

# **Informational Committee Meeting on Act 201**

**Consumer Affairs Committee -  
Pennsylvania House of  
Representatives**

**Remarks of:  
Dan Murray  
Vice President – Customer Affairs  
Philadelphia Gas Works**

**November 1, 2011**

Philadelphia Gas Works



# Responsible Utility Customer Protection Act (Act 201)

- **Goals:**
  - Protect responsible bill-paying customers from rate increases attributable to the unpaid bills of customers who can afford to pay their bills, but choose not to pay.
  - Provide certain protections for vulnerable customers
- **Results:**
  - Act 201 is working as intended for PGW customers.
  - PGW has provided key metrics in response of meeting the goal of Act 201 and are categorized as follows:
    - Protect customers from rate increases and improve customer accountability
    - Protect and maintain service availability for all customers, including low income customers and customers who have medical conditions

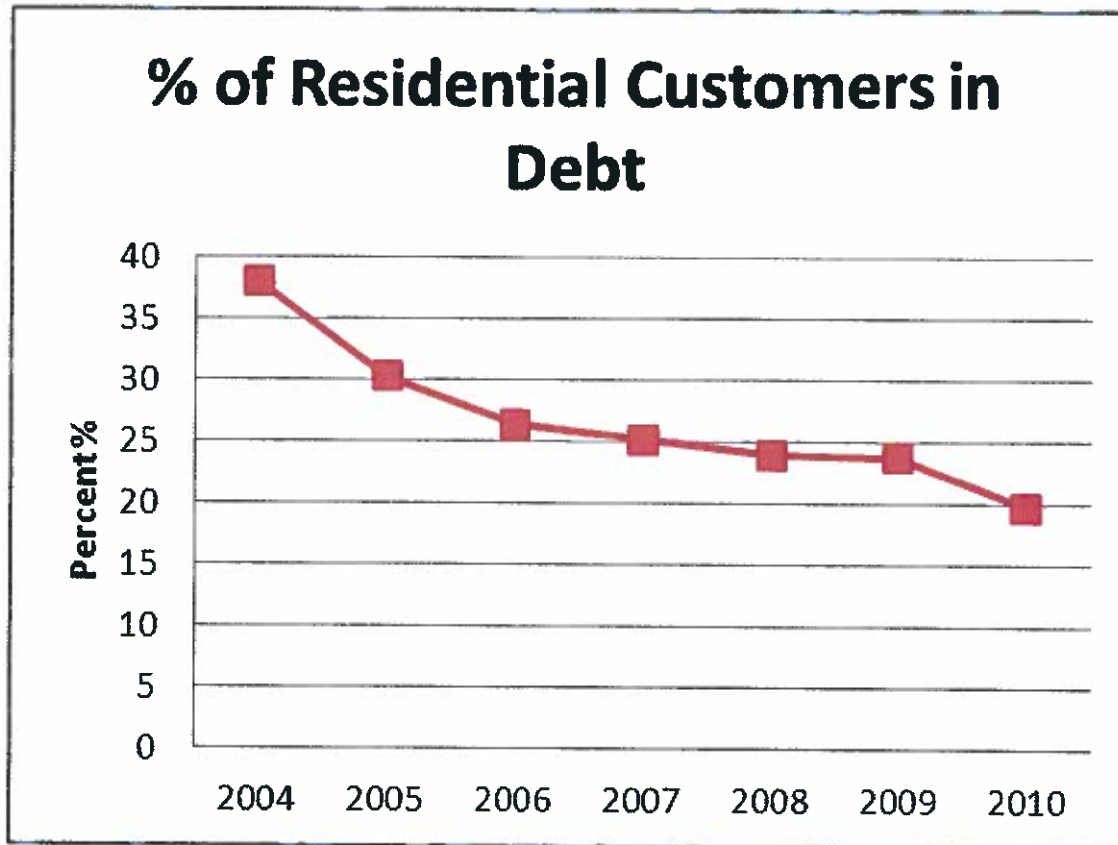
# Protect customers from rate increases and improve customer accountability

- Benefit:
  - Reduction in uncollectible debt protects good paying customers against rate increases.

