

# **Attachment B**

**COLUMBIA GAS OF KENTUCKY, INC.**

**AMENDED ENERGY ASSISTANCE PROGRAM  
(EAP)**

**WORKPLAN**

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## INTRODUCTION

The original Customer Assistance Program (CAP) was phased out and replaced with the Energy Assistance Program (EAP) effective with Unit 1 billing, November 2003. The EAP will provide a fixed amount of credit on the bills of participating customers during the heating season. The program is designed to serve approximately 850 low-income customers in Columbia Gas of Kentucky's service territories. The information in this document was developed from meetings by a collaborative consisting of representatives from Columbia Gas of Kentucky, Inc., Community Action Council for Lexington-Fayette, Bourbon, Harrison, and Nicholas Counties, Kentucky Attorney General's office and Lexington-Fayette Urban County Government pursuant to the settlement agreement reached in Columbia's Rate Case No. 2002-00145.

## I. PROGRAM PARTICIPANTS

All Energy Assistance Program (EAP) participants will be active residential customers of Columbia Gas of Kentucky who are enrolled in the Federal LIHEAP program and the ratepayer of record. The program will serve approximately 850 low-income customers throughout Columbia's service territory. When participants dropout additional applicants will be solicited based on available funding.

Columbia Gas of Kentucky, Inc. modified the Energy Assistance Program (EAP) work plan effective November 1, 2007 regarding income eligibility, to coincide with the Federal LIHEAP poverty guidelines for plan participation. Income eligibility for the Energy Assistance Program (EAP) will be determined by the current Federal LIHEAP poverty guidelines in effect. The EAP program will target households whose annual gross income is at or below the current Federal LIHEAP poverty level guidelines.

Income is subject to initial verification and annual reverification. Failure to reverify will result in dismissal from the program. Reverification is also a condition for EAP re-entry should a program default occur.

The program criteria will be adjusted to reflect any changes made to the Federal LIHEAP poverty guidelines.

## II. ADMINISTRATION

The Community Action Council for Lexington-Fayette, Bourbon, Harrison, and Nicholas Counties has been selected to administer Columbia's EAP program. Community Action is a local community based nonprofit organization, which is experienced in processing applications for fuel funds. Community Action Council will contract with other Community Action Agencies throughout the state to provide enrollment in Columbia's service territory. Each Community Action Agency will have the opportunity to enroll a pro rata share of participants to the number of Columbia customers in their territory.

Program participants will be recruited through a data search of potentially eligible households currently enrolled in Community Action Council's Intake Reporting and Information System (IRIS 2). The participating Community Action agencies are the front line with the EAP customers. They are generally the ones who have in-person contact with the customers before they enter into the EAP program, and each year as they re-verify. In addition to handling the personal contact with the customer the agencies have other responsibilities that include:

- Making phone calls, and in-person contact to solicit eligible households
- Screening potential applicants for eligibility
- Verifying income at time of enrollment and annually
- Explaining all customer benefits and responsibilities
- Completing LIHEAP application and referring customer to applicable social service programs
- Providing access to energy conservation education

Once the customer is declared eligible for EAP and wishes to enroll, Community Action will electronically transmit the enrollment file to Columbia Gas for processing. The annual reverification of income will also be updated via an electronic file. Initial enrollments and re-verifications must be completed by October 15<sup>th</sup> each year. Columbia Gas will mail a reverification letter each year on approximately August 15<sup>th</sup> advising the customer that they have 30 days to re-verify their income. Failure to re-verify income by said date, October 15<sup>th</sup> will result in removal from the program.

### III. PAYMENT TERMS

The EAP will be a direct subsidy of a set dollar amount each month. The subsidy credit is designed to increase during the colder winter months and be less during the other heating months (i.e. during January and February the amount of credit will be greater than the credit in November). The dollar amount will be determined each year from the available funds in the program pool. The customer will be fully responsible for portions of the bill not paid by the subsidy.

Participants will receive a credit on their bill during the five heating months (November through March). If the credit exceeds the balance due at billing, the credit will carry forward to the next month's bill. If the customer moves during the heating season they may remain on the program, provided they are still a Columbia Gas of Kentucky customer. If not, the remaining dollars left in their seasonal allocation will be placed back in the program pool.

