service, such as natural  
17 gas, must be met with an equally judicious consideration for the ability of customers to access  
18 and afford that service. The Company has given no such consideration to affordability, and has  
19 not rebutted my assertions in Direct Testimony that low income customers, which make up a

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<sup>1</sup> Columbia Gas of Pennsylvania Inc. Universal Service and Energy Conservation Plan for 2015-1018 Submitted in Compliance with 52 Pa. Code § 62.4, Final Order, Docket No. M-2014-2424462, at 39-40 (July 8, 2015) ("[T]he Commission and relevant parties should address [Hardship Fund recovery] through Columbia's current base rate proceeding at Docket No. R-2015-2468056).

1 large percentage of Columbia's residential customer class, will endure significant financial  
2 hardship when faced with the prospect of paying for the proposed rate increase.

3 Mr. Balmert argues that "the combination of [Universal Service] programs and following  
4 the principle of gradualism in rate design responsibly addresses the customer's ability to pay."  
5 (Columbia St. 111-R, Balmert, at 14:5-7). He asserts that "The customer's ability to pay is  
6 always a concern of the Company and as discussed in Ms. Krajovic's testimony, the Company  
7 offers a broad mix of programs aimed at assisting low income customers in emergency or crisis  
8 situations and with ongoing affordability of service." (*Id.* at 13:21-22, 14:1-2).

9 Columbia's claim that the affordability of the increased rate proposal is adequately  
10 addressed by its existing Universal Service programs, is insufficient. Columbia has proposed  
11 little in terms of expanded Universal Service programming to address the increased  
12 unaffordability that will result from its proposed rate increase. Indeed, the only concrete change  
13 to Columbia's Universal Service Program is a relatively small increase in funding for its  
14 Emergency Repair Program, which is only tangentially related to rate affordability in that it  
15 provides assistance for system-related costs. No consideration was given to necessary changes to  
16 its CAP or LIURP programs, which provide assistance to low income customers to help achieve  
17 rate affordability.

18 **Q: Above you noted that Mr. Balmert erred in his assertion that low income consumers**  
19 **use more natural gas than non-low income customers. Please explain.**

20 A: As I explained in Direct Testimony, all things equal, low income consumers use less  
21 energy than non-low income residential consumers. I will not reiterate that data here, but I note



1 that OCA Witness Roger Colton had the same conclusion, and offered extensive data in support  
2 thereof.<sup>2</sup>

3 In his Rebuttal testimony, Mr. Balmert points to data produced in Interrogatories which  
4 purports to show that low-income customers engaged in most of Columbia's Universal Service  
5 programs use, on average, more natural gas than other residential ratepayers. (Columbia St. 111-  
6 R at 33:4-8 and T.8). This presentation of raw averages, without further explanation and  
7 analysis, is misrepresentative.

8 This perhaps goes without saying, but it is first important to note that two of the customer  
9 categories set forth by Mr. Balmert have lower usage rates than non-low income: namely, low  
10 income customers who receive LIHEAP but who are not enrolled in CAP, and low income  
11 customers enrolled in Senior CAP. As of May 1, 2015, there were 15,214 low income  
12 customers who received LIHEAP but were not enrolled in CAP.<sup>3</sup>

13 One must also note when analyzing the raw averages set forth by Mr. Balmert that  
14 average low income usage data is significantly skewed by the fact that some low income  
15 customers have extremely high usage due to poor housing quality, such as broken windows,  
16 dilapidated roofing, and outdated or inefficient heating systems. Properly designed and  
17 effectively leveraged and coordinated weatherization, usage reduction, and energy efficiency  
18 assistance programs can significantly reduce the abnormally high usage rates which are  
19 characteristic of a subset of low income customers. As I will explain in further detail below,  
20 LIRUP is successful at achieving significant usage reduction for low income consumers, and  
21 consistently reduces low income usage rates below that of other residential ratepayers. Enhanced

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<sup>2</sup> OCA St. 4, Colton, at 11:3-12, 12:1-16, 13:1-26, 14:2-23, 15:1-23, 16:1-17, and Schedules RDC-1 to -6.

<sup>3</sup> Appendix A, CAUSE-PA to CPA 1-011.

1 coordination with internal and external weatherization and energy efficiency programs would  
2 further contribute to the remarkable reduction achieved for low income consumers.

