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BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Application of The )  
Cincinnati Gas & Electric Company for an ) Case No. 01-1228-GA-AIRPUCO  
Increase in its Gas Rates in its Service )  
Territory. )

In the Matter of the Application of The )  
Cincinnati Gas & Electric Company for ) Case No. 01-1478-GA-ALT  
Approval of an Alternative Rate Plan for its )  
Gas Distribution Service. )

In the Matter of the Application of The )  
Cincinnati Gas & Electric Company for ) Case No. 01-1539-GA-AAM  
Approval to Changes Accounting Methods )

WRITTENT TESTIMONY  
OF  
GWEN L. ROBINSON

SUBMITTED ON BEHALF OF  
OHIO PARTNERS FOR AFFORDABLE ENERGY

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1 **Q. Please state your name, occupation and business address.**

2 A. My name is Gwen L. Robinson. I am President and Chief Executive  
3 Officer of Cincinnati/Hamilton Community Action Agency, 2904 Woodburn  
4 Avenue, Cincinnati, Ohio 45206.

5 **Q. Could you please summarize your professional experience as it**  
6 **relates to your testimony in this proceeding?**

7 A. I have been the President and Chief Executive Officer of  
8 Cincinnati/Hamilton Community Action Agency since 1995. In that  
9 capacity, I have management responsibility for the Emergency Home  
10 Energy Assistance Program and Home Energy Assistance Program, as  
11 well as the Home Weatherization Assistance Program and other  
12 weatherization and housing services provided by our agency. I am also  
13 President of the Ohio Association of Community Action Agencies, a  
14 statewide organization which analyzes and participates in public policy  
15 activities in a variety of areas, including energy issues. Finally, I was  
16 appointed by Governor Taft to serve as a member of the Public Benefits  
17 Advisory Board in 1999. The Board oversees and provides policy  
18 guidance to the Governor and the Department of Development regarding  
19 the operation of the Universal Service Fund and the two programs which  
20 are financed by the fund, the electric Percentage of Income Payment Plan  
21 and the Targeted Energy Efficiency Program, as well as the Energy  
22 Efficiency Revolving Loan Fund. Prior to my employment with  
23 Cincinnati/Hamilton Community Action Agency, I served as Executive

1 Director of the Department of Human Services, City of Rockford, Illinois.

2 In this capacity I also was responsible for a board array of economic  
3 development and community development, along with similar energy  
4 programs.

5 **Q. Could you please describe the general role and scope of services**  
6 **provided by your agency?**

7 A. Cincinnati/Hamilton Community Action Agency is a nonprofit organization  
8 providing a wide array of services to the low income population of the City  
9 of Cincinnati and Hamilton County. We operate programs in the following  
10 areas: employment; education, including Head Start; income  
11 management; housing, including the Home Weatherization Assistance  
12 Program; emergency services, including the Emergency Home Energy  
13 Assistance Program; nutrition; linkages, which assist families in obtaining  
14 services from other sources; family development; and, health. We also  
15 process all applications and conduct income reverification of clients  
16 participating in Cincinnati Gas & Electric's Percentage of Income payment  
17 Plan (PIPP). Overall, our programmatic focus is designed to assist low  
18 income households to achieve self-sufficiency, while providing critical  
19 services to the most vulnerable of our society.

20

21 Like all fifty-four community action agencies throughout Ohio,  
22 Cincinnati/Hamilton Community Action is governed by a local board that

1 includes low income people, local political leaders, and representatives of  
2 the private sector.

3 **Q. Could you please describe the importance of the energy services**  
4 **provided by your agency?**

5 A. Energy services represent a critical component of the comprehensive  
6 service we provide to low income households. Energy is the second  
7 largest cost associated with housing after the rent or mortgage. As such,  
8 providing bill assistance to improve affordability or, more importantly,  
9 providing state-of-the-art weatherization services to reduce the amount of  
10 energy consumed in a particular dwelling are critical to helping families  
11 achieve self-sufficiency.

12 **Q. What other programs, in your expert opinion, are critical to energy**  
13 **affordability for low income households in Ohio and in the region**  
14 **served by your agency?**

15 A. Utility financed weatherization programs that supplement existing federal  
16 and state demand reduction programs are tremendously important  
17 sources of funding. My organization, in conjunction with many other  
18 Cincinnati-area groups, advocated for an expansion of these programs in  
19 Cincinnati Gas & Electric's last natural gas rate case. I believe the

20 increase in funding approved by the Public Utilities Commission of Ohio  
21 and proposed to be continued by the Cincinnati Gas & Electric Company  
22 in this current case are very important even though my agency does not  
23 currently receive any funding from this source. The funding provided for

1 the program should be expanded at a minimum to reflect increases in the  
2 cost of living and potentially more given the recent price volatility in the  
3 natural gas market. A second critical program is the Percentage of  
4 Income Payment Plan.