*Protect customers from rate increases and improve accountability:*

## The percent of residential customers in debt continues to decrease

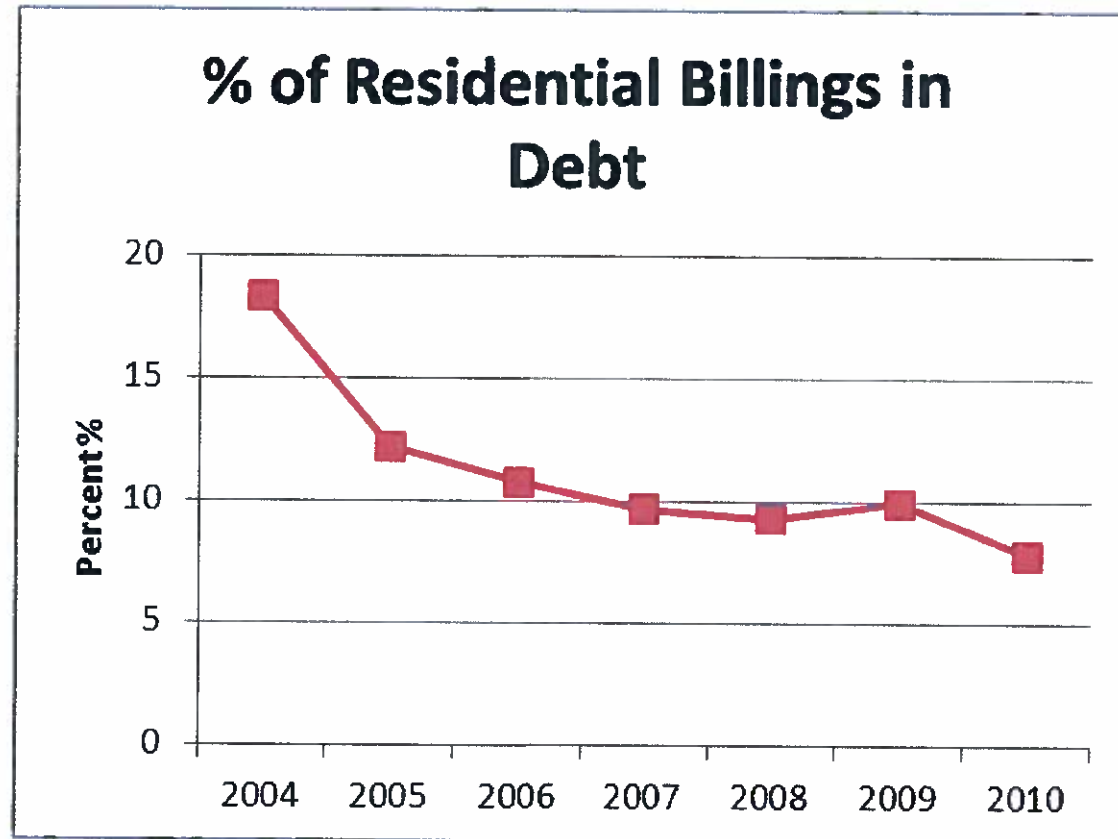
- 48% decrease since 2004



*Protect customers from rate increases and improve accountability:*

## **Residential debt as a percent of total residential billings continues to decrease**

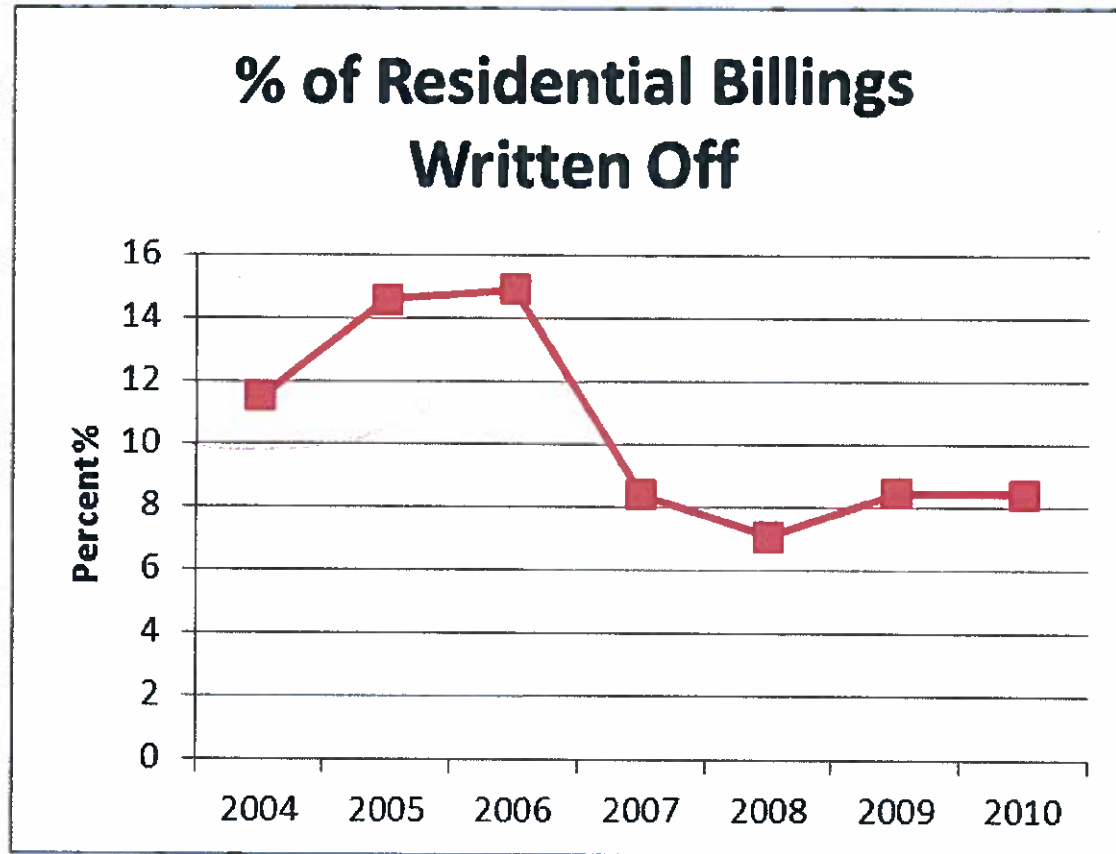
- 57% decrease since 2004



