



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

October 16, 2009

To: Utility CEO

Winter months and winter heating bills are approaching. As a result of the nation's economic status, we are entering the winter months with natural gas prices significantly lower than last year. However, the economic conditions continue to put many families in difficult financial positions. The lower natural gas prices provide little comfort for struggling families who are facing the routine costs of winter energy bills.

As we again work to raise consumer awareness through the 2009 "Prepare Now" campaign the Commission will focus on increasing consumer awareness of winter heating costs; exploring ways to reduce energy usage; educating consumers about the availability of low-income programs and budget billing; and increasing awareness for safe home heating.

We are hoping that the "Prepare Now" campaign – in its seventh year – will continue to help more customers prepare for high heating bills associated with cold winter weather.

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

Low-income households also may be eligible for grants under the federal Low Income Home Energy Assistance Program (LIHEAP). We actively support LIHEAP and are taking an active role in ensuring the viability of this program as a companion to the utility-based programs.

Unfortunately, many utility consumers who need help are still unaware of the programs available to help them restore or maintain utility service. Just as we at the PUC will be reminding consumers who call us about the availability of such programs, we urge all utilities to increase their outreach efforts to make sure that all customers receive information about any program for which they may be eligible.

Utilities have more flexibility under the law to make allowances for customers, many of whom find they are asking for help for the first time in these difficult financial times.

In addition to providing information and referrals, we ask that you consider the following actions as we head into the winter heating season:

1.) Giving consideration to significantly increasing corporate donations to utility Hardship Funds and increasing corporate donations to other local programs that assist consumers who need help paying their utility bills. In addition, review company procedures to ensure that automatic payments and on-line payments allow for customer contributions to Hardship Funds.

2.) Restoring service to low-income customers upon enrollment into the company's Customer Assistance Program (CAP) for the first time.

3.) Limiting the number of terminations of confirmed low-income customers by scaling back the company's termination program as the cold weather approaches. We ask for all utilities to review their termination and reconnection procedures to allow customers, who may appear to be making a good faith effort to pay their bills to keep utility service whenever possible.

4.) Referring low-income customers to CAP when they call to make payment arrangements. We expect the company to do everything possible to get these customers into CAP, especially if it is a termination-related problem.

5.) Waiving or reducing security deposits, reconnection fees and late payment charges if they are a barrier to restoration of service or establishing a payment arrangement. Utilities have more discretion in waiving these fees than does the Commission. If a security deposit or reconnection fee is necessary, consider adding it to the customer's bill instead of making it a condition of providing service.

6.) Accepting any combination of LIHEAP grant, crisis grant, and Hardship Fund grant as sufficient funds to turn on or reconnect service for low-income customers. If a customer payment is also necessary, we encourage you to be as lenient as possible.

7.) Exercising more leniency in establishing payment arrangement plans for all customers. Again, utilities have more discretion in making payment arrangements than does the PUC. We ask for more responsiveness to the needs of all customers.

8.) Providing information about home heating safety and working to get customers who have been "red tagged" the assistance or information needed to help in

obtaining repairs to furnaces or heating systems. Low-income customers may be referred to the LIHEAP crisis program for emergency repairs.

9.) Continue to promote the use of budget billing programs and third-party notification forms.

10.) Providing information to customers on how they can reduce their heating costs through conservation including information on weatherization programs available as well as cost-effective steps they can do themselves.

We ask that you join us in trying to help all Pennsylvania citizens learn how to “Prepare Now” for the higher energy costs that accompany winter’s chill. We want customers to know their rights when it comes to utility shut-offs and to feel comfortable working with utilities and the PUC in order to restore and maintain service.

We ask that you inform the Commission of any of the above suggested actions your company implements in order to assist in the “Prepare Now” campaign. Also, feel free to offer any suggestions you may have that would improve our efforts. Send your comments to David Mick in the Bureau of Consumer Services at dmick@state.pa.us. Thank you for your cooperation.

Sincerely,

James H. Cawley
Chairman

Tyrone J. Christy
Vice Chairman

Kim Pizzigrilli
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