An EAP customer may also be a participant in the budget payment plan. The system will force a budget review for any budget customer who joined EAP before or during the 5-month cycle. Also any EAP customer who joins the budget while in the 5-month cycle will have the budget reviewed when their first bill is generated on the EAP program. Along with this budget review these customers will also go through the normal December budget review. The budget review will take into consideration all eligible EAP credits the customer is to receive when calculating the budget amount. Budget EAP customers will be expected to pay their budget amount each month including the 5-month period they receive the EAP credit.



The EAP credit will be applied directly to the account balance.

Any LIHEAP subsidy assistance received by the customer will be directed to Columbia Gas and credited to their gas bill. In addition participants will be eligible for other types of assistance such as LIHEAP crisis, WinterCare, and Citizens Energy.

Should the EAP customer not pay a monthly bill by the due date, the account will follow the normal collection cycle process, to include the issuance of a written 10-day notice of service termination. If the gas service is turned off for non-payment the customer will not be removed from the program if they pay the past due bill, and other required charges within the five working day period after disconnection. The gas service will be reconnected and the customer will not be removed from the program.

Should the customer go beyond the five-day period, then that would result in a default and removal from the program. (See Section V. Removal from EAP)

If a final bill results in a credit balance, a refund will only be issued for the portion of the credit balance in excess of the EAP assistance provided in the current program year.

#### IV. CUSTOMER RESPONSIBILITIES

Initial application and subsequent re-application of customers in Columbia's EAP program is subject to the following agreed upon conditions.

- Participants must be at or below the current percent of the Federal poverty income guidelines
- Participants must verify gross monthly income at time of application and annually
- Participants must apply for Low Income Home Energy Assistance Program (LIHEAP) and direct LIHEAP Subsidy payment to Columbia Gas
- Participants must apply for Weatherization services and accept if available
- Participants must sign a written agreement for the exchange of pertinent information between Community Action and Columbia Gas of Kentucky, Inc.
- Participants must sign a release from liability form that will be provided by Columbia Gas
- Participants must allow Columbia Gas access to the gas meter for regularly scheduled meter reading
- Participants must not live in a multi-unit single meter dwelling (More than one dwelling in the same building served by one meter)

- Participants must accept any program change resulting from approved modifications to the program made by EAP Collaborative, Kentucky Public Service Commission, or any other governing agency
- Participants must understand that no refunds will be issued unless a credit balance exists on a final bill, then the amount refunded will only be the portion of the credit balance in excess of the EAP assistance provided in the current program year

V. REMOVAL FROM EAP

CUSTOMER DEFAULTS

An EAP participant will be in default if the gas service is disconnected for non-payment, and not reconnected within the five working day period after disconnection. When a default occurs the customer will be reinstated back into the EAP program, if he/she reapplies and there is a vacancy, by paying the appropriate past due bill and other required charges. If there is not a vacancy then the customer will be placed on a waiting list until an opening occurs.

CUSTOMER REQUESTS

Participants who voluntarily terminate from the EAP program will follow the same steps as a default to be reinstated. Community Action will encourage the customer to stay on the program, by pointing out the benefits, however if they are unsuccessful, then removal will occur.

VI. REAPPLICATION PROVISION

Participants who have been removed from the EAP program due to a default or voluntary termination, and wish to re-enter will follow the guidelines in Section V. Removal from EAP.

## VII. COST RECOVERY

The administrative and program costs associated with EAP, and under collections resulting from the program, will be recovered through a base rate EAP surcharge. The surcharge will be applicable to all residential customers under the General Service and Small Volume Gas Transportation Service rate Schedules. The annual amount of dollars available for the program will be \$675,000. Columbia Gas of Kentucky's ratepayers and shareholders will share the funding.

Pursuant to the settlement agreement reached in Columbia's Rate Case No. 2016-00162, Columbia agrees to contribute \$200,000 annually of shareholder dollars. The EAP surcharge applicable to Rate Schedule GSR will be calculated to produce \$475,000 annually. Columbia will continue its existing program to eligible customers at an annual budget of \$675,000.

Cost recovery, which has been identified in the rate settlement as a surcharge, should be shown as such on the customers' bills rather than within Columbia's total billing rate. The surcharge shall be shown as a separate line item on the customers' bills identified as "Energy Assistance Program Surcharge." Columbia will file the amount of the surcharge with the Commission on an annual basis.

A reconciliation of costs and surcharge revenues will be performed annually, which will compensate for any over or under collections experienced in the prior year. The reconciliation factor will be included in the surcharge in effect over the following year. The surcharge will be based on a 12-month forecast of residential volumes.