*Protect customers from rate increases and improve accountability:*

## **Residential write off as a percent of total residential billings continues to decrease**

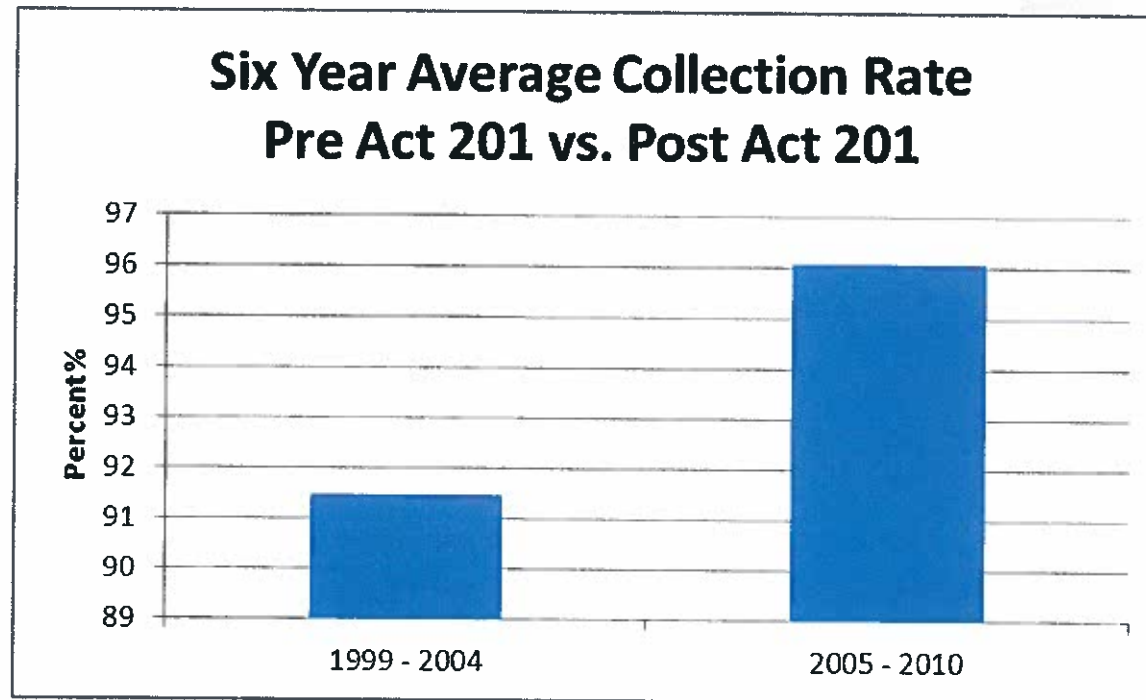
- 27% decrease since 2004



*Protect customers from rate increases and improve accountability:*

## **PGW's collection rate (total receipts as a percent of total billings) continues to increase**

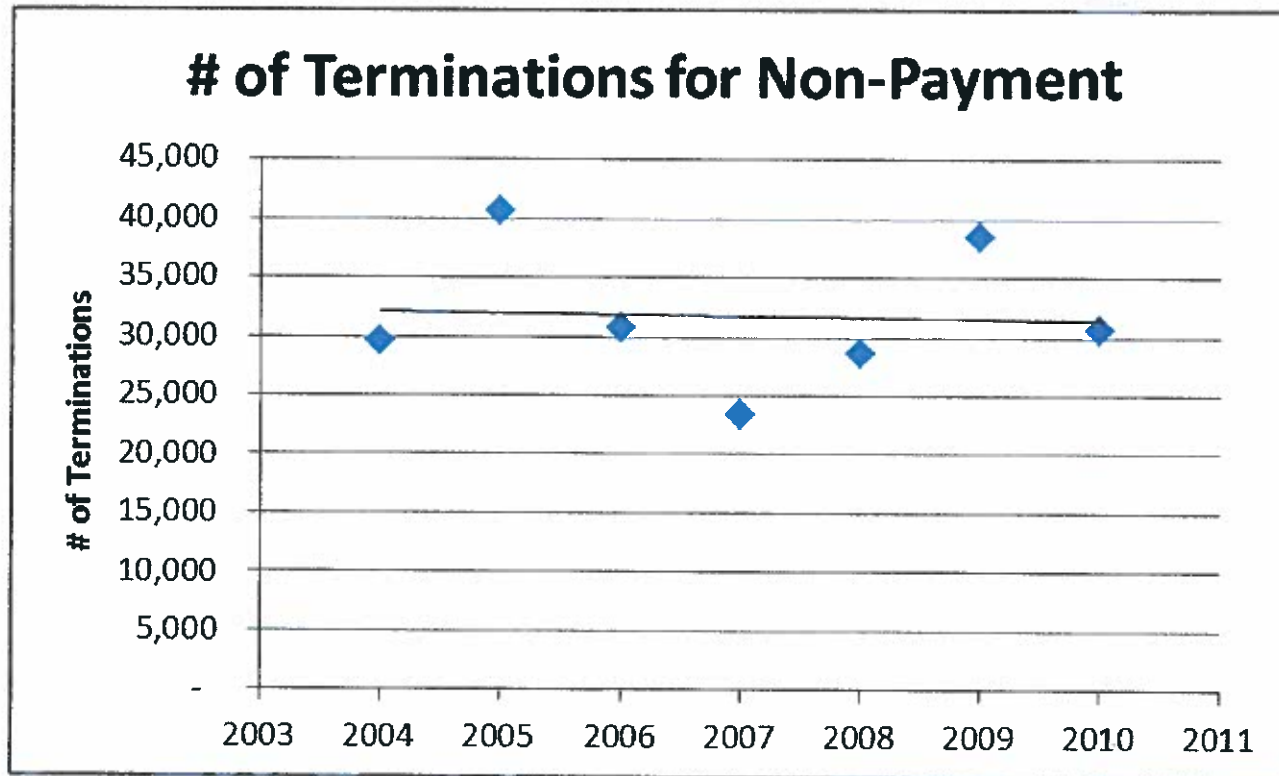
- 4.6% increase in the average collection rate over the six years since the passage of Act 201 compared to the six year period prior to the Act



*Protect customers from rate increases and improve accountability:*

## The number of service terminations for non-payment has not significantly increased

- Linear regression analysis shows the trend in the number of terminations since 2004



