

BEFORE THE
STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of

National Fuel Gas Distribution Company

Case 07-G-0141

June 2007

Prepared Exhibits of:

CONSUMER SERVICES PANEL

WILLIAM MILLS
Manager of Consumer Advocacy and
Education
Office of Consumer Services

LEONARD SILVERSTEIN
Utility Consumer Assistance
Specialist
Office of Consumer Services

State of New York
Department of Public Service
Three Empire State Plaza
Albany, New York 12223-1350

**NATIONAL FUEL GAS DISTRIBUTION CORPORATION
NEW YORK DIVISION
SERVICE QUALITY PERFORMANCE MECHANISM (SQPM)**

Appointments	≥98%	0
	97.0% - 97.9%	-25
	96.0% - 96.9%	-50
	95.9% -88.0%	-100
	< 88%	-126
New Service Installations	≥98%	0
	97.0% - 97.9%	-25
	96.0% - 96.9%	-50
	95.9% -88.0%	-100
	< 88%	-126
Residential Satisfaction	≥85.1%	0
	84.1 % - 85.0%	-25
	83.1 % - 84.0%	-50
	83.0% -79.0%	-100
	< 79.0%	-126
Non- Residential Satisfaction	≥86.0%	0
	83.3% - 85.9%	-25
	80.6% - 83.2%	-50
	80.5% -76.0%	-100
	< 76.0%	-126
Customer PSC Complaints	≤2.1	0
	2.1-2.3	-25
	2.4 - 2.6	-50
	2.6 -3.5	-100
	> 3.5	-126
Telephone Response	≥74%	0
	72.0% - 73.9%	-25
	70.0% - 71.9%	-50
	69.9% -66.0%	-100
	< 66.0%*	-126
Adjusted Bills	≤1.9%	0
	2.0% - 2.4%	-50
	2.5% - 3.5%	-100
	> 3.5%	-126
Estimated Meter Readings	≤15.9%	0
	16.0% - 18.4%	-25
	18.5% - 20.9%	-50
	21.0% - 24.0%	-100
	> 24.0%	-126

Total Units

0 - 125
126 -800
800 and above

Assessment

\$0
increases in a linear manner from \$200,000 - \$1,500,000
\$1,500,000

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
NEW YORK DIVISION
RESPONSE TO FORMAL STAFF REQUEST FOR INFORMATION
CASE 07-G-0141

- Q. Provide an estimate of the number of customers in the company's service territory that are eligible for the Low Income Customer Affordability Assistance Program (LICAAP).
- A. The Company has estimated anticipated LICAAP enrollment activity based on its experience in Pennsylvania. The needs of Distribution's low-income customers in New York would likely be equal to or greater than the needs of its Pennsylvania customers due to the fact that the winters are slightly colder in New York and, therefore, there would be slightly greater gas usage for heating purposes.

In order to be eligible for LICAAP customers must apply for HEAP and must be payment troubled. Based on the 71,580 customers currently receiving HEAP grants in NY and utilizing information n provided from the Pennsylvania PUC that 40% of HEAP recipients are payment troubled, the potential number of eligible LICAAP customers would be approximately 29,000.

Based on the Company's experience in Pennsylvania it does not anticipate that the 29,000 customers would actually apply for LICAAP service. The Company does believe that it could reasonably be anticipated that, at least for the next 3-5 years, incremental enrollment in the LICAAP program would grow by approximately 2,400 customers per year.

National Fuel Gas Distribution Corporation
Expanded Low Income Residential Assistance (ELIRA) Program
Quarterly Report for the Public Service Commission

