

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265**

Public Meeting held May 12, 2022

Commissioners Present:

Gladys Brown Dutrieuille, Chairman
John F. Coleman, Jr., Vice Chairman
Ralph V. Yanora

Petition to Temporarily Increase Hardship Grants to Duquesne Light Company's Eligible Customers	P-2022-3031621
Duquesne Light Company Universal Service and Energy Conservation Plan for 2020-2025 Submitted in Compliance with 52 Pa. Code § 54.74	M-2019-3008227
Pennsylvania Public Utility Commission v. Duquesne Light Company	R-2021-3024750
Duquesne Light Company Universal Service and Energy Conservation Plan for 2017-2019 Submitted in Compliance with 52 Pa. Code § 54.74	M-2016-2534323

ORDER

BY THE COMMISSION

Before us for disposition is the Petition of Duquesne Light Company (Duquesne), filed pursuant to 52 Pa. Code § 5.41, on March 28, 2022, at Docket Nos. P-2022-3031621, M-2019-3008227, and R-2021-3024750 (March 2022 Petition). Duquesne seeks to, *inter alia*, temporarily increase the number and amount of Hardship Fund grants it may issue to eligible customers per year. Specifically, Duquesne proposes to allow eligible low-income customers to qualify for two (2) Hardship Fund grants per

year for 2022 and 2023. As proposed, electric non-heating customers (ENH) could receive up to \$500 per grant, and electric heating (EH) customers could receive up to \$1000 per grant. There is no opposition to the March 2022 Petition. This Order grants the March 2022 Petition.

BACKGROUND

Universal Service and Energy Conservation Plan Hardship Fund Provisions

Duquesne's currently effective Universal Service and Energy Conservation Plan (USECP) is its 2017 USECP, which was first approved by the Commission at Docket No. M-2016-2534323, by order entered on July 20, 2017. The Commission approved amendments to the 2017 USECP in an order entered on April 19, 2018, at that docket.

As required by 52 Pa. Code § 54.74(b), Duquesne maintains a Hardship Fund program. The program is administered by Dollar Energy Fund (DEF) and provides grants to income-eligible residential customers. The 2017 USECP states that customers are eligible for Hardship Fund assistance if they meet all of the following criteria:

- (1) Have household incomes at or below 200% of the Federal Poverty Income Guidelines (FPIG).¹
- (2) Have a residential account and reside at the address.
- (3) Have a balance with Duquesne of at least \$100; customers age 62 and older are not required to have a balance due, but cannot have a credit balance.
- (4) Have made a minimum payment of \$150 towards their electric bill within the last 90 days or have made three consecutive customer assistance program (CAP)

¹ As described below, pursuant to the terms of the 2021 Base Rate Case at Docket No. R-2021-3024750, the income eligibility limit for Duquesne's Hardship Fund program was temporarily increased from 200% of the FPIG to 300% of the FPIG through December 31, 2023.

payments; customers aged 62 and older must have paid at least \$100 within the last 90 days.

Duquesne's 2017 USECP, Docket No. M-2016-2534323 (filed on March 12, 2018), at 19.

Duquesne's Hardship Fund is not available to all eligible customers through the year. Duquesne restricts Hardship Fund availability based on the time-of-year and a customer's account status, as follows:

- October 1 to November 30 – Electric service off or in termination status.
- December 1 to January 31 – Electric service off only.
- February 1 to February 28 – Electric service off or in termination status.
- March 1 to September 30, or until only 10% of funds remain – Open to all eligible customers, regardless of account status.
- When only 10% of funds remain – Electric service off only.

Duquesne's 2017 USECP at 19.

The Hardship Fund currently provides a grant of up to \$500. A customer is currently limited to one Hardship Fund grant per year. Duquesne places a 30-day stay on termination activity when a Hardship Fund grant is received for the account. The Hardship Fund grants are funded through donations and corporate contributions and use no ratepayer funds. Duquesne matches customers contributions to its Hardship Fund up to \$375,000 annually, which results in a maximum annual program budget of \$750,000. Hardship Fund administrative costs, which may be up to \$75,000 annually, are recovered from Duquesne residential ratepayers. Duquesne's 2017 USECP at 19-20.

Duquesne's 2020-2025 USECP (2020 USECP) was approved by the Commission in an Order entered on April 21, 2022 at Docket No. M-2019-3008227, which directed Duquesne to file a revised 2020 USECP consistent with the Order within 30 days (*i.e.*, due on or before May 23, 2022). The 2020 USECP does not propose any changes to Duquesne's Hardship Fund program. Duquesne filed its March 2022 Petition at the 2020 USECP docket as well.