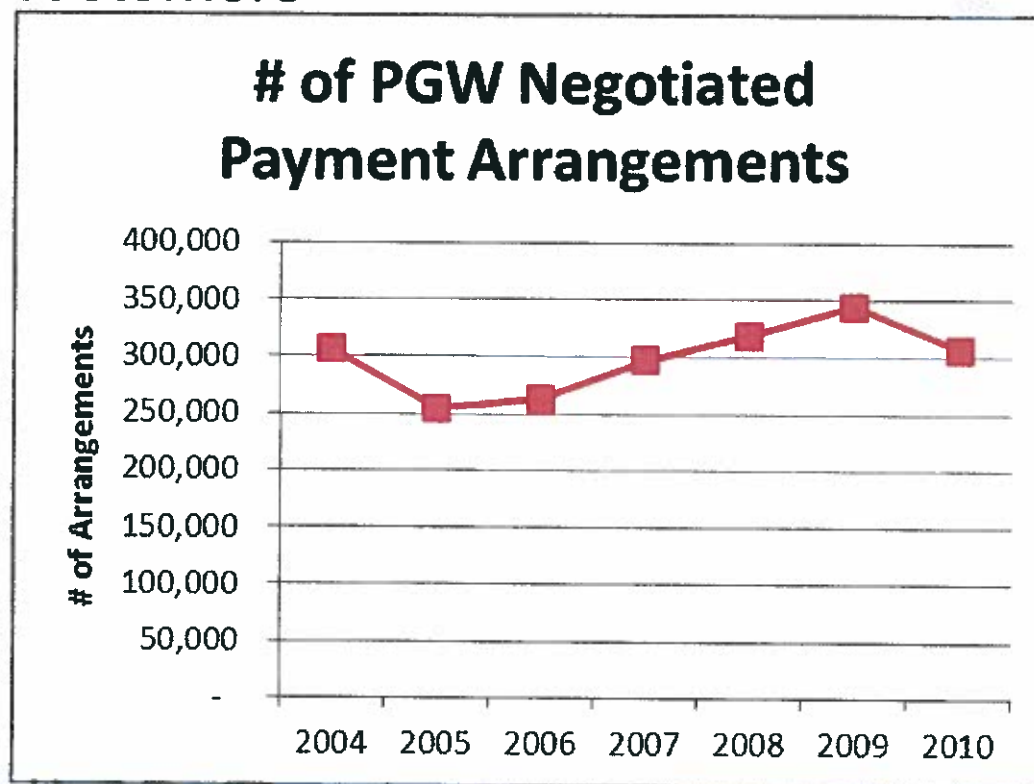
# Protect and maintain service availability for all customers, including low income customers and customers who have medical conditions

- Benefit:
  - Ensure that service remains available to all customers (including low income customers and those with medical conditions) on reasonable terms.
  - Allow the utility to be the primary negotiator of payment arrangements.

*Protect and maintain service availability for all customers:*

## The number of payment arrangements negotiated by PGW continues to remain stable

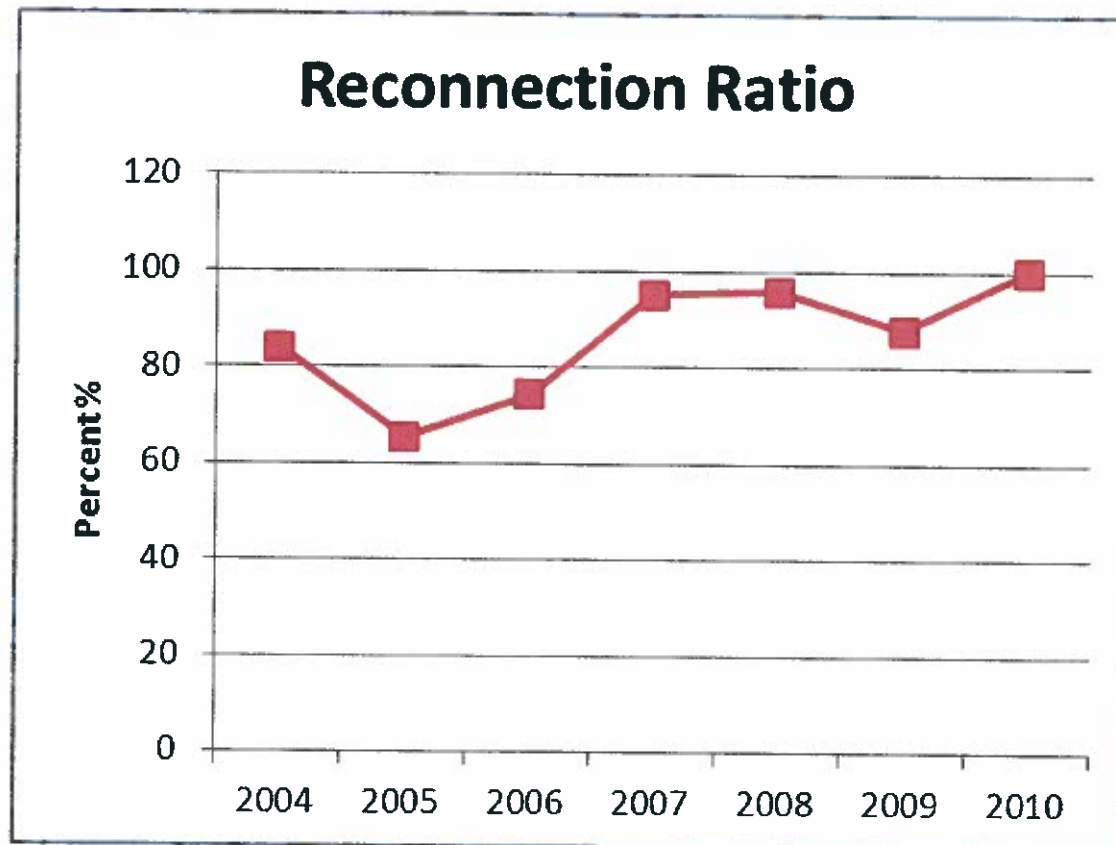
- PGW continues to make every effort to assist payment troubled customers



