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February 16, 2021

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: Public Utility Service Termination Moratorium-
Modification of March 13th Emergency Order
Comments of Columbia Gas of Pennsylvania, Inc.
Docket No. M-2020-3019244**

Dear Secretary Chiavetta:

Enclosed for filing please find Columbia Gas of Pennsylvania, Inc.'s Comments in response to the Commission's October 13, 2020 Order in the above referenced docket.

If you have questions, please call me at 717-210-9625 or e-mail me at ahirakis@nisource.com.

Thank you for your attention to this matter.

Very truly yours,


Amy E. Hirakis

Enclosures

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Public Utility Service Termination Moratorium - :
Modification of March 13th Emergency Order : Docket No. M-2020-3019244

**Columbia Gas of Pennsylvania, Inc.’s
Comments to the October 13, 2020 Order Modifying the
Public Utility Service Termination Moratorium**

I. INTRODUCTION

On October 13, 2020, the Commission issued an order (“*October 13th Order*”) that modified the March 13, 2020 Emergency Order¹ by authorizing utilities to resume service terminations as of November 9, 2020. The *October 13th Order* also directed utilities to implement a number of modifications to termination and collection policies. The modified termination and collection policies, which provide enhanced protections to certain utility customers, are to remain in effect until March 31, 2021, unless directed otherwise by the Commission, or the Governor rescinds the Proclamation of Disaster Emergency². Pursuant to the October 13th Order, interested stakeholders may submit comments by February 16, 2021, addressing whether the enhanced customer protections are serving the public interest and should be extended longer term.

¹ The Commission’s March 13, 2020 Emergency Order prohibited the termination of public utility service for the duration of Governor Wolf’s Proclamation of Disaster Emergency, or until otherwise established by the Commission. The Emergency Order was ratified by the Commission at the March 26, 2020 Public Meeting.

² On March 6, 2020, Governor Tom Wolf issued a Proclamation of Disaster Emergency that identified the COVID-19 pandemic as a disaster emergency affecting the entire Commonwealth.

Columbia Gas of Pennsylvania, Inc. (“Columbia” or the “Company”) submits the following comments³ to provide the Commission with the Company’s experience in implementing the enhanced consumer protections with the *October 13 Order*, and to provide its recommendations for moving forward.

II. COMMENTS

A. Introduction

At the onset of the COVID-19 pandemic, Columbia implemented a number of voluntary customer protections that provided additional protections beyond those contained within the Public Utility Code and the Commission’s regulations. The Company also increased its customer outreach efforts to customers at-risk for service termination to inform customers of available customer service programs and policy changes due the COVID-19. Despite the heightened focus on customer outreach, the Company quickly experienced declines in multiple facets of customer engagement - customer call volume, payments and requests for payment arrangements, and participation in customer assistance program participation. The chart below highlights the decreases between 2019 and 2020.

	% Decrease
Call Volume	29.85%
Payment Plans	1.91%
Payments	10.83%
CAP Enrollment	11.01%
Enrolled into CAP	40.51%
LIHEAP	5.94%

This lack of customer engagement continues almost a year into the pandemic, as evidenced by increased arrears. While the number of residential customers in arrears has

³ Along with the Company’s instant comments, Columbia supports the comments filed concurrently by the Energy Association of Pennsylvania.

increased slightly from 14% to 16%, the Company's overall residential arrears has increased by \$10.3 Million from December 2019 to December 2020. See the graphs below for comparison.

