

Jennedy S. Johnson
Assistant General Counsel
2301 Market Street / S23-1
Philadelphia, PA 19103

Direct Dial: 215-841-4353
Email: Jennedy.Johnson@exeloncorp.com

June 26, 2020

VIA eFILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

**Re: PECO Energy Company's 2016-2018 Universal Service and Energy
Conservation Plan
Docket No. M-2015-2507139**

Dear Secretary Chiavetta:

Enclosed please find the **Petition of PECO Energy Company for Expedited Approval of Temporary Universal Service Measures to Address COVID-19 Related Economic Hardship and Provide Additional Opportunities for Electric Usage Reduction**, in the above-captioned proceeding.

If you have any questions, please do not hesitate to contact me.

Very truly yours,



Jennedy S. Johnson

Enclosures

c: Per Certificate of Service (w/encls.)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PECO ENERGY COMPANY’S 2016- :
2018 UNIVERSAL SERVICE AND : **DOCKET NO. M-2015-2507139**
ENERGY CONSERVATION PLAN :

**PETITION OF PECO ENERGY COMPANY FOR EXPEDITED APPROVAL OF
TEMPORARY UNIVERSAL SERVICE MEASURES TO ADDRESS COVID-19
RELATED ECONOMIC HARDSHIP AND PROVIDE ADDITIONAL OPPORTUNITIES
FOR ELECTRIC USAGE REDUCTION**

I. INTRODUCTION

PECO Energy Company (“PECO” or the “Company”), pursuant to 52 Pa. Code § 5.41, hereby petitions the Pennsylvania Public Utility Commission (the “Commission”) for expedited approval of several temporary universal service measures designed to address the current economic hardships faced by low-income customers as a result of the COVID-19 pandemic and provide additional opportunities for electric usage reduction.

Specifically, the Company is proposing to (1) provide a \$50 bill credit to all customers that are enrolled in PECO’s Customer Assistance Program (“CAP”) as of July 1, 2020 and recover the cost of those bill credits in the Company’s 2021 electric and gas Universal Service Fund Charges (“USFCs”); (2) expedite the CAP enrollment and recertification process by temporarily waiving the requirement for customers to submit written income documentation and, for high-usage customers, the requirement to participate in the Company’s Low-Income Usage Reduction Program (“LIURP”); and (3) transfer \$1.5 million of 2020 electric LIURP funding, which the Company does not expect to be able to spend in 2020 due to COVID-19 related restrictions and market impacts, to a Summer Cooling Initiative. To facilitate expedited review,

the Company has filed these measures as an addendum to its most recently approved Universal Service and Energy Conservation Plan (the “Approved USECP”).¹

All components of the Company’s proposal will provide timely and temporary relief to low-income customers affected by the COVID-19 pandemic in Pennsylvania. In addition, and as explained in this Petition, PECO has been authorized to represent that the Company’s proposal is supported by the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”) and the Tenant Union Representative Network and Action Alliance of Senior Citizens of Greater Philadelphia (“TURN, et al.”) and is not opposed by the Office of Consumer Advocate (“OCA”). In light of the continuing effects of the COVID-19 pandemic, the Company strongly urges the Commission to review and approve this proposal on an expedited basis to ensure that low-income customers have the opportunity to benefit from these additional measures in the coming months.

I. BACKGROUND

1. PECO is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania with its principal office in Philadelphia, Pennsylvania. PECO provides electric delivery service to approximately 1.6 million customers and natural gas delivery service to more than 511,000 customers in Pennsylvania.

2. Pennsylvania’s Electricity Generation Customer Choice and Competition Act and Natural Gas Choice and Competition Act include several provisions relating to universal service

¹ As the Commission explained in its October 3, 2019 Order at Docket No. M-2019-3012601, “A utility can file and serve a petition to amend its current USECP at any time, regardless of the filing schedule. Such petitions allow the Commission and all stakeholders to focus only on the impact of the proposed program change(s) – rather than a comprehensive review of the utility’s entire universal service portfolio – and take significantly less time for the Commission to review and render a decision.” The Company has submitted a proposed USECP at Docket No. M-2018-3005795, which remains under consideration by the Commission.

to ensure that policies, practices and services are in place to help low-income customers maintain utility service.² The statutory definition of “universal service and energy conservation” includes customer assistance programs, usage reduction programs, service termination protections and consumer education. 66 Pa. C.S. §§ 2202 and 2803.