<u>Quarter</u> <u>Ending</u>	<u>Number</u> <u>of Participants</u>	<u>Number</u> <u>Left Program</u>	<u>To-Date</u>		<u>Rate</u> <u>Discount</u>	<u>To-Date</u>
5/2/2002	28,607	0	0		\$ -	\$ -
6/30/2002	28,507	100	100		\$ 494,797.15	\$ 494,797.15
9/30/2002	24,312	4,195	4,295		\$ 710,085.66	\$ 1,204,882.81
12/31/2002	23,969	343	4,638		\$ 680,718.06	\$ 1,885,600.87
3/31/2003	23,722	247	4,885		\$ 624,235.17	\$ 2,509,836.04
6/30/2003	18,261	5,461	10,346		\$ 551,470.90	\$ 3,061,306.94
9/30/2003	16,380	1,881	12,227		\$ 478,944.25	\$ 3,540,251.19
11/30/2003	26,922	0	0	<i>Re-Enroll</i>	\$ -	\$ 3,540,251.19
12/31/2003	26,795	127	127		\$ 665,039.27	\$ 4,205,290.46
3/31/2004	25,756	1,039	1,166		\$ 686,614.32	\$ 4,891,904.78
6/30/2004	23,634	2,122	3,288		\$ 665,508.27	\$ 5,557,413.05
9/30/2004	21,272	2,362	5,650		\$ 621,068.61	\$ 6,178,481.66
12/31/2004	21,489	-217	5,433		\$ 621,781.55	\$ 6,800,263.21
3/31/2005	21,085	404	5,837		\$ 564,746.98	\$ 7,365,010.19
6/30/2005	19,950	1,135	6,972		\$ 556,490.62	\$ 7,921,500.81
8/31/2005	21,648	0	0	<i>Re-Enroll</i>		\$ 7,921,500.81
9/30/2005	20,688	960	960		\$ 728,461.94	\$ 8,649,962.75
12/31/2005	21,211	0	0	<i>*Re-Enroll</i>	\$ 957,914.44	\$ 9,607,877.19
3/31/2006	20,528	683	683		\$ 1,006,301.97	\$ 10,614,179.16
6/30/2006	19,013	1,515	2,198		\$ 920,206.15	\$ 11,534,385.31
9/30/2006	15,300	3,713	5,911		\$ 652,125.94	\$ 12,186,511.25
12/31/2006	14,330	970	6,881		\$ 667,917.52	\$ 12,854,428.77
3/31/2007	13,485	845	7,726		\$ 682,568.35	\$ 13,536,997.12

*Re-Enroll was to enroll acct's off in Aug '05

Revised 01/10/2005

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
NEW YORK DIVISION
RESPONSE TO FORMAL CPB REQUEST FOR INFORMATION
CASE 07-G-0141

- Q. Please provide an overview of the company's implementation of the new LICAAP program, identifying how the company is measuring the program success and the transition from LIRA. Provide the detail of all administrative costs incurred for the last two years of the new program. Include the number of employees added.
- A. The first phase of the new LICAAP was to get it up and running as quickly as possible to bring the benefits to our customers. Distribution has recently started a second phase to develop customized reporting in order to help analyze data and evaluate the success of the program. These types of reports are now in the design phase.

As of April 16, 2007, there have been a total of 2,129 customers enrolled in LICAAP since its inception. Of those, 522 have dropped out of LICAAP for various reasons. Typically, customers have been removed for non-payment. However, they have also left for other reasons.

Of then active LICAAP accounts on the report dates listed, the following were considered current:

<u>Date</u>	<u># of Accounts</u>	<u># Current</u>	<u>% Current</u>
2/4/2007	1781	1607	90.2
3/4/2007	1672	1521	91.0
4/8/2007	1612	1454	90.2

See the Response to Interrogatory CPB-18 for the administrative costs of LICAAP. There have not been new employees added by the Company to date for administration of the program.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
NEW YORK DIVISION
RESPONSE TO FORMAL STAFF REQUEST FOR INFORMATION
CASE 07-G-0141

- Q. Explain how the late payment charges are calculated and included in a DPA.
- A. The late payment charge is calculated in the same manner regardless of the type of bill. The calculation as described below is made on each bill and added if an overdue balance is determined.

Calculation of Late Payment Charges

Note: No Late Payment Charges are charged for the following conditions:

- Direct Pay
- System consumption adjustments
- Account has an LPC Freeze Code
- STBA Accounts
- Previous billing occurrence adjustment
- Reconnection Bill
- Account revenue class equals Public Authority or Public Authority Housing

Calculation of Overdue Amount

The Overdue Amount is defined as that portion of the current balance, which is considered to be delinquent. Late payment charges are assessed on the overdue amount.

The Overdue Amount is calculated as follows:

- 1) Current balance
At time of billing, a new Current Balance is established.
- 2) Removal of charges not delinquent
Any charges, applied since the last bill, that are not delinquent are subtracted from the Current Balance.
- 3) Removal of Marketer balances
Any Marketer balances are subtracted from the Current Balance.
- 4) Removal of Hold amounts
Subtract any amounts currently under active Hold.
- 5) Late Payments
Payments posted after the late payment charge date are then subtracted.