Figure 1

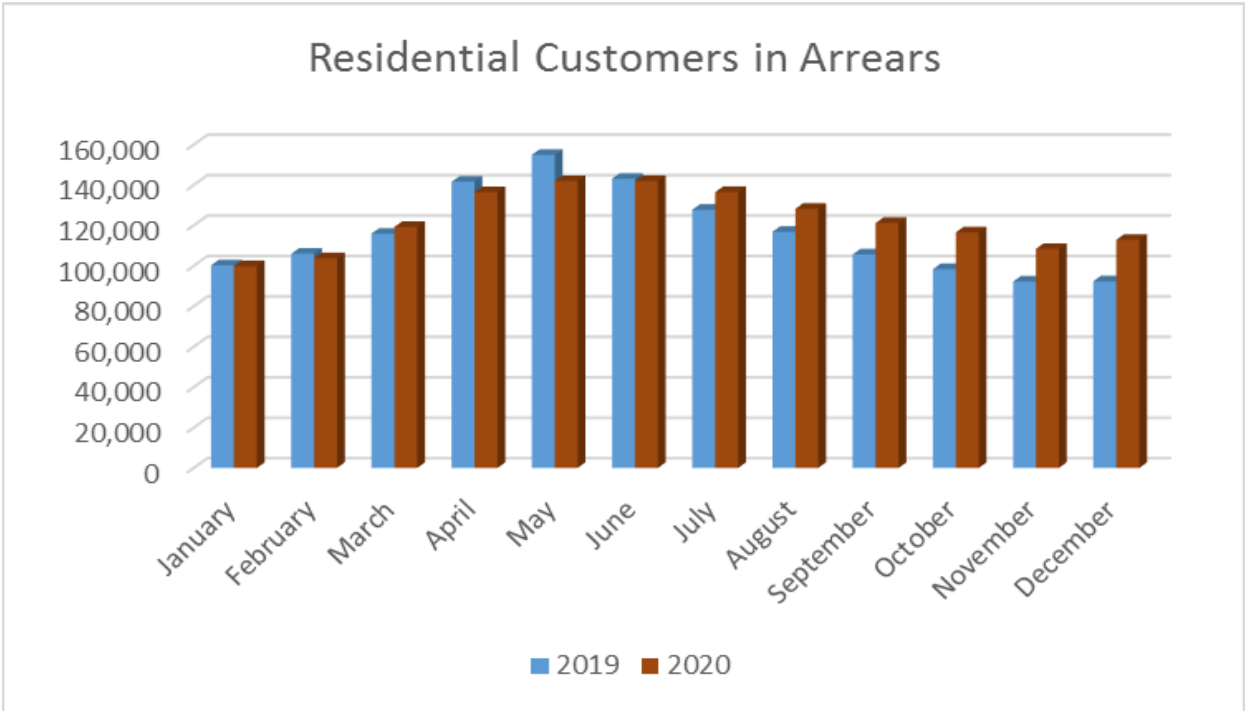
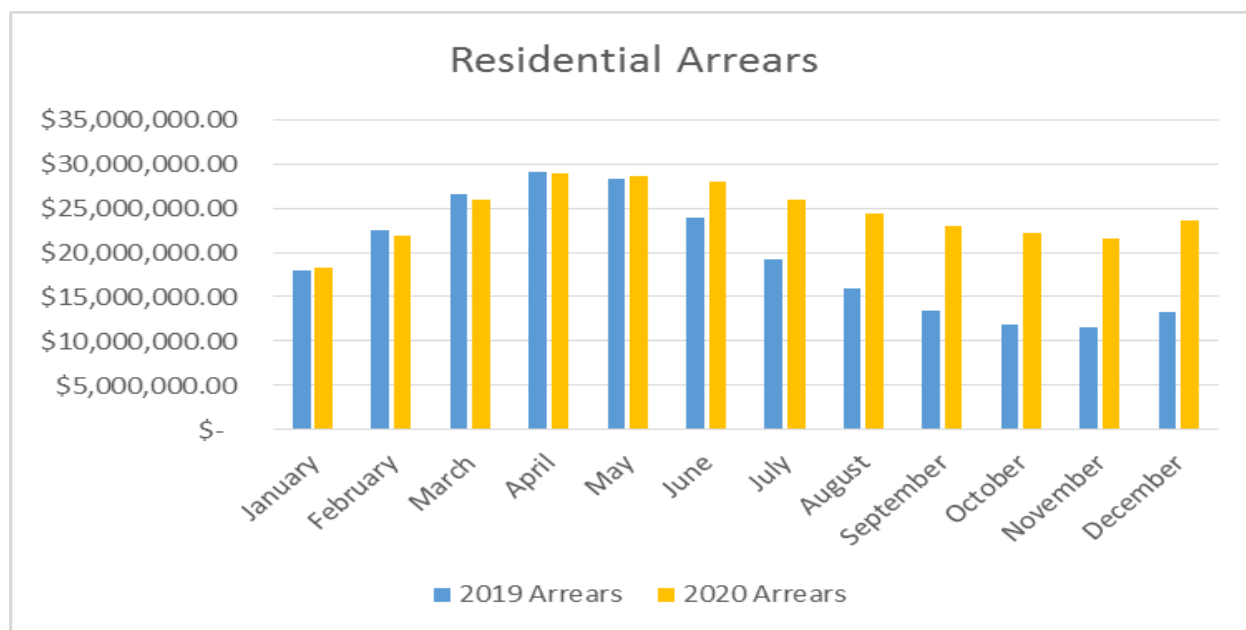