3. The Commission has established universal service regulations that, among other things, require each electric distribution company serving more than 60,000 residential accounts and each natural gas distribution company serving more than 100,000 residential accounts to submit an updated USECP every three years to the Commission for approval. 52 Pa. Code §§ 54.74 and 62.4.

4. PECO’s proposed 2016-2018 USECP was submitted on October 1, 2015 and approved by the Commission on August 11, 2016.³ A number of revisions were made to the 2016-2018 USECP after its initial approval. Most recently, on November 2, 2017, the Company submitted an addendum to its 2016-2018 USECP to establish a pilot program to assist customers in reducing the use of electric portable space heating as a primary source of heating.

5. PECO filed its proposed 2019-2021 USECP on November 1, 2018, and a corrected version on November 26, 2019.⁴

6. On October 3, 2019, at Docket No. M-2019-3012601, the Commission entered an order extending the duration of existing or proposed USECPs from three years to five years and

² The Electricity Generation Customer Choice and Competition Act, 66 Pa.C.S. §§ 2801-2812, became effective on January 1, 1997. The Natural Gas Choice and Competition Act, 66 Pa.C.S. §§ 2201-2212, became effective on July 1, 1999. *See* 66 Pa.C.S. §§ 2203(7) and 2802(10).

³ *See PECO Energy Company Universal Service and Energy Conservation Plan for 2016-2018 Submitted in Compliance with 52 Pa. Code §§ 54.74 and 62.4*, Docket No. M-2015-2507139 (Order entered August 11, 2016).

⁴ *See* Docket No. M-2018-3005795.

directing utilities to provide enrollment and budgetary projections for any additional years added to their existing or proposed USECPs.⁵ In accordance with that Order, on January 16, 2020, PECO filed a proposed USECP for the 2019-2024 period.⁶

7. On March 6, 2020, Governor Tom Wolf issued a Proclamation of Disaster Emergency due to the emergence of COVID-19 in the United States and the Commonwealth of Pennsylvania.⁷

8. On March 19, 2020, the Governor ordered all non-life-sustaining businesses in Pennsylvania to close their physical locations to slow the spread of COVID-19.⁸

9. On April 1, 2020, the Governor issued a statewide “stay at home” order, which directed individuals residing in the Commonwealth to stay at home except as needed to access, support, or provide life-sustaining business, emergency, or government services.⁹ Pennsylvania is now utilizing a three-phase matrix to determine when counties and/or regions are ready to begin easing some restrictions on work, congregate settings, and social interactions.¹⁰ The counties in PECO’s service territory are currently in the “yellow” phase and remain subject to certain workplace and other restrictions.¹¹

⁵ *Universal Service and Energy Conservation Plan (USECP) Filing Schedule and Independent Evaluation Filing Schedule*, Docket No. M-2019-3012601 (Order entered October 3, 2019).

⁶ See Docket No. M-2018-3005795.

⁷ See <https://www.governor.pa.gov/wp-content/uploads/2020/03/20200306-COVID19-Digital-Proclamation.pdf>.

⁸ See <https://www.governor.pa.gov/wp-content/uploads/2020/03/20200319-TWW-COVID-19-business-closure-order.pdf>.

⁹ See <https://www.governor.pa.gov/wp-content/uploads/2020/04/20200401-GOV-Statewide-Stay-at-Home-Order.pdf>. The “stay at home” period was subsequently extended to May 8, 2020. See <https://www.governor.pa.gov/wp-content/uploads/2020/04/20200420-GOV-Stay-at-Home-Order-Amendment.pdf>.

¹⁰ See <https://www.pa.gov/guides/responding-to-covid-19/#PhasedReopening>.

¹¹ *Id.*

10. As of June 25, 2020, the Pennsylvania Department of Health has reported 81,374 cases of COVID-19 in the Commonwealth, with a total of 6,557 COVID-19 deaths.¹² Since mid-March, over two million Pennsylvanians have filed unemployment claims.¹³

11. The Commission has recognized the impact of the COVID-19 pandemic on financially-stressed customers and has urged customers to “work together with their utilities to tap into numerous utility assistance programs intended to make utility bills more manageable.”¹⁴

II. TEMPORARY UNIVERSAL SERVICE MEASURES

12. To provide enhanced and timely opportunities for bill assistance and electric usage reduction to low-income customers, PECO is proposing to implement three temporary universal service measures described in the following paragraphs and in Exhibit 1 to this Petition, which is the proposed “Addendum G” to the Company’s Approved USECP.

