

November 16, 2011

Chairman Robert F. Powelson
Commonwealth of Pennsylvania
PO Box 3265
Harrisburg, PA 17105-3265

Dear Chairman Powelson:

Valley Energy is taking the following steps as we head into the winter season:

- 1. Redoubling efforts to link consumers to programs that are available to help them restore and maintain service such as CAP, LIHEAP and utility or local hardship funds.** Valley Energy started contacting customers in October about reconnecting their natural gas service. If customers do not contact us and we cannot reach them by phone, we tag the door or contact the landlord. We notify the customer that the LIHEAP program is now open and we have applications on hand. We also notify them of local organizations and the Dollar Energy Fund.
- 2. 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.** Valley Energy does not offer CAP, but we do have a hardship fund (Dollar Energy) and there are a few local agencies that will help customers with their bills if faced with termination or if their service has been terminated. Customers are notified of these options when they call our or stop in our office.
- 3. 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.** Valley Energy matches up to \$5,000.00 for our Dollar Energy Fund. Printed on our bills is an option to donate to the fund and currently we have 117 customers enrolled.

4. **Restoring service to low-income customers upon enrollment into the company's Customer Assistance Program (CAP) for the first time.** See No. 2.
5. **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.** If customers have a termination notice during cold weather, Valley Energy will try to contact them and do whatever possible to help them keep their service from being terminated. We will allow a payment arrangement or let them know about LIHEAP, the Hardship Fund and local agencies that can help them.
6. **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.** Valley Energy will consider waiving the deposit for a low income customer that needs reconnection. We will also waive late fees in certain situations. Depending on the situation, we will add the reconnect fee to the customer's bill.
7. **Accepting any combination of LHEAP 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.** Valley Energy does accept these funds for reconnection. If we require more because of a large balance, we will accept funds from local agencies that can help, which will require the low-income customer to pay very little or nothing at all.
8. **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.** Before Valley Energy establishes a payment agreement with a customer, we ask for household income and expenses and will work with them to come up with a fair agreement. If they are low-income, depending on the balance due, we will use the longest term available.
9. **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 customer may be referred to LIHEAP crisis program for emergency repairs.** Valley sends safety inserts in our bills and safety information is included on our website. We do refer our low-income customers to the crisis program if they need heating repairs.
10. **Continue to promote the use of budget billing programs and third-party notification forms.** We always suggest the budget to our customers, especially

the ones that have been on payment arrangements. We currently have 639 customers on budget billing. We mail an insert about third-party notification yearly and information about this is on our website.

11. 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.

Valley encloses an insert in our bills concerning energy conservation. During the winter season we will add different tips on energy conservation as a message on the bills. We've also referred approximately 40 customers to the weatherization program through TREHAB.

Sincerely,

Nancy Pack
Customer Service Manager
Valley Energy, Inc.