Figure 2

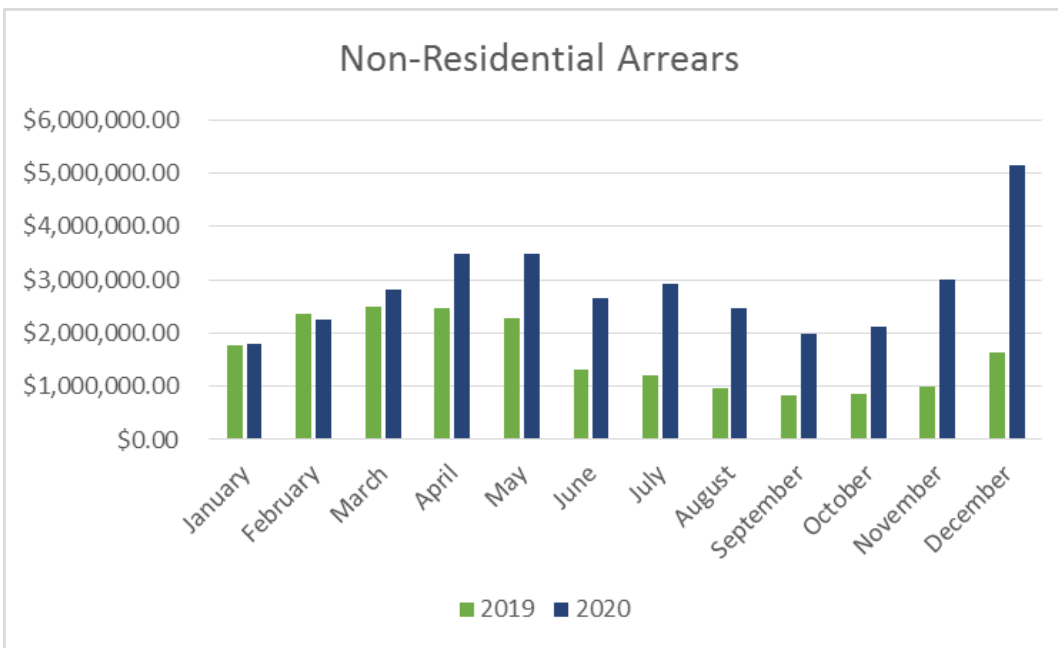
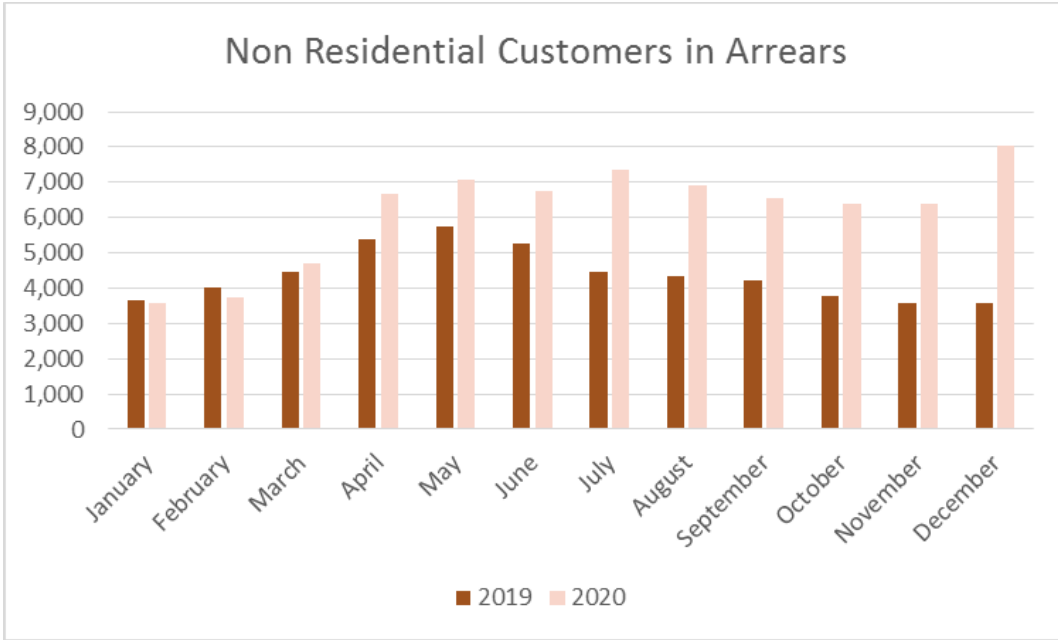