13. PECO has discussed these temporary measures with CAUSE-PA, TURN, et al. and the OCA. The Company’s proposal is supported by CAUSE-PA and TURN, et al. and is not opposed by the OCA.

A. \$50 Bill Credit For CAP Customers

14. PECO proposes to provide a \$50 one-time bill credit to all customers enrolled in CAP as of July 1, 2020.

¹² COVID-19 Data for Pennsylvania, Pennsylvania Department of Health, <https://www.health.pa.gov/topics/disease/coronavirus/Pages/Cases.aspx>.

¹³ Unemployment Compensation Claim Statistics & COVID-19, Pennsylvania Department of Labor and Industry, <https://www.uc.pa.gov/COVID-19/Pages/UC-Claim-Statistics.aspx>.

¹⁴ March 27, 2020 Press Release of the Pennsylvania Public Utility Commission, http://www.puc.state.pa.us/about_puc/press_releases.aspx?ShowPR=4336

15. The proposed bill credit will be applied in addition to the fixed bill credit that is provided under the Company's CAP.

16. The average monthly bill for a CAP customer is approximately \$50, and, therefore, the proposed \$50 credit is equivalent to a month of utility costs for many CAP customers. If a customer has a prior arrearage, the credit would be applied to reduce that arrearage. If a customer does not have a prior arrearage, and his or her utility bill is less than \$50, any excess credit would roll forward and be applied to his or her utility bill for the following month.

17. Based on the Company's projection that 113,000 customers will be enrolled in CAP as of July 1, 2020, the \$50 bill credit would result in an additional \$4.0 million in CAP costs.¹⁵ The Company requests Commission authorization to recover the cost of the bill credits in its 2021 gas and electric USFCs equal to the amount actually provided to CAP customers.

B. Expedited CAP Enrollment And Recertification Process

18. PECO proposes to waive certain CAP enrollment and recertification requirements through December 1, 2020 to facilitate the prompt receipt and continuation of CAP benefits by low-income customers.

19. First, the Company proposes to temporarily waive the requirement that a customer supply written income documentation and instead accept income information that can be provided verbally by a customer during the CAP enrollment or recertification process. A waiver of this requirement will expedite the enrollment and recertification process and enable faster

¹⁵ This amount reflects the 27% offset factor applied to CAP costs under the Company's USFC.

receipt of CAP benefits by customers who need relief in light of the pandemic and associated economic dislocation.

20. Each customer enrolled or recertified in CAP under this expedited process will be asked to provide written income documentation six months after the enrollment or recertification.¹⁶ If a customer enrolled under the expedited process is receiving pre-program arrearage (“PPA”) forgiveness, but is no longer eligible for CAP after the six-month recertification, the customer will be offered a payment agreement for his or her remaining PPA balance.

21. Second, the Company proposes to temporarily waive the requirement that high-usage customers participate in PECO’s LIURP. At the time of the six-month recertification, if customers remain on CAP, they will be required to begin participation in LIURP.

22. PECO estimates that this expedited process will facilitate approximately 5,000 additional enrollments and recertifications and result in additional CAP benefits totaling \$1.3 million in 2020. In order to manage costs, the Company proposes to limit the number of enrollments and recertifications processed under the expedited process to 22,000 (20% of current CAP enrollment). Under this maximum enrollment scenario, the additional CAP costs would be \$5.8 million for 2020.¹⁷

C. Summer Cooling Initiative

23. PECO’s LIURP includes direct weatherization and conservation measures as well as in-home education programs to promote usage reduction by the customer. The Company has

¹⁶ CAP customers are typically required to re-certify CAP eligibility every two years. The six-month recertification requirement would only apply to customers using the expedited process for CAP enrollment or recertification.

¹⁷ These amounts reflect the 27% offset factor applied to CAP costs under the Company’s USFC.

separate gas and electric LIURP budgets and recovers LIURP costs through the Company's gas and electric base distribution rates.

24. As a result of COVID-19 related business restrictions and changes in customer preferences, PECO expects that it will spend at least \$1.5 million *less* than its electric LIURP budget for 2020.

25. To provide additional electric usage reduction opportunities for low-income customers, PECO is proposing to transfer \$1.5 million from its 2020 electric LIURP budget to a new, temporary Summer Cooling Initiative for customers with a household income at or below 200% of the Federal Poverty Level.