The resulting Balance becomes the Overdue Amount.

If the overdue amount ≤ 0 . Stop. Process complete, no LPC is calculated.

Late Payment Charge = Overdue Amount x 0.015

DPS-200 Updated
Witness: Truitt
Page 1 of 2

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
NEW YORK DIVISION
RESPONSE TO FORMAL STAFF REQUEST FOR INFORMATION
CASE 07-G-0141

- Q. For each of the last five years, please list the late payment charges included in the DPAs.
- A. This information is not available previous to January 2005. See attached for January 2005 to November 2006. December 2006 to current will be provided when available.

Updated for data between December 2006 and March 2007.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
NEW YORK DIVISION
RESPONSE TO FORMAL STAFF REQUEST FOR INFORMATION
CASE 07-G-0141

	<u>Flat</u> <u>Payment</u>	<u>Negotiated</u>	<u>Standard</u>	<u>Minimum</u> <u>Reinstated</u>	<u>Minimum</u> <u>Reinstated</u>	<u>Settlement</u> <u>Stipulation</u>	<u>Total</u>
Jan 05	49.15	34,217.44	124,694.83	65,507.91	28,839.09	13.47	253,321.89
Feb 05	52.41	33,362.47	169,559.70	66,096.01	28,336.17	16.86	297,423.62
Mar 05	56.26	33,387.25	219,149.28	77,020.58	29,141.91	9.64	358,764.92
Apr 05	60.12	34,842.76	260,630.57	82,209.67	33,728.09	574.51	412,045.72
May 05	62.15	32,654.91	231,210.42	86,033.09	33,826.67	736.02	384,523.26
Jun 05	64.76	35,180.14	202,461.33	93,549.42	28,924.66	321.74	360,502.05
Jul 05	65.46	34,603.63	177,546.15	98,944.65	28,243.45	15.35	339,418.69
Aug 05	83.10	34,213.94	156,101.24	105,668.49	29,395.03	6.41	325,468.21
Sep 05	83.44	24,212.39	130,251.25	109,511.16	32,903.52	7.86	296,969.62
Oct 05	85.14	31,289.54	119,889.73	114,303.46	32,971.21	10.03	298,549.11
Nov 05	86.33	29,360.94	120,795.91	114,791.75	33,088.80	0.00	298,123.73
Dec 05	91.35	31,035.63	148,349.91	116,205.18	34,067.96	25.90	329,775.93
Jan 06	98.29	32,116.37	205,695.71	100,444.48	32,701.86	35.88	371,092.59
Feb 06	108.75	31,880.27	272,454.07	90,626.31	35,544.97	27.35	430,641.72
Mar 06	86.37	32,084.25	322,156.93	94,747.25	38,382.77	28.05	487,485.62
Apr 06	91.03	35,471.09	363,025.10	92,283.81	44,681.79	32.91	535,585.73
May 06	99.68	35,101.47	296,051.21	94,360.99	45,354.31	7.80	470,975.46
Jun 06	103.99	36,766.33	246,116.39	111,970.61	46,799.05	28.84	441,785.21
Jul 06	106.26	37,748.26	207,596.75	117,547.34	43,879.91	24.77	406,903.29
Aug 06	100.65	35,105.20	162,124.37	122,147.47	41,394.16	0.00	360,871.85
Sep 06	101.60	32,706.03	142,450.77	121,677.10	40,981.00	6.05	337,922.55
Oct 06	103.89	29,654.05	125,894.35	130,146.15	43,147.12	6.56	328,952.12
Nov 06	105.17	30,691.92	121,998.07	133,543.45	42,201.85	0.00	328,540.46
Dec 06	108.45	31,240.26	130,140.89	126,226.43	39,441.23	0.00	327,157.26
Jan 07	111.31	28,752.36	161,571.59	115,166.41	37,308.19	0.00	342,909.86
Feb 07	115.54	26,854.05	201,135.80	109,520.45	44,579.22	0.00	382,205.06
Mar 07	120.53	25,582.94	233,359.74	106,180.48	46,752.18	0.00	411,995.87