It is Columbia’s expectation that arrearage balances will continue to rise in 2021. With the recent cold temperatures in the current heating season, Columbia expects arrearages to grow significantly. The Company has significant concerns that the level of debt already incurred, prior to the 2021 heating season, far exceeds many customers ability to overcome the debt, even with assistance. Arrearage data shows the average customer arrears for the 399,000 residential customers increased by \$120 per household to \$338 in 2020, compared to an average residential arrearage balance of \$218 in 2019. Further evaluation of arrearages indicate there are 7,508 accounts owing at least \$1,000. The outstanding balance carried by these customer approximates \$13 million as of January 2020, and represents an average arrearage amount of \$1,847.00 per customer. Of these 7,508 account, 4,350 (58%) of these customers identify as low income. Low Income Home Energy Assistance Program (LIHEAP) funds, CRISIS grants and Hardship Funds combined will not provide enough aid to reduce their debt to zero, and many of these customers may have already received their average LIHEAP grant of \$260.

Furthermore, the remaining customers not identified as low income may be eligible for a maximum of \$500 from Hardship Funds.

Columbia does not believe the average arrears of \$338 across the residential customer base represents an insurmountable level of debt, rather the Company is concerned about the growing arrearages of the 7,508, or 2 % of residential customers, has on the remaining 98% of the residential customer group as a whole. It is Columbia's expectation that the arrears will continue to grow for the 2% and is unlikely to be covered in its entirety through receipt of assistance, despite the multiple number of channels available. Absent the ability to terminate service, this small group of customers will continue to impact the remaining residential customer base, many of whom are likely to have been negatively impacted from a financial perspective during the COVID crisis, yet are still paying their bills.

Non-residential customers have also seen an increase in arrears. The number of non-residential customers in arrears has increased by 64% between December 2019 and December 2020, and the average arrears for this segment has increased by \$113. The graphs below illustrate these increases:



Columbia recognizes the ongoing impact of COVID-19 on some customers' finances, and the Company remains committed to working with all of its customers as we move forward; however, it is critical that customers at risk for service termination work with their utility companies to enroll in customer assistance programs or enter payment

agreements. Allowing a customer's utility account balance to increase beyond the point of the customer ability to ever pay is not beneficial to the customer, particularly when there are customer assistance programs available.

Pursuant to the *October 13th Order*, Columbia has implemented the enhanced customer protections identified in the order. Columbia developed a pre-10 day notice communication consistent with paragraph 1 of the Order and mailed this communication to residential and commercial customers at risk of termination. Columbia also revised its website to promote the new 18-month payment agreement available to commercial customers and to advise residential customers of the enhanced protections for those with household incomes at or below 300% of the Federal poverty income guidelines (FPIG). In addition, the Company advised its customer service representatives of the termination and collection modifications so that they can appropriately assist customers. The Company also posted information about these additional protections on multiple social media channels.

As noted above, in addition to the enhanced protections required by the Commission, during the pandemic Columbia has also voluntarily implemented a number of programing changes to provide assistance to customers during this crisis. Items of note include:

- **Expansion of the Company's Hardship Fund:** In September 2020, the Commission approved Columbia's request to expand Hardship Fund eligibility to assist customers up to 300% of poverty, an increase from the previous level of 200% of poverty. The Hardship fund currently has over \$1.5 million available for assistance.

- **Relaxed Customer Assistance Program (CAP) Eligibility Guidelines:** In March 2020, the Company implemented the following relaxed CAP program guidelines that are still being followed today:
 - Customers are not being removed from CAP.
 - Unemployment Compensation and stimulus income is not/was not/will not be counted as income in the determination of CAP eligibility since the income is short term.
 - Proof of income is not required at this time for CAP customers who are unable to verify income.
 - Implementation of online applications for both its CAP and Hardship Funds.
- **Waiver of Late Fees, Reconnect Fees and Security Deposit Fees:** Columbia began waiving these fees for all residential customers in March 2020 and continues to do so.