5 **Q. What is your agency's experience with PIPP?**

6 A. Our agency handles all of the paperwork and income verification for  
7 Percentage of Income Payment Plan applications, for both gas and  
8 electric customers. Because we are also the local operator of the Home  
9 Energy Assistance Program (HEAP) we see thousands of the company's  
10 low income customers who need help paying their utility bills and virtually  
11 all of the company's Percentage of Income Payment Plan customers.

12 **Q. How does PIPP benefit low income customers?**

13 A. This program allows customers with incomes under 150% of the poverty  
14 line to avoid disconnection by paying 10 percent of their incomes for their  
15 primary energy sources – generally natural gas – and 5 percent for the  
16 secondary heating source. Residents of all electric housing pay 15  
17 percent of income. Based on my experience, this program is particularly  
18 critical to those with incomes equal to or less than 100 percent of the  
19 poverty line. However, a downside of the program is that participants

20 accumulate arrearages, which are the difference between the amount they  
21 pay and the actual bill.

22 **Q. How does the accumulation of arrearages harm customers?**

1 A. In my experience both as a member of the Public Benefits Advisory Board  
2 and in working with the various programs in my agency, accumulated  
3 arrearages under the Percentage Income Payment Program are a major  
4 barrier for many families that are attempting to move out of poverty and  
5 into self-sufficiency. The existence of these arrearages prohibits clients  
6 from obtaining credit, preventing them from obtaining financing for the  
7 purchase of an automobile or a house or other goods. The arrearages  
8 also affect housing and mobility, restricting former customers with  
9 arrearages to rental housing where utilities are master-metered. This type  
10 of housing is increasingly hard to find. Existing repayment and arrearage  
11 crediting programs do not effectively address the negative aspects of the  
12 accumulated arrearages. Overall, while the Percentage of Income  
13 Payment Plan is successful at keeping utilities on for low income families,  
14 the accumulated arrearages serve to keep poor households poor by  
15 creating financially insurmountable barriers. The causes of poverty are  
16 diverse and the path to self-sufficiency is equally complex. In my  
17 experience, accumulated Percentage of Income Payment Plan arrearages  
18 serve to keep poor families poor. National data indicates that low income  
19 households on average spend 19 percent of their incomes on energy.  
20 Regionally, low-income households in the Midwest who heat with gas  
21 spent 26 percent of their income on household energy last year. In Ohio,  
22 at least during the heating season, that percentage is effectively limited to  
23 15 percent for participants in the Percentage Income Payment Program.

1           However, that percentage is still much higher than the percentage of  
2           income a median income household pays for energy – 4.6 percent. Given  
3           that most families emerging from poverty do not immediately move into  
4           the middle class, they continue to pay a high percentage of income for  
5           essential energy services. As families emerge from poverty, they lose the  
6           benefits provided by a broad array of programs, including direct income  
7           assistance, Food Stamps, and housing assistance. They are forced to  
8           pay these costs out of pocket. Thus, the ability to eliminate arrearages  
9           incurred under the Percentage Income Payment Plan simply does not  
10          exist. I understand that in some cases individuals have been forced into  
11          bankruptcy, with the arrearages being the primary debt to be discharged.

12          **Q. What can be done to solve this problem?**

13          A. I would recommend expanding the partial solution contained in Amd.  
14          Subst. Senate Bill 3, which provided a limited forgiveness for electric  
15          Percentage Income Payment Plan arrearages for elderly and disabled  
16          clients who were current on their bills to provide a complete forgiveness of  
17          arrears that are more than one year old. Comments made in the  
18          General Assembly during passage of Amd. Subst. Senate Bill 3 indicated  
19          that the arrearage forgiveness for electric had no financial implications for  
20          either the utility companies or ratepayers. To my knowledge, few  
21          participants in the Percentage Income Payment Plan succeed in paying off  
22          their arrearages. Utility companies are made whole through the PIPP  
23          Rider or the Universal Service Rider and Fund, a point acknowledged by a

1 CGE witness during a deposition in this case. Forgiving arrearages that  
2 are more than one year old will help wipe the slate clean for many low  
3 income families allowing them to start down the road to self-sufficiency  
4 without the lodestone of Percentage Income Payment Plan arrearages  
5 around their necks.