26. The primary focus of the Summer Cooling Initiative would be the replacement of window air conditioning ("AC") units that are at least 10 years old with new, energy-efficient units. Participating customers would schedule an appointment for installation of the new AC unit or delivery of the new AC unit to the customer's residence, porch or garage. The customer's old AC unit would be collected from the curb for recycling.

27. The Company would also distribute fans to low-income customers. Working with community partners, PECO would identify low-income households with cooling needs, and, based on available information about the age and disability status of household members, would prioritize, where possible, fan distributions to vulnerable households.

28. Finally, if sufficient funding is available, PECO would consider replacing older central AC units with new, energy-efficient units.

29. The Summer Cooling Initiative would be administered by the Company's current LIURP vendor and would expire at the end of 2020.

30. Because LIURP costs are already recovered in base distribution rates, the proposed transfer of LIURP funds to the Summer Cooling Initiative would not result in any new universal service costs. If the Company does not spend the entire \$1.5 million before the Initiative expires at the end of 2020, the remaining funds would be rolled forward to the Company's 2021 electric LIURP budget.

III. REQUEST FOR EXPEDITED CONSIDERATION

31. PECO is seeking to deliver additional, short-term bill assistance and usage reduction opportunities to its low-income customers as soon as possible. The Company believes that its proposed temporary universal service measures will provide meaningful opportunities for low-income customers to receive utility bill relief in the coming months. As previously stated, the Company's proposal is supported by CAUSE-PA and TURN, et al. and is not opposed by the OCA. For all these reasons, PECO requests that the Commission consider this Petition on an expedited basis.

IV. NOTICE

32. PECO is serving copies of this filing on the OCA, the Office of Small Business Advocate, the Commission's Bureau of Investigation and Enforcement, CAUSE-PA, and TURN, et al.

V. CONCLUSION

Based upon the foregoing, including the accompanying proposed Addendum to the Company's 2016-2018 USECP, PECO respectfully requests that the Commission grant this Petition and approve implementation of the proposed temporary universal service measures.

Respectfully submitted,



Anthony E. Gay (Pa. No. 74624)
Jack R. Garfinkle (Pa. No. 81892)
Jennedy S. Johnson (Pa. No. 203098)
PECO Energy Company
2301 Market Street
P.O. Box 8699
Philadelphia, PA 19101-8699
Phone: 215.841.4353
Fax: 215.568.3389
anthony.gay@exeloncorp.com
jack.garfinkle@exeloncorp.com
Jennedy.johnson@exeloncorp.com

Kenneth M. Kulak (Pa. No. 75509)
Catherine G. Vasudevan (Pa. No. 210254)
Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103-2921
Phone: 215.963.5952
Fax: 215.963.5001
ken.kulak@morganlewis.com
catherine.vasudevan@morganlewis.com

June 26, 2020

Counsel for PECO Energy Company

Exhibit 1

Addendum G

Temporary Universal Service Measures To Address COVID-19-Related Economic Hardship

PECO's temporary universal service measures, as described below, are designed to provide enhanced and timely opportunities for bill assistance and electric usage reduction to low-income customers.

1. One-Time \$50 Bill Credit

Measure Description: To provide additional energy bill relief to CAP customers, PECO will provide a \$50 one-time bill credit to all customers enrolled on CAP as of July 1, 2020. This one-time credit will be applied on top of any fixed bill credit received by the CAP customer. The credit would be applied to reduce any prior arrearages. Any excess credit after the \$50 is applied will be carried forward to the next utility bill.

Projected Cost: PECO estimates that the one-time \$50 credit will be applied to 113,000 CAP customers and result in additional CAP costs of \$4.0 million in 2020.¹

2. Expedited CAP Enrollment and Recertification Process

Measure Description: To facilitate the prompt receipt of CAP benefits by low-income customers, PECO will waive certain CAP enrollment and recertification requirements through December 1, 2020.

First, the Company will waive the requirement that the customer supply written income documentation and instead will accept income information that is provided verbally. Each customer enrolled or recertified in CAP under the expedited process will be asked to provide the standard written income documentation six months after the enrollment or recertification. If a customer enrolled under the expedited process is receiving pre-program arrearage ("PPA") forgiveness, but is no longer eligible for CAP after the six month recertification, the customer will be offered a payment agreement for their remaining PPA balance.