*Protect and maintain service availability for all customers:*

## **The number of restorations as a percentage of the number of terminations continues to increase**

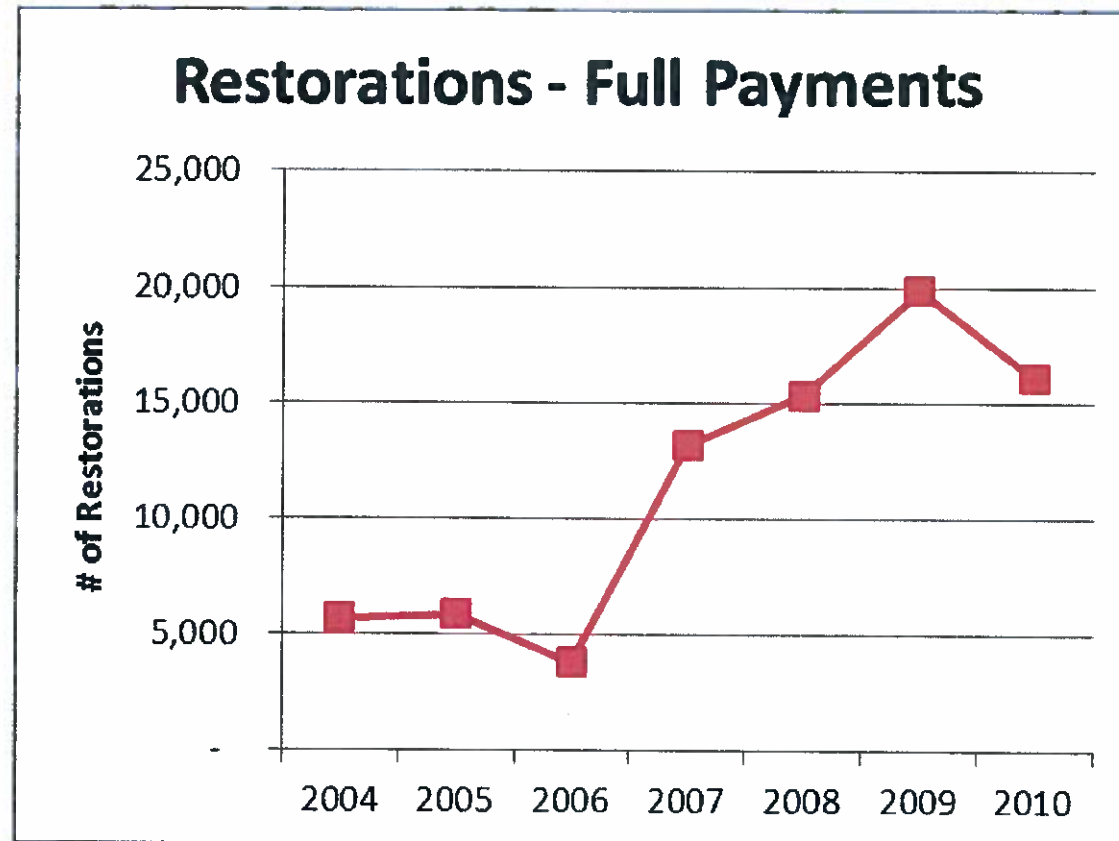
- 19% increase since 2004



*Protect and maintain service availability for all customers:*

## The number of customers making full payment at restoration