2021 Base Rate Case (BRC), Docket Nos. R-2021-3024750, *et al.*

On April 16, 2021, Duquesne filed for a general rate increase at *Pa. PUC, et al., v. Duquesne Light*, Docket Nos. R-2021-3024750, *et al.* (2021 BRC). On September 3, 2021, a Joint Petition for Approval of Settlement (2021 BRC Settlement)² was filed in the 2021 BRC, providing, *inter alia*, for changes impacting Duquesne's universal service programs. The Administrative Law Judge (ALJ) in an October 12, 2021 Recommended Decision recommended approval of the universal service provisions in the 2021 BRC Settlement. The Commission adopted this aspect of the Recommended Decision by order entered on December 16, 2021. On January 4, 2022, Duquesne provided notice to the parties via a letter filed and served at Docket Nos. R-2021-3024750, M-2016-2534323, and M-2019-3008227, (January 2022 Letter) of the resulting universal service provisions and their effective dates.³

As articulated in the 2021 BRC Settlement, Duquesne, *inter alia*, agreed to increase Hardship Fund household income eligibility from 200% to 300% of the FPIG from January 1, 2022, through December 31, 2023. Duquesne also agreed to

² The Joint Petitioners in Duquesne Light's 2021 BRC Settlement were: Duquesne, the Commission's Bureau of Investigation and Enforcement (BIE), the Office of Consumer Advocate (OCA), the Office of Small Business Advocate (OSBA), the Coalition for Affordable Utility Service and Energy Efficiency (CAUSE-PA), the Pennsylvania Weatherization Providers Task Force, Inc. (PWPTF), ChargePoint, Inc. (ChargePoint), and the Natural Resources Defense Council, Inc. (NRDC).

³ The January 2022 Letter can be viewed at <https://www.puc.pa.gov/pdocs/1729574.pdf>.

(1) contribute an additional \$1 million per year to its Hardship Fund; and (2) direct existing Hardship Funds and 75% of the additional Hardship Fund monies to households with incomes at or below 200% of the FPIG, unless unspent in the year in which funds are reserved. Beginning July 1 of each year, unused Hardship Funds will be made available to all eligible customers. 2021 BRC Settlement at 13-14, ¶53.

Summary of the March 2022 Petition

The March 2022 Petition proposes to allow customers that meet all of the following criteria to receive up to two (2) Hardship Fund grants per year for 2022 and 2023,⁴ subject to the restrictions based on time-of-year and account status:

- Provide proof of monthly household income at or below 300% of the FPIG.
- Have a residential account and reside at the premise address.
- Have made a minimum payment of \$50 toward their utility bill or one CAP payment in the last 90 days.

March 2022 Petition at 3.

Duquesne is proposing to temporarily eliminate the requirement that customers have an overdue balance to qualify for Hardship Fund grants during this temporary period.

Eligible ENH customers (*i.e.*, customers who are billed in accordance with the Residential Service) could receive two (2) grants, up to \$500 each, in 2022 and 2023.

⁴ The March 2022 Petition proposed to adopt these temporary changes during the 2022 and 2023 “program years.” DEF Hardship Fund program years run from October to September. In a letter filed on April 20, 2022, at March 2022 Petition dockets, Duquesne clarified that it is proposing to adopt these changes through the 2022 and 2023 calendar years (*i.e.*, ending on January 1, 2024) and that CAUSE-PA and OCA are aware of this clarification and support the proposal. April 20, 2022 Letter at 1.

Eligible EH customers (*i.e.*, customers who are billed in accordance with Residential Heating or Residential Add-On Heat Pump) could receive two (2) grants, up to \$1000 each, in 2022 and 2023. Additionally, Duquesne proposes to expand eligibility based on account status from December 1- January 31 in 2022 and 2023 to allow eligible customers in threat of service termination to receive Hardship Fund grants. March 2022 Petition at 3.

Duquesne also proposes to carryover any unused Hardship Fund monies from 2022 and 2023 into the 2024 program budget. March 2022 Petition at 3.

Duquesne requests this temporary change to provide additional aid to customers that accrued high balances during the COVID-19 pandemic. As part of its 2021 BRC, Duquesne has increased its contributions to its Hardship Fund program by \$1 million each year for 2022 and 2023. Duquesne notes that additional energy assistance funds provided by the Low Income Home Energy Assistance Program, the Emergency Rental Assistance Program and the Allegheny County Community Development Block Grant likely contributed to a decreased number in Hardship Fund requests in 2020 and 2021, which it expects will continue through 2022. Duquesne opines that it is reasonable and in the public interest to temporarily increase Hardship Fund grant amounts available to eligible customers to help resolve their delinquencies more efficiently. March 2022 Petition at 2.

Duquesne asserts that it has already discussed this proposal with OCA and CAUSE-PA and that they do not object to the proposed temporary changes to the Hardship Fund. March 2022 Petition at 3.

Stakeholder Responses

On April 4, 2022, BIE submitted an Answer to Duquesne's March 2022 Petition at Docket Nos. P-2022-3031621, M-2019-3008227, and R-2021-3024750. On April 6, 2022, BIE and OCA separately filed letters at those dockets stating they do not oppose the March 2022 Petition. BIE also withdrew its April 4 Answer. BIE April 6 Letter at 1.