6 **Q. Do you have a sense of the size of the arrearages faced by individual**  
7 **families?**

8 A. We have seen families with over \$20,000 in accumulated Percentage  
9 Income Payment Plan arrearages. Based on a review of information  
10 developed regarding Cincinnati Gas and Electric customers in this  
11 proceeding, there are 162 active and final Percentage of Income Payment  
12 Plan customers with arrearages in excess of \$10,000. There are 799  
13 active and final Percentage of Income Payment Plan customers with  
14 arrearages between \$5,001 and \$10,000. There are 1,338 active and final  
15 Percentage of Income Payment Plan customers with arrearages between  
16 \$3,001 and \$5,000. There are 1633 active and final Percentage of  
17 Income Payment Plan customers with arrearages between \$2,001 and  
18 \$3,000. And, there are 3,978 active and final Percentage of Income  
19 Payment Plan customers with arrearages between \$1,000 and \$2,000.

20 **Q. How many of the Percentage of Income Payment Plan participants**  
21 **are on the Commission prescribed arrearage crediting program?**

22 A. According to the most recent Ohio Statistics on Customer Accounts  
23 Receivable (OSCAR) report, there are 100 Cincinnati Gas and Electric



1 customers on the arrearage crediting program. There are 19,054 final  
2 customers that potentially qualify for the program.

3 **Q. What conclusion do you draw from this data?**

4 A. The conclusion is clear: Percentage Income Payment Plan customers  
5 cannot repay their arrearages. Continuing the accrual of arrearages under  
6 the guise of ultimate repayment is a fiction. Repayment is not occurring.  
7 The rational policy response is to eliminate the repayment requirement for  
8 long term debts while keeping customers in the program on an annual  
9 basis so there is some recouping of program costs during the summer  
10 months, at least in the natural gas program. Studies of affordability  
11 programs run by other utilities show that a utility can reduce its collection  
12 costs and increase revenues collected by reducing the burden that low-  
13 income customer's face in purchasing household energy.

14 **Q. Does C.G. & E. compensate your agency for processing applications**  
15 **for the Percentage of Income Payment Plan for its natural gas**  
16 **customers?**

17 A. No.

18 **Q. What are the current sources of funding for the Cincinnati/Hamilton**  
19 **Community Action Agency Weatherization Program?**

20 A. The vast majority of the funding used to provide weatherization services  
21 comes from the federally-funded Home Weatherization Assistance  
22 Program, which is administered by the State of Ohio. In the current  
23 Program Year which began in April 2001, our allocation was \$1,365,131.

1 During Calendar Year 2001 we also received a contract for \$70,900 from  
2 Cincinnati Gas & Electric to replace refrigerators in homes that are served  
3 under the Home Weatherization Assistance Program.

4 **Q. Can you identify any particular areas where an incremental increase**  
5 **in funding would be the most valuable?**

6 A. Our primary funding source, the Home Weatherization Assistance  
7 Program, can only provide a limited amount of funding for furnace  
8 replacements and roof repairs and replacements because of statutory and  
9 regulatory restrictions. Our agency commonly expends all the funding  
10 available for furnace replacements prior to the end of the program year.  
11 Because of a lack of funding we are also forced to decline to provide  
12 service to potential clients that need roof replacements or significant  
13 repairs. Additional funding for these two areas would permit our agency to  
14 service low income households with the most serious needs and the  
15 greatest potential for energy savings.

16 **Q. Does this conclude your prepared testimony?**

17 A. Yes.

## RESUME

**GWEN L. ROBINSON**  
**Management Support Team**  
**Cincinnati-Hamilton County Community Action Agency**

## QUALIFICATIONS

Ms. Robinson has over 21 years comprehensive experience in the design, development, implementation and management of community services programs targeting children and families. She is a highly effective administrator with the vision and experience to restructure jeopardized operations into fiscally accountable organizations that meet or exceed established goals and objectives.

## EXPERIENCE

- 1995 - Present     **President and CEO, Cincinnati-Hamilton County Community Action Agency, Cincinnati, OH**  
Administrator of a multi-functional human services agency that provides services to over 5,000 children through the Head Start Program and over 25,000 families through the job readiness, small business development, housing, emergency services, energy assistance and the weatherization programs.
- 1982 - 1995     **Executive Director, Department of Human Services, City of Rockford IL, Rockford, IL**  
Successfully redefined a large multi-faceted organization that was a department of the city of Rockford. Directly reported to the mayor. Administered a \$5.8 million dollar budget. Received national recognition from the Ford Foundation and United Way. Appointed by the Governor to several commissions on youth and aging. Dealt with Affirmative Action for the city and the EEO issues. Prepared the budget, strategic plans and economic development and community development work within the city.
- 1971 - 1982     **Associate Director for Ken-rock Community Center, Rockford, IL**  
Managed the day-to-day operations for community center servicing diverse populations. Recruited, developed and managed personnel at both sites.

## EDUCATION

B.A., Public Administration, Northern Illinois University, DeKalb, IL  
A.S.W., Social Work, Rock Valley Jr. College, Rockford, IL  
Certified Community Action Professional (CCAP) (one of 35 in the nation.  
Penn State University, MO.