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
NEW YORK DIVISION
RESPONSE TO FORMAL STAFF REQUEST FOR INFORMATION
CASE 07-G-0141

Please refer to Exhibit____(RLT-3), work papers, Sheet 103:

- a. For fiscal 2006, you show promotional expense of \$945,453. Please provide an analysis that breaks down the \$945,453 by program and amount spent for each.
 - b. Provide a description of each program in a.
 - c. You have simply taken the historic level of \$945,453 and added inflation of \$55,111 for a rate year level of \$1,000,564 (Exhibit____(RLT-3), Schedule 14, Sheet 3). Please provide rate year programs and an estimated amount to be spent on each.
 - d. Provide a description of each program in c.
-
- A.
 - a. See the attached analysis.
 - b. See the attached analysis.
 - c. There is not a specific forecast by program. As stated in the question the historic level was inflated. This is discussed in my testimony on page 29, lines 20-25.
 - d. The program descriptions are listed in the response to b.

DPS-190
 Witness: Truitt
 Page 2 of 2

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
 NEW YORK DIVISION
 REAPONSE TO FORMAL STAFF REQUEST FOR INFORMATION
 CASE 07-G-0141

		Total	1.058291 Inflated
560120 School Program	Education expenditures	\$4,475.00	\$4,735.85
561400 General Information Advertising	Online Services	3,352.37	3,547.78
561500 Misc Targeted	Targeted Informational Advertising	2,043.05	2,162.14
561600 Cost of Gas	Gas Costs	363,458.80	384,645.18
561640 Safety	Safety	37,699.28	39,896.81
561660 Low Income Program	Low Income Programs	15,803.16	16,724.34
561670 Neighbor	Neighbor For Neighbor Heat Fund	23,628.41	25,005.73
561680 Carbon Monoxide	Carbon Monoxide	21,362.69	22,607.94
561700 General Rates	Legal Notices	20,410.15	21,599.88
	Energy Conservation Services and Programs	1,286.25	1,361.23
	Miscellaneous - Includes Assistance Program, Earned Income Credit, Finance Worksheet, Budget Plan, Food Stamps		
561720 Payment Services	Programs for Seniors, Elderly, Blind & Disabled, Special Protections	46,661.81	49,381.77
561730 Programs for Services	Shared Meter and Read Meter	12,672.51	13,411.20
561750 Read Metr	Misc Residential Information - Good Friday, Election Day, NY Rate Case	6,657.44	7,045.51
561770 Misc. Info Resident	Basic Customer Service, New Services	28,637.85	30,307.18
561790 Basic Cust Service	Charges for Listings in Phone Books (Telecommunications Dept)	3,356.85	3,552.52
561820 Phone Directory Listing	Customer Choice	29,543.73	31,265.86
561830 Energy Select Prog	Targeted Informational Advertising in the Community	10,605.32	11,223.51
570220 Targeted Preference	Promotional Advertising in the Community	65,282.08	69,087.44
570230 Misc. Prom Preference	Co-Op Advertising for Dealers	1,307.00	1,383.19
570300 Dealer Co-op	Home and Garden Shows Support (Energy Services)	130,375.87	137,975.61
570310 Home & Garden Show	Co-Op Advertising for Builders	7,124.00	7,539.27
570320 Builder Co-op	Onsite Home Shows for Builders (Energy Services)	56,759.90	60,068.49
570330 Bldr On-Site Home Sh	Builder Trade Support (Energy Services)	2,824.44	2,989.08
570340 Builder Trade Support	Promotional Advertising for Residential Customers	1,000.00	1,058.29
570350 Misc Promo Resident	Promotional Advertising for Commercial and Industrial Customers (Energy Services)	12,153.50	12,861.94
570530 Misc Promo Com & Ind	Economic Development (Energy Services)	(335.00)	(354.53)
570560 Economic Development		3,260.00	3,450.03
	Public Education, Integrity, Management and Safety, Call Before You Dig, Encroachment (Land Department)		
580435 Public Awareness Guideline	Office & Supply Expenses	28,756.01	30,432.23
581040 General Office Expenses	Recruitment Ad in Buffalo News	882.14	933.56
581100 Recruitment Exp.		4,408.11	4,665.06
		<u>\$945,452.72</u>	<u>\$1,000,564.10</u>