DISCUSSION

On July 15, 2021, the Commission entered an Order (July 2021 Order) at Docket Nos. M-2020-3019244 and M-2020-3019775 (*Public Utility Service Termination Moratorium; COVID-19 Cost Tracking and Creation of Regulatory Asset*) which directed public utilities to, *inter alia*, report information quarterly concerning accounts at risk of termination and the aggregate amount of arrearages through the fourth quarter of 2021.⁵ July 2021 Order at 4. In its February 11, 2022 filing, Duquesne reported that approximately 91,371 residential accounts remained at risk of service termination by the end of December 2021, with total outstanding arrears exceeding \$40.3 million. Duquesne February 11, 2022 filing at 5, Docket No. M-2020-3019244. Thus, even with the additional energy assistance offered through other COVID-19-related programs, many of Duquesne's residential customers appear to be still at risk for service termination.

With potentially \$1.75 million available annually, which does not come from ratepayer funds or reallocated from other programs, for Hardship Fund grants in 2022 and 2023, we find it reasonable to temporarily increase the number of grants eligible

⁵ See *Public Utility Service Moratorium; COVID-19 Cost Tracking and Creation of Regulatory Asset*, Docket Nos. M 2020 3019244 and M-2020-3019775 (order entered July 15, 2021). <https://www.puc.pa.gov/pcdocs/1711655.docx>

customers can receive during these years to help these households restore service or avoid service termination. We also find it reasonable to temporarily increase the maximum grant amount available to EH customers, who experience higher annual electric usage than ENH customers and can accrue higher arrearage balances as a result.⁶

We also find it reasonable to allow eligible customers to qualify for Hardship Fund grants from December 1 through January 31 if they are in threat of service termination. This temporary change will allow Duquesne customers with incomes between 251% to 300% of the FPIG – who are not protected under the winter termination moratorium⁷ – to qualify for a Hardship Fund grant to stop a service termination.

CONCLUSION

Accordingly, the Commission hereby approves Duquesne’s request to temporarily amend its Hardship Fund program for 2022 and 2023 as described in its March 2022 Petition.

Duquesne is also directed to reflect these temporary Hardship Fund changes through its own website and DEF’s website and through communications with customers and other interested parties.

⁶ In 2020, the average monthly bill for a Duquesne’s ENH customers was \$89.00, and the average monthly bill for EH customers was \$108. See *2020 Collections Data for the Major Electric and Gas Companies* at 3. https://www.puc.pa.gov/media/1599/chapter14_biennial_rcd2020-rev081021.pdf

⁷ Pennsylvania law provides protection against service termination from December 1st through March 31st for customers with household income at or below 250% of the FPIG, unless otherwise authorized by the Commission. 66 Pa. C.S. § 1406(e). Since a termination notice remains valid for 60 days, public utilities may issue termination notices to protected customers beginning February 1st. 52 Pa. Code § 56.91.

Duquesne shall adhere to the Hardship Fund provisions outlined in its approved 2017 USECP and the 2021 BRC Settlement which have not been changed through the approval of the March 2022 Petition, including that it shall:

- Restrict Hardship Fund grants to customers whose service has been terminated if only 10% of funds remain; and
- Direct existing Hardship Funds and 75% of the additional Hardship Fund monies to households with incomes at or below 200% of the FPIG, unless unspent in the year in which funds are reserved.

Should Duquesne seek to further modify its Hardship Fund provisions or maximum benefits amounts during this temporary period, it shall file and serve a petition at the subject dockets with data to support such a request.

To the extent that the 2020 USECP, as may be approved, covers years 2022 and 2023, Duquesne shall reflect the temporary changes approved herein in its 2020 USECP unless expressly changed at that docket; **THEREFORE,**

IT IS ORDERED:

1. That the Petition to Temporarily Increase Hardship Grants to Duquesne Light Company's Eligible Customers, filed on March 28, 2022, is approved.

2. That a copy of this Order be served on the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania; the Office of Consumer Advocate; the Commission's Bureau of Investigation and Enforcement; and all parties in the above-captioned dockets.

3. That the Duquesne Light Company shall reflect the approved temporary changes to its Hardship Fund on its website and on Dollar Energy Fund's website and through communications with customers and other interested parties.

4. That the temporary changes approved herein be reflected in Duquesne Light Company's Revised 2020-2025 Universal Service and Energy Conservation Plan at Docket No. M-2019-3008227, which must be filed and served at that docket by May 23, 2022.

5. That Docket No. P-2022-3031621 be marked closed.

BY THE COMMISSION,



Rosemary Chiavetta
Secretary

(SEAL)

ORDER ADOPTED: May 12, 2022

ORDER ENTERED: May 12, 2022