3 Finally, it is noteworthy that the other categories set forth by Mr. Balmert, which  
4 purportedly show higher usage by low income customers, in fact show only that customers  
5 enrolled in CAP have higher usage than those who are not enrolled in a Universal Service  
6 program. Indeed, this does not prove that low income customers are, as a group, higher users  
7 than their higher income counterparts. What it does show is that identified payment troubled  
8 customers have higher usage rates, which is not inconsistent with my assertion that as a whole,  
9 low income consumers use less natural gas than the general residential class. When comparing  
10 the usage of confirmed low income customers not enrolled in CAP or receiving LIHEAP to the  
11 usage of customers who are not confirmed low income, the disparity in usage is less than 5 Dth  
12 annually. (Columbia St. 111-R at 33: T.8). This discrepancy is, as I explained above, likely  
13 attributable to the differences in housing quality, which skews low income usage figures when  
14 viewed in the aggregate.

15 **Q: Are there other observations about Mr. Balmert's Rebuttal Testimony to which you**  
16 **wish to respond?**

17 A: Yes. Mr. Balmert concludes that the residential rate design, which proposes to increase  
18 the fixed customer charge, is beneficial to most low income customers based on his conclusion  
19 that low income customers are most often high users. He concludes: "The simple fact is  
20 customers that consume more gas than the average will benefit with a higher customer charge  
21 regardless if the customer is low income or not." (Columbia St. 111-R, Balmert, at 35:7-10).  
22 Indeed, this conclusion undermines the goal of LIURP – a critical component to Columbia's

1 Universal Service programming design – to reduce usage through weatherization and efficiency  
2 measures, thereby achieving greater affordability for low income ratepayers.

3 The results which Columbia has achieved for the customers who receive LIURP  
4 assistance are impressive. The Bureau of Consumer Services reports that, on average,  
5 Pennsylvania’s natural gas LIURP programs achieve a 17.1% energy usage reduction.<sup>4</sup> By  
6 comparison, Columbia’s LIURP achieves significantly greater bill reductions with an average  
7 energy savings of 29%.<sup>5</sup> Furthermore, of those households with natural gas energy bill  
8 arrearages, 54.4% reduce their arrearage following weatherization services.<sup>6</sup>

9 Contrary to Mr. Balmert’s claims, an increase in the fixed charge portion of a residential  
10 customer’s bill would disproportionately impact the rate affordability for low-income customers  
11 because it would result in higher charges for many low income / low use customers and would  
12 diminish the ability of a low-income household with current high usage to effectively reduce  
13 bills through conservation and consumption reduction. There would, of course, still be a portion  
14 of Columbia’s bill that would be volumetrically assessed, and in the short term would impact low  
15 income customers with high usage; however, the percentage of bill that is “fixed,” and therefore  
16 not able to be reduced regardless of consumption, would increase significantly. This is  
17 particularly problematic for low-income customers given that these households have  
18 significantly less budget elasticity than non-low-income households.

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<sup>4</sup> Bureau of Consumer Services, Pa. PUC, *2013 Report on Universal Service Programs and Collections Performance of the Pennsylvania Electric Distribution Companies & Natural Gas Distribution Companies*, at 36 (2013), available at

[http://www.puc.state.pa.us/General/publications\\_reports/pdf/EDC\\_NGDC\\_UniServ\\_Rpt2013.pdf](http://www.puc.state.pa.us/General/publications_reports/pdf/EDC_NGDC_UniServ_Rpt2013.pdf).

<sup>5</sup> Melanie K. Popovich, *2010 Universal Service Impact Evaluation: An Independent Analysis of Universal Service Programs Prepared for Columbia Gas of Pennsylvania, Inc.*, at 69, available at [https://www.puc.state.pa.us/general/pdf/USP\\_Evaluation-Columbia.pdf](https://www.puc.state.pa.us/general/pdf/USP_Evaluation-Columbia.pdf).

