

My name is Cindy Datig and I am the Executive Director of the Dollar Energy Fund, a nonprofit organization since 1983, who has been working to improve the quality of life for households experiencing hardships by providing utility assistance and other services that lead to self sufficiency. I also have had the privilege to serve for over 13 years on the Pennsylvania Public Utility Commission Advisory Council. I am a council member on the Pennsylvania LIHEAP Advisory Council for over twenty years and have occupied the position of Chairperson of the National Low Income Energy Consortium for the past four years.

Dollar Energy Fund and the Hardship Program are still going strong. The organization has grown to become the largest hardship program in Pennsylvania and the fourth largest in the nation. Since 1983, the organization has provided over \$55 million in utility assistance grants to over 225,000 low income households. During the past few years, we have made a strategic decision to make a significant investment in technology in order to efficiently manage the administration of utility low income programs

I want to thank the Commission for their initiative in holding this hearing today and recognizing the desperation so many of the residents are facing in Pennsylvania. As a nonprofit organization we hear first hand the situations many are finding themselves in through no fault of their own. They just can't afford their energy costs and more and more are slipping into this category. I will structure my comments today on the Commission's questions specifically in the category of Low Income Programs.

Low Income Programs

Enrollment in Utility Low Income Programs

Dollar Energy Fund is currently administering the enrollment process in low income programs for Columbia Gas, Allegheny Power and First Energy Companies. In the case of enrollment for Columbia Gas, we have identified a very efficient method of enrollment in which customers calling the Columbia Gas call center are transferred to Dollar Energy customer service representatives in our call center. This helps in a few ways. First, the Columbia Gas call center can quickly transfer calls thereby freeing up their call center people for other calls. Second, the low income customer is enrolled in low income programs in a one stop shop for LIHEAP, CAP, the Hardship Program and other utility programs for electric and water. This method of enrollment has increased the number enrolled in all the programs and has appeared seamless for the customer.

LIURP Funding

Dollar Energy Fund administers one weatherization program for a utility partner. My comment on "is the current LIURP funding level adequate" can be answered by determining if customers are being turned away, if there are funds remaining at the end of the year and if there is adequate access and public knowledge of the availability of the program.

I would like to add, LIURP and the State funded weatherization programs should work together to stretch resources and create efficiencies in the delivery of services and determine standard measurements in order to evaluate the programs.

LIHEAP Funding

As it looks today, Pennsylvania will be receiving approximately \$1.5 million less in LIHEAP funding than the original block grants funds received last year due to the new formula utilized for the distribution. In addition, throughout the heating season last year, there were additional federal funds added to LIHEAP funding. So we are starting this heating season with \$60 million less than last year. This heating season, there will be thousands less low income families served through LIHEAP due to less federal funding and the increased cost of energy. The increased cost of energy will result in households needing larger grants, CAP shortfalls increasing, and higher CAP payments when households turn to electric heaters, for their primary heating source, when they cannot afford oil deliveries. Less LIHEAP funding has a direct relationship to the Dollar Energy. If a crisis or cash grant from the LIHEAP Program cannot satisfy a delinquent account in order to stop a termination or restore utility service, the customer will come to Dollar Energy for additional help.

Rising Energy Costs

Although the Commission does not regulate the oil industry approximately 25.5% of Pennsylvania households utilize oil as their main heating source. Approximately 51.3% utilize natural gas, 16.5% utilize electric. With an average crisis grant of \$300 a household who heats with oil, at a low figure of \$4 a gallon, would receive 75 gallons of oil. Not even enough for a minimum delivery of 200 gallons. I think this fact in itself constitutes an energy emergency.

Natural Gas prices are expected to increase by at least 40% over the end of last year's heating season. With the rate caps ending, electric prices are expected to increase 20-63%. How much of an impact is a \$300 LIHEAP grant going to have for a low income household?

Dollar Energy Fund has learned earlier on that utility problems faced by our clients do not stand alone. Many face decisions whether to buy food, pay for utility service or purchase much needed medication. We developed a holistic program philosophy that has helped us forge alliances with over 160 community based organizations in Pennsylvania in order to provide a continuum of services that can help address the multiplicity of problems the low income face.