continues to increase

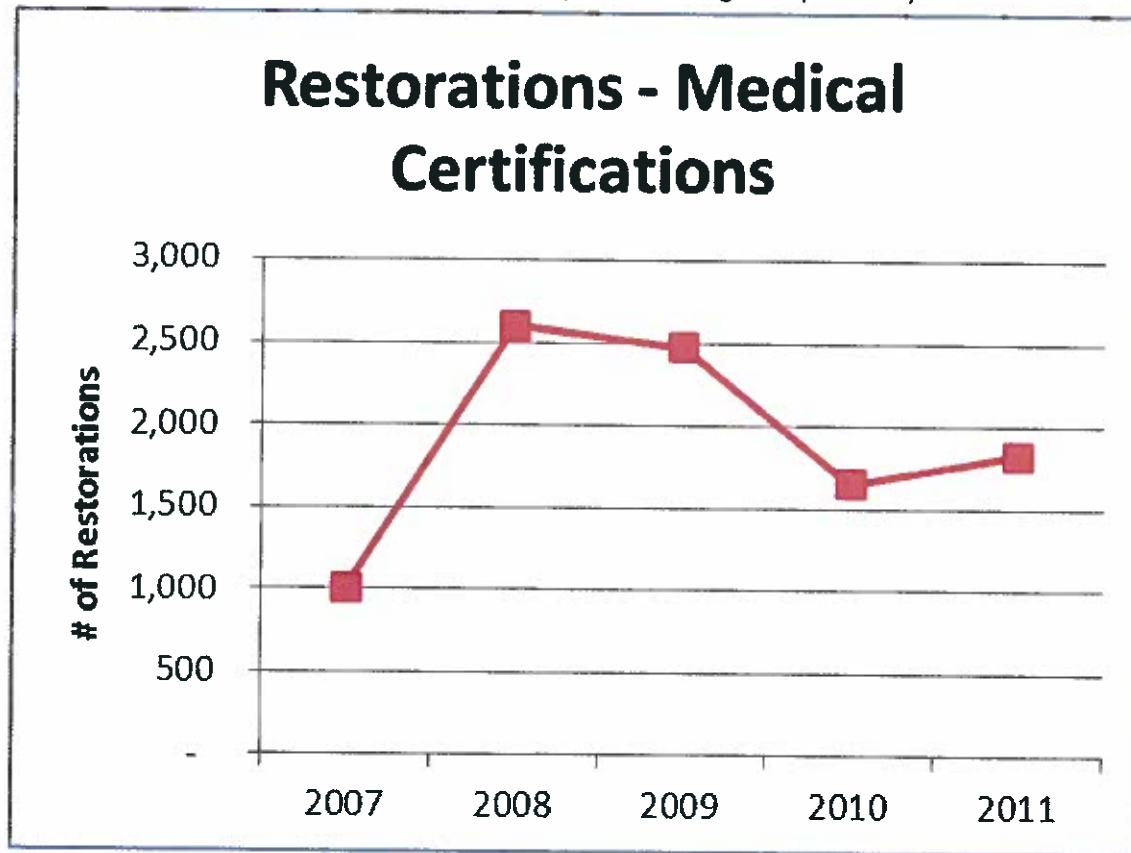
- 183% increase since 2004



*Protect and maintain service availability for all customers:*

## The number of customers who restore service using a medical certification continues to increase

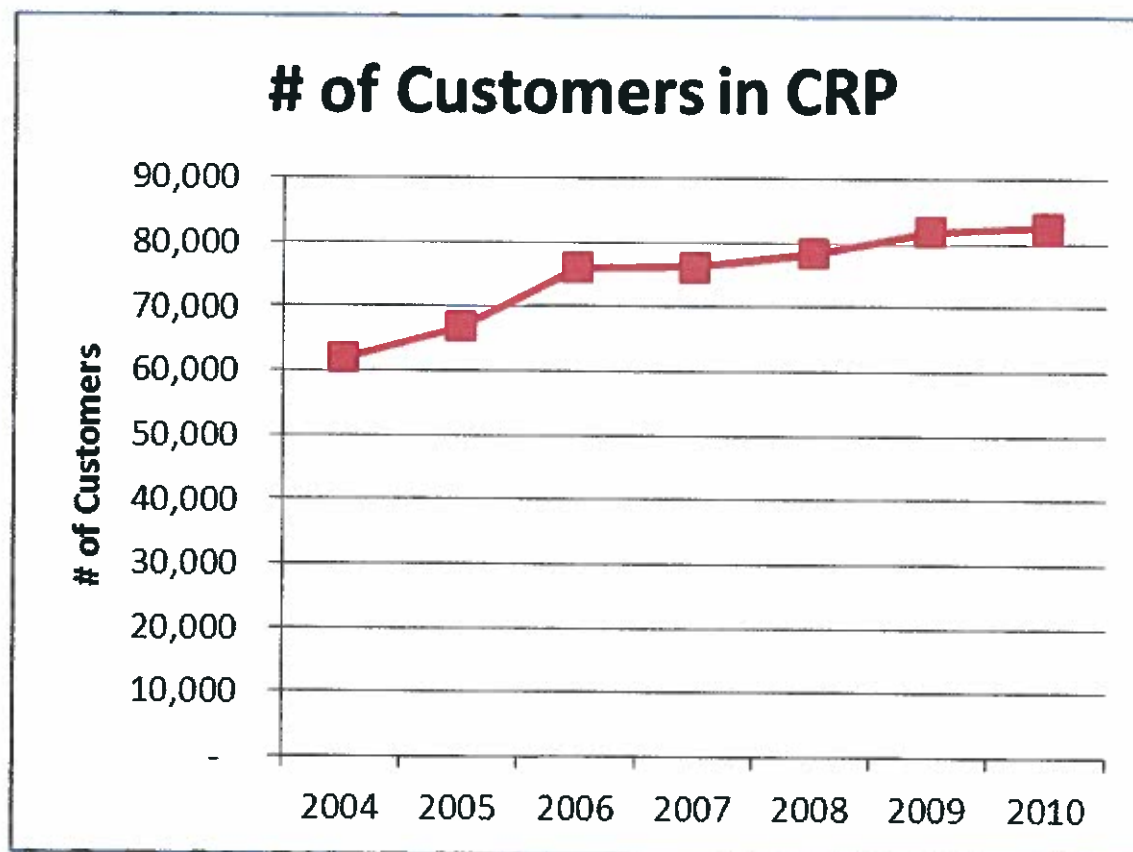
- 82% increase since 2007 (Data through Sept 2011)