Additionally, Columbia made outbound calls to customers eligible for assistance, with the goal of applying for assistance on their behalf. Columbia's Universal Services team manually reviewed 7,048 accounts and the Company's Customer Care Center contacted 4,544 of these customers. As a result of those calls, 1,376 customers received assistance from the CARES Act funding and 947 of those applications were processed by Columbia. As a result of Columbia's outbound calls, customers received grants totaling approximately \$405,142.

B. Columbia's Perspective Regarding the Continuation of the Enhanced Customer Protections

Below, Columbia provides feedback and recommendations regarding the enhanced customer protections currently in place.

1. The pre-10 day notice communication letter

Prior to the pre 10 day communication letter requirement, Columbia was sending “reminder notices” to customers. These reminder notices were sent in lieu of termination notices, meaning that all customers who received reminder notices would have received termination notices absent the moratorium. An example of a reminder letter has been included in Attachment A. Columbia began sending these reminder notices on August 28, 2020, and to date, has sent over 100,000 reminder notices to customers.

Subsequent to the *October 13th Order*, Columbia completed a thorough evaluation of the impact of the order's authorization to terminate service for non-payment. Primary items for consideration included customer impact, workforce impact, the timing of the pending winter moratorium in relation to the November 9, 2020 date in which terminations were authorized to begin, and the cost benefit of termination versus non-termination of eligible customers. Ultimately, Columbia took the approach of sending pre 10 day communication letters to a targeted group of customers with the intent of encouraging customer engagement to get payment assistance or enter into payment plans prior to the winter heating season. Columbia sent 26,359 pre 10 day communication letters. No meaningful impact or change in payment behavior resulted from the pre-10 day communication letter, and, payment plan participation and call volume decreased between during the months of October 2020 and November 2020 after these letters were sent.

It is Columbia's position that the pre 10 day communication letter requirement be lifted subsequent to March 31, 2021. To date, Columbia has not seen any meaningful impact to customer payment behavior as a result of these communications. As noted above, in addition to the 26,359 pre-10 day notices that have already been sent, Columbia has sent more than 100,00 reminder notices to customers notifying them of their past due balances since August 2020, which has also shown no meaningful impact to customer payment behavior. In addition, there are programming time and effort costs incurred to send these communications. While the October 13th order allows for such costs to be included in the regulatory asset related to COVID 19, Columbia does not believe time and efforts spent yielding no meaningful results is a good use of resources, particularly when such costs will be recovered across all rate payers. For these reasons, Columbia believes the pre 10 day communication letter requirement should be lifted subsequent to March 31, 2021.

2. Enhanced Protections for "Protected Customers"

Per the *October 13 order*, the Commission identified customers that were within 300% of poverty guidelines as "protected" customers and prohibited utilities from terminating these customers for non-payment. The order further required the customers to apply for assistance in all programs for which they are eligible, and set up a payment plan with the utility, if appropriate. In the *October 13th order*, utilities were also expressly prohibited from charging customers late payment fees, connection fees, reconnection fees and security deposit fees for protected customers.

At the outset of the pandemic, on March 13, 2020, the Commission issued an order at Docket M-2020-3012944, prohibiting termination of utility services during the period in which Governor's Wolf's emergency order issued on March 6, 2020 was in effect. The

Company recognized the intent of the Commission to provide immediate relief to customers during the pandemic, and at that time, voluntarily waived late fees, connection fees, reconnection fees and security deposits for protected customers. However, maintaining these practices into the future increases the risks these fees were developed to offset, and impacts cost to serve the entire customer base. Examples of impacts to the customer base are as follows:

Late Fees: Late fees are assessed to encourage timely payment behavior, and are concrete consequences for payment not made timely. The primary impact of late payments is impact to the Company's cash flow, as well as increasing the risk of higher arrearages. To date, Columbia has waived \$1.8 million in late fees.

Reconnection Fees: Reconnection Fees are designed to attribute the cost of labor and resources to reconnect service to the customer segment using the services. Continued waiving of these fees will eventually lead to these fees being subsidized by all customers, not just those that are being reconnected. To date, waived reconnection have been limited in nature as a result of the termination moratorium, however, as terminations commence, the impact of waiving reconnect fees will increase costs to customers.

