



PENNSYLVANIA PUBLIC UTILITY COMMISSION  
COMMONWEALTH OF PENNSYLVANIA  
HARRISBURG, PENNSYLVANIA

December 11, 2007

WENDELL F. HOLLAND  
CHAIRMAN

To: Utility CEO

Another winter is upon us. As indicated each year by our annual Cold Weather Survey, thousands of Pennsylvania citizens will be without utility service as cold weather sets in. With that in mind, we are calling on utilities to join us again in working to help consumers to "Prepare Now" for winter's higher utility costs.

As part of our "Prepare Now" outreach campaign, we have urged consumers on limited or fixed incomes to call their utility about special programs such as Customer Assistance Programs (CAPs) and Low Income Usage Reduction Programs (LIURP) to help heat their homes and pay their energy bills.

Low-income households also may be eligible for grants under the federal Low Income Home Energy Assistance Program (LIHEAP). This Commission actively supports LIHEAP and is taking an active role in efforts to secure state funding for the program. We encourage utilities to do the same by more actively supporting LIHEAP and increasing the manner in which you accept its funding options.

Unfortunately, many of our utility consumers who need help the most remain unaware of the programs available to help them restore and maintain utility service. Just as we at the PUC will be reminding consumers who call us about the availability of such programs, we ask all utilities to double their efforts to make sure that every customer facing termination receives notice of the programs available and the information they need to sign up.

This Commission continues to monitor the actions by all of its utilities when it comes to the handling of consumer complaints and terminations and to hold companies accountable when they violate the Public Utility Code and PUC regulations. In recent years, we have levied penalties that are designed to let companies know that these violations carry serious consequences. We ask for all utilities to review their termination and reconnection procedures to allow customers to maintain or restore utility service whenever possible.

Specifically, we ask that you take the following actions:

1.) The Commission would like the utilities to restore service to low-income customers upon enrollment into the Customer Assistance Program (CAP) for the first time. The PUC has received a number of recent contacts from low-income customers who have never been enrolled in CAP and who have had their utility service terminated. We encourage all companies to do more to advise customers of the availability of CAP programs.

2.) The PUC CAP Policy Statement at 52 Pa. Code § 69.265(6)(i) states that the utility should make automatic referrals to CAP when a low-income customer calls to make payment arrangements. We expect the company to do everything it can to get these customers into CAP, especially if it is a termination-related problem.

3.) In previous years, this Commission approved utility initiatives that waived or reduced security deposits and reconnection fees. We encourage the utilities to consider those types of compassionate steps when reviewing ways that we can work together to help our neighbors in need. Utilities have more discretion in waiving these fees than does the Commission. If a security deposit or reconnection fee is necessary, consider adding it, or a portion of it, to the customer's bill instead of making it a condition of providing service.

4.) We also would ask that utilities accept, if practicable, any combination of LIHEAP grant, Crisis grant, and Hardship fund grant as sufficient funds to turn on or reconnect service for CAP customers or any other low-income customers. If a customer payment is also necessary, we encourage you to be as reasonable as possible.

5.) In addition to these provisions, the Commission encourages utilities to consider providing payment arrangement plans that are more affordable for customers than what is authorized by Chapter 14. Again, utilities have more discretion in making payment arrangements than does the PUC.

6.) We encourage utility companies to provide whatever assistance or information is available to customers who may need help in obtaining repairs to furnaces or heating systems. Specifically, the state LIHEAP program has funds available for emergency repairs as part of its Crisis Program

7.) By the start of 2007, all electric and natural gas utilities were to have the framework for the elements of an acceptable budget billing program as outlined in a June 2006 Commission Order. Budget billing has become a key tool for customers to mitigate potential increases in utility bills and for utilities to manage account receivables. We encourage you to talk to your consumers about budget billing and encourage them to sign

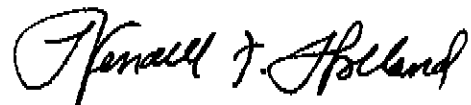
up for this valuable program. A November 2006 Commission Order also requires companies to use budget billing for customers in arrears. (M-00051925)

8.) The Bureau of Consumer Services has developed a generic third-party notification form that can be completed and signed by the ratepayer, and returned to the company. The Bureau will provide assistance in using this form if requested. We encourage companies to continue to look for ways to expand their efforts in these areas.

9.) We ask that you join the Commission in trying to help our neighbors in need learn how to "Prepare Now" for higher energy costs this winter. We want customers to know their rights when it comes to utility shut-offs and feel comfortable working with utilities and the PUC in order to restore and maintain service.

Please inform us of any changes you make to your termination or reconnection procedures that will make it easier for your customers to keep or obtain utility service. Also, feel free to offer any suggestions you may have that would improve our efforts. Send your comments to Mike Smith in the Bureau of Consumer Services at [michasmit@state.pa.us](mailto:michasmit@state.pa.us). Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink that reads "Wendell F. Holland". The signature is written in a cursive, flowing style.

Wendell F. Holland  
Chairman