Adequate Income Level

At the request of our utility partners and the community based organizations involved in the Dollar Energy Fund Hardship Program, a few years ago, we increased our eligibility guidelines to 200% of the federal poverty guidelines. The result of this change has been a steady increase in applications each year from the number of working poor families and senior citizens living on fixed incomes.

In determining the appropriate income eligibility for households participating in the low income programs please consider reviewing the *The Self Sufficiency Standard for Pennsylvania 2008*. This report was written by Diana Pearce, Ph.D., director for the Center for Woman's Welfare, University of Washington School of Social Work, in collaboration with PathWaysPa, the Pennsylvania Department of Labor and Industry and the United Way of Southeastern Pa. This report shows that many families that considered themselves to be middle class were living on the edge before the price of oil and the collapse of the housing market pushed their budgets over the top. The report can be found at [www. Pathwayspa.org/Self-Sufficiency%20-Standard.pdf](http://www.Pathwayspa.org/Self-Sufficiency%20-Standard.pdf)

State Funding for Energy Assistance

LIHEAP funding does not begin to meet the need of the eligible low income population in Pennsylvania. Pennsylvania needs to step up to the plate and contribute **yearly** state funding for energy assistance. I applaud Governor Rendell's initiative to support LIHEAP funding with an additional \$10 million per year for four years. Yes we are facing an energy crisis and I ask the Commission to request the Governor release the funds immediately. I would like to see that \$10 million increase to \$50 million per year. Pennsylvania will be joining many other states who are declaring "energy emergencies". I also encourage the Governor and you the members of the Commission to join "the day on the hill" in DC, to educate our members of Congress about the energy needs of low income Pennsylvania families on February 11, 2009. This event is coordinated by the National Fuel Funds Network.

Energy Assistance Availability

All programs for energy assistance and weatherization, regardless of the source of funding, should be made available at the same time. Programs should open October 1 and remain open until April 30th or until funds have been exhausted. Crisis should be made available to all low income eligible households regardless of their heating source during the same program dates.

Cash or crisis

There are federal regulations that require a cash and crisis program. However the percentage of funds for each is at the discretion of the state. When you don't have enough funds to begin with it is difficult to assign the "right" amount of funds for each.

Safety Tips

It is a known fact that households who cannot get their utility service restored will utilize unsafe methods of heating. These include using electric devices, kerosene heaters, stoves or the next store neighbor's electric service. This is a safety issue.

In addition, it is a health issue. The Iowa LIHEAP office has sought aggressive action on the part of the Iowa Department of Public Health to consider the health consequences of utility shut offs to households with children, the elderly and disabled. The following issues were recognized:

- The fire safety risk associated with the use of candles, portable space heaters, or other causes of fire.
- The air quality risk associated with the use of alternative sources of energy.
- The prevalence of death, disease and/or illness associated with temperatures inside the home (either hot or cold) being maintained at unsafe or unhealthy levels.
- The ability to maintain medically essential equipment, refrigeration for medicines and air filtration for asthma.
- The incidence of disease or illness requiring medical attention or hospital treatment.

The Commission's message should always include the most important message. Help is available. Call your utility company today if your utility service is off or if you have a termination notice.

In Conclusion

The Dollar Energy Fund provided over 11,000 grants so far this year with one month to go and very little funding remaining. The total funds allocated this year are over \$3.5 million.

Our average grant is \$340 up from the previous year of \$321. The previous year we provided over 12,000 grants. Based on expected funding for this upcoming heating season we are projecting serving approximately 9,300 households. We are anticipating an increase in our grant average amount to \$380 based on history and the increasing cost of energy. Therefore there will be fewer households receiving help from Dollar Energy Fund with basically the same amount of funding.

Dollar Energy Fund is currently raising over \$1.3 million a year in contributions and grants to match our utility company contributions. Our goal for 2008-09 is to raise an additional \$680,000 in contributions in order to match all available utility dollars. We would then help an additional 1,800 households. I ask all of you for any help you can provide.