Security Deposits: Security Deposits are in place to reduce the risk associated with advancing services prior to payment. Continued waiving of these fees will ultimately lead to higher arrears and write offs that will be recovered by all customers.

Assistance is currently available to customers with income below 300% of poverty guidelines through Columbia's Hardship fund (currently funded at \$1.5 million), as well as through the federal government via Low Income Home Energy Assistance Program (LIHEAP). Paragraph 2 of the *October 13 order* assumes engagement from customers

that is not, and has not been present since the start of the pandemic. Existing programs are currently not being utilized by customers, because the consequence of termination is presently not in existence. Any further delay in allowing utilities to terminate service will continue the unwanted consequence of customers going more deeply into debt, increasing the likelihood of being unable to recover from their debt and delaying their crisis out to a point in time where the risk of not being able to obtain assistance is very real.

3. Small Business Customer Payment Arrangements

The Company's small commercial customers did respond to the offer of enhanced payment plans. In December, 2020 the Company had 179 customers on a payment plan compared to 44 in December, 2019. The Company is not adverse to continue to offer payment plans to small commercial customers.

4. Medical Certificates

Per *October 13th Order*, Utilities are required to accept at least two additional medical certificates for eligible customers who may have otherwise exhausted the three available in 52 Pa. Code §§ 56.351-56.358, with an additional 7 days are allotted for medical professionals to return medical certificates to the utility. As of the date of this filing, no medical certifications were utilized to stop terminations subsequent to the *October 13th Order*, therefore, Columbia believes the two additional medical certification protection requirement should be lifted subsequent to March 31, 2021.

5. Additional Considerations

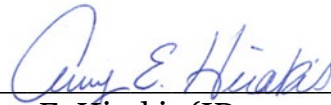
Consistent with our current practices, Columbia Gas is committed to and will continue to work with our customers to maintain service and use termination of service as a last resort. The Company is currently in the process of doing a second round of

outreach, via email this time, to customers eligible for CRISIS grants, requesting approval from the customer to apply for assistance on their behalf. The intent of this outreach is to reduce barriers for customers to apply for CRISIS, and encourage them to apply all available assistance. Absent lifting of protections per the *October 13th Order*, 2% of residential customers will continue to accrue balances that will likely not be covered by assistance programs, and negatively impact the remaining 98% of residential customers. Lifting these protections will not result in mass termination of service, rather, it gives the Company the opportunity to move forward with the collections process in the same manner it would were COVID not present, through prioritizing collection focus on those customers with highest balances built up over multiple months of inactivity.

III. CONCLUSION

Columbia Gas of Pennsylvania, Inc. appreciates the opportunity to submit the foregoing comments regarding whether the enhanced customer protections provided for in the *October 13 Order* should continue beyond March 31, 2021. For the reasons stated above, Columbia respectfully requests the additional protections per the *October 13th Order* be allowed to expire on March 31, 2020 and that utilities be permitted to return to collection practices defined in existing regulations beginning on April 1, 2021.

Respectfully submitted,



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Date: February 16, 2021

Attorneys for
Columbia Gas of Pennsylvania

Name: CUSTOMER NAME
Service at: ADDRESS

Dear CUSTOMER NAME,

According to our records, your Columbia Gas bill in the amount of \$x,xxx.xx for service at ADDRESS is seriously past due.

Although you are not at risk of termination at this time due to current regulations, this balance will continue to grow without timely payments. If you do not pay this or any future bills, your full balance may be subject to termination in the future. If the gas service needs restored at any time, you may be required to pay the entire balance plus a security deposit and reconnect fee.

Protect your gas service - do not delay payment any longer! Please pay your entire bill immediately or call Columbia Gas at 1-888-460-4332, Monday - Friday, 7:00 A.M. - 7:00 P.M. or Saturday, 8:00 A.M. - 12:00 P.M. to make payment arrangements. A Columbia Gas representative can explain all of your options including any assistance that may be available.

Your immediate attention to your delinquent Columbia Gas account is vital to ensure uninterrupted service.

Sincerely,

Columbia Gas of Pennsylvania

700-DEL-000

CUSTOMER NAME
ADDRESS

PO Box 16581
Columbus OH 43216-6581

Columbia Gas[®]
of Pennsylvania
A NiSource Company

Account Number
XXXXXXXXXX XXX XXX
Statement Date
xx/xx/2021

PRESORTED FIRST CLASS
CUSTOMER NAME
ADDRESS