<sup>6</sup> See Shingler, Penn State University, *Long Term Study of Pennsylvania’s Low Income Usage Reduction Program: Results of Analyses and Discussion*, Consumer Services Information System Project, at 6 (Jan. 2009), available at [http://www.puc.state.pa.us/general/publications\\_reports/pdf/PSU-LIURP\\_Report2008.pdf](http://www.puc.state.pa.us/general/publications_reports/pdf/PSU-LIURP_Report2008.pdf)

1 **Q: Could you please summarize the Rebuttal Testimony of Ms. Krajovic regarding**  
2 **Columbia's Universal Service programs to which you intend to respond?**

3 A: In relevant part, Ms. Krajovic testifies that Columbia's Universal Service program  
4 outreach and coordination efforts are adequate, and rejects my recommendations to adopt  
5 quantifiable enrollment goals, intensify outreach, broaden program eligibility, and/or increase  
6 data reporting and funding. In support of maintaining the status quo for Universal Service  
7 programs, Ms. Krajovic asserts that coordination between Universal Service programs is already  
8 maximized (*Id.* at 64:1-21, 65:1-16).

9 **Q: Ms. Krajovic asserts that Columbia's Universal Service Programs are sufficiently**  
10 **coordinated, and that further coordination and/or cross-program referrals would be**  
11 **inappropriate because the programs – namely ERP and LIURP - are not designed to**  
12 **overlap. Can you please respond?**

13 A: In asserting that Columbia's Universal Service Programs are sufficiently coordinated,  
14 Ms. Krajovic focuses on the fact that ERP and LIURP are complimentary programs, not  
15 designed to overlap, and asserts that LIURP and CAP overlap at a rate of 80%. However, Ms.  
16 Krajovic misses the point, which is that more can be done to ensure that programs are fully  
17 integrated and properly leverage available funding to achieve appropriate levels of affordability.  
18 Coordination between Columbia's programs and other government or utility-run universal  
19 service programming is particularly ripe for advancement.

20 The fact is that in the 2014-2015 LIHEAP season, 12,064 CAP customers do not receive  
21 LIHEAP assistance and 15,214 low income customers received LIHEAP assistance but were not

1 enrolled in CAP.<sup>7</sup> Some of these households may be “reluctant or unwilling to apply for  
2 LIHEAP,” as Ms. Krajovic suggests, and some households undoubtedly assign their grant to  
3 their electric company, particularly when they do not rely on gas heat. However, Columbia  
4 points to no data to support this conclusion. Indeed, it is equally plausible to conclude – based  
5 on the usage data explained above and the affordability data presented in my direct testimony –  
6 that CAP participants are not aware of the availability LIHEAP assistance, or vice versa. In  
7 addition, there is little evidence to suggest that Columbia’s current coordination efforts with  
8 electric utilities in its service territory and with programs run by the Department of Community  
9 and Economic Development (DCED) – including LIHEAP Crisis Interface and the  
10 Weatherization Assistance Program (WAP) – have been effective. There is likewise no evidence  
11 of Columbia’s coordination with the Pennsylvania Housing Finance Agency, which administers  
12 funding and oversees development of thousands of affordable multifamily housing units in every  
13 region of the state. More coordination is needed – particularly between and amongst the various  
14 utility and state-run weatherization, energy efficiency, emergency repair and bill assistance  
15 programs – to ensure that the Universal Service Programs are properly leveraged to help families  
16 achieve affordable bills.

17 **Q: Ms. Krajovic asserts that the 60,000 low income customers not enrolled in CAP “are**  
18 **able to pay their bill and do not need the assistance of CAP or other programs.”**  
19 **(Columbia St. 112-R, Krajovic, at 63:1-2). How do you respond?**

20 A: Simply because these customers are not enrolled in CAP does not mean that they do not  
21 need assistance. The reality is that all low income households – those at or below 150% of the  
22 Federal Poverty Level – subsist well below the self-sufficiency standard. While these customers

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<sup>7</sup> See Appendix B, CAUSE-PA to Columbia, I-010.

1 may be paying their bills on time or nearly on time, such that they are not categorized as  
2 “payment troubled” as defined by the Company, they are most likely doing so at the expense of  
3 other basic necessities, including medicine, food, rent, clothing, and transportation. In fact, a  
4 2011 survey by the National Energy Director’s Association revealed that to pay their energy  
5 bills, 24% of LIHEAP recipients went without food, 37% went without medical or dental care,  
6 and 34% did not fill or took less than the full dose of a prescribed medicine.<sup>8</sup>

7 **Q: At the start of your testimony, you raised the issue of Columbia’s recovery of**  
8 **Hardship Funds. Please explain why you are addressing a new issue at this stage in the**  
9 **proceeding.**

10 A: The Commission’s Final USECP Order was submitted on July 8, 2015, after direct  
11 testimony was submitted. In the Order, the Commission required parties to address the recovery  
12 of funds for Columbia’s Hardship Fund which, pursuant to an earlier Settlement Agreement, are  
13 currently recovered through the USP Rider. The Hardship Fund is a donation matching program,  
14 whereby customers, shareholders, and members of the community can make donations that are  
15 matched by Columbia dollar for dollar. The Commission explained in its Order that, due to the  
16 voluntary nature of Hardship Fund donations, it is not an appropriate cost to include in the  
17 Company’s rates.

