

Notice to Columbia Gas of Pennsylvania Residential Customers regarding new customer credit and collection rules under Pennsylvania Act 201

Dear Columbia Gas of Pennsylvania Customer:

Let us start by saying thank you. We value your business and we value you as a customer. And we appreciate your efforts to pay your bills regularly and on time.

We are writing today to inform you about a new law called the Responsible Utility Customer Protection Act (Act 201) that became effective on Dec. 14, 2004.

This new consumer protection law changes the rules pertaining to how natural gas, electric and water utilities interact with their customers. Act 201 created new rules for collecting money on past due accounts, to help utilities keep costs down and protects the needs and concerns of the disadvantaged, the elderly and thousands of utility customers who pay their bills responsibly.

We wish to make it very clear to you that these new rules will have minimal impact on the 90 to 95 percent of Columbia's customers who pay their bills fully and on time.

For those customers - with good income - who took advantage of prior rules to avoid paying their bills, Act 201 sets new deposit and payment terms, creates a plain set of rules for shut offs and reconnection, and sets clear, income-based standards for payment of past-due balances. It also allows for termination of service in winter months in severe cases of non-payment.

Whatever new rules the state's utilities choose to enforce, the Pennsylvania Public Utility Commission will still have the final say on the legality of the enforcement.

In signing the legislation, Governor Edward G. Rendell said it was intended to end "rampant abuse of existing rules for payment plans and shutoffs." He said that the old rules, "protect the vulnerable, but they also opened the door to widespread abuse," and "such abuse only penalizes the vast majority of customers who pay their bills fully and on time."

Governor Rendell said the new law "contains a balanced set of measures designed to address the problem of rising utility bill delinquencies, while at the same time ensuring that service remains available under reasonable terms to customers with legitimate emergency, financial and medical problems."

We at Columbia Gas of Pennsylvania agree. But we want to stress, again, that for many of our customers who pay their bills on time, and for our customers with special needs, there are programs and assistance available to help keep you bills current. Budget payment plans and payment arrangements remain an option for all customers regardless of income.

The attached information outlines some of the key portions of Act 201 changes. Thank you again for your efforts. We value you as our customers.

Notice to Columbia Gas of Pennsylvania Residential Customers

Dear Customer:

The Governor signed a new law called the Responsible Utility Customer Protection Act (Act 201 or Law) that became effective on December 14, 2004. The Law makes new rules to help utilities keep costs down. To keep costs down, we have new rules for collecting money on past due accounts. These rules also apply to deposits, payment agreements and service accounts that have been shut off. This notice will tell you about the changes we will be making because of the Law.

Shut-Off of Utility Service – Columbia Gas of Pennsylvania can shut off your service if you fail to do any one of the following: to pay for service, to keep a payment agreement, to pay a deposit or to allow us to get to our equipment.

We will send you a 10-day notice. Once you get this notice, we have 60-days to shut off your service. Next, we will try to talk to you at least 3 days before the shut off date. From December through March, if we do not talk to you, we will leave a notice 48 hours at the residence before we shut off your service. If we shut off your service, we will leave a notice to tell you what you need to do to get service back on.

There are certain times we may shut off your service without giving you notice. These include stealing service, getting service through fraud, tampering with our meter, or if there is an unsafe condition.

The Law now allows us to shut-off service on all weekdays, including Fridays. Columbia Gas of Pennsylvania may also now shut-off your service during the winter (December 1 – March 31). We do not need to get Public Utility Commission (PUC) approval first. But, we will give you notice. If your household income is below 250% of the federal poverty guidelines, we must first ask the PUC for permission to shut off your service. For example, this means if there are 3-people in your household, your monthly household income must be below \$3,265 to require PUC involvement before termination.

If you give us a bad check to stop termination, we may shut off your service without any further notice.

Payment to Restore Service – Depending on your income and payment history, we may require you to pay the full bill or we may make a payment agreement. We may also require you to pay a reconnect fee and a deposit. If you have broken two or more payment agreements, we may require payment of the full balance.

Any adult who lived at a home that we shut-off for an overdue bill may have to pay all or part of that balance if you want service in your name.

Between December 1 and March 31, we will reconnect your service within 24 hours after you pay the bill. During other times of the year, we may take three to seven days to restore service.

Deposits – You may have to pay a deposit if you do not have good credit. You do not have good credit if you fail a credit test, have a poor payment history with us, or were shut-off for an overdue bill. The amount of the deposit may be equal to two average bills. We will pay 6% interest (simple interest) on your deposit.

Payment Agreements – The Public Utility Commission (PUC) may make payment agreements between utilities and customers. The Law allows the agreements to vary between 6 months and 5 years depending on your income. If you break the PUC payment agreement, the PUC may set up a second payment agreement only if your income has changed. If you are enrolled in the Columbia Gas of Pennsylvania Customer Assistance Program, the Law does not allow the PUC to make any additional payment agreement if you fail to make the monthly CAP payments.

Responsibility for Bills – We may require any adult who lives with you and whose name is on your mortgage, deed or lease to be responsible for bills. We may ask you to prove who you are and who lives with you.

Medical Certificate – We may delay shut-off if you or someone living with you is seriously ill. We will delay the shut-off if a licensed physician or nurse practitioner states that the shut-off will harm the ill person. You will need to ask your doctor to write a letter to explain your situation.

Complaints to the PUC – You must first contact Columbia Gas of Pennsylvania to complain about a problem. If you are not satisfied with our answer, you may then contact the PUC. You must pay any undisputed amounts and current bills while the PUC is looking into your complaint. If you do not pay undisputed amounts or current bills, we will shut off your service.

For more information about Columbia Gas of Pennsylvania's changes, please visit our web site at www.columbiagas.com or call us at 1-888-460-4332.