*Protect and maintain service availability for all customers:*

## The number of participants in PGW's CRP low income program continues to increase

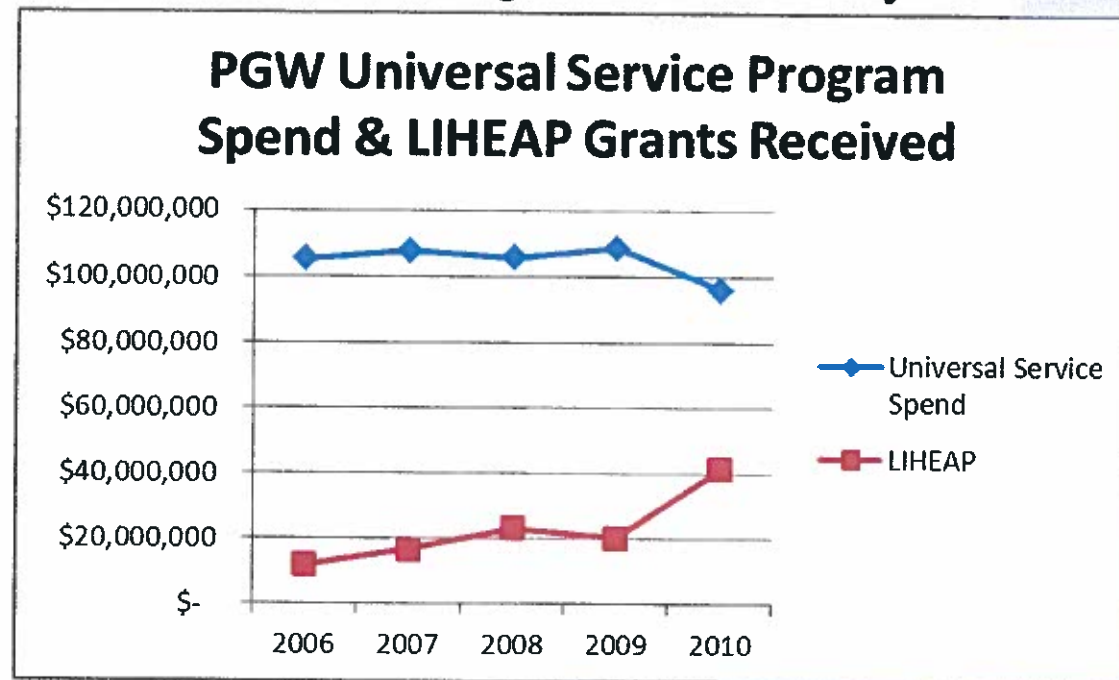
- 33% increase since 2004



*Protect and maintain service availability for all customers:*

## **PGW and its customers continue to spend significant money to provide assistance to customers in need**

- Average of \$82 million per year since 2006
- PGW continues aggressive outreach to ensure its customers take advantage of Federally funded programs



## In conclusion

- Act 201 is working as designed.
- As a result of Act 201, PGW continues to improve its financial health, increase the accountability of customers who can afford to pay, and protect our customers from costs associated to uncollectible debt.
- PGW continues to make every effort to protect customers with serious medical conditions; and to assist low income customers in managing their accounts and to prevent disruptions in their service.