18 **Q: Should Columbia be ordered to remove the \$375,000 in Hardship Funds from the**  
19 **USP Rider?**

20 A: No. Hardship funds are critically important for families who are struggling to make ends  
21 meet. Many of the customers who access Hardship Fund assistance do not qualify for LIHEAP,

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<sup>8</sup> Nat’l Energy Asst. Directors’ Association, 2011 National Energy Assistance Survey (Nov. 2011), available at <http://www.appriseinc.org/reports/Final%20NEADA%202011%20Report.pdf>.

1 or are unable to obtain LIHEAP without the additional assistance of Hardship Funds.<sup>9</sup> I  
2 recognize the difficulty of continuing over the long term to recover Hardship Funds – a voluntary  
3 donation program – through a mandatory rider; however, in balance, the temporary increased  
4 costs to ratepayers is justified as a means to ensuring continued access to sufficient hardship  
5 funding for vulnerable households while a more long term funding solution is established.

6 **Q: Do you have any recommendations for how to proceed with respect to the long-term**  
7 **recovery of Hardship Funds through the USP Rider?**

8 A: Yes. I believe that the \$375,000 in Hardship Funds currently recovered through the USP  
9 Rider should temporarily continue while the Company – with input from and in collaboration  
10 with interested parties - develops alternative fundraising programs capable of raising funds equal  
11 to or greater than the Hardship Fund amount currently recovered through the USP Rider.

12 **Q. Does this conclude your Surrebuttal Testimony?**

13 A. Yes.

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<sup>9</sup> LIHEAP cash and crisis grants are only available to consumers who are at or below 150% of FPL, but Hardship Funds extend eligibility to consumers at or below 200% FPL. In addition, Hardship Funds are available year-round, while LIHEAP is only available in the winter months.





## APPENDIX A

### Contents of Appendix:

- CAUSE-PA to Columbia I-011

COLUMBIA GAS OF PENNSYLVANIA INC.

R-2015-2468056

Data Requests

CAUSE-PA - Set 1

Question No. CAUSE-PA 1-011:

As of May 1, 2015, how many of CPA's confirmed low-income customers received a LIHEAP Cash or Crisis Grant in the 2014-2015 LIHEAP program year, but were not enrolled in CAP?

Response:

As of May 27, 2015, the last date CPA received grants from DHS, there are 15, 214 customers that received a LIHEAP and/or CRISIS grant that are currently not enrolled in CAP.

## APPENDIX B

### Contents of Appendix:

- CAUSE-PA to Columbia I-010

COLUMBIA GAS OF PENNSYLVANIA INC.

R-2015-2468056

Data Requests

CAUSE-PA - Set 1

Question No. CAUSE-PA 1-010:

As of May 1, 2015, how many of CPA's confirmed low-income customers were enrolled in CAP, but did not receive a LIHEAP Grant?

Response:

As of May 27, 2015, the last date CPA received any grants from DHS, there were 12,064 customers enrolled in CAP that did not receive a LIHEAP or CRISIS grant in the current heating season.

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission  
v.  
Columbia Gas of Pennsylvania, Inc.

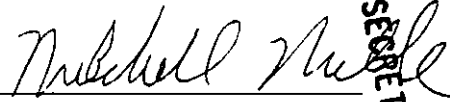
: Docket No. R-2015-2468056

**VERIFICATION**

I, Mitchell Miller, verify that **CAUSE-PA Statement 1, the Direct Testimony of Mitchell Miller**, and Attachment A thereto; and **CAUSE-PA Statement 1-SR, the Surrebuttal Testimony of Mitchell Miller** were prepared by me, or under my direct supervision, and are true and correct to the best of my knowledge, information and belief.

I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Signature: \_\_\_\_\_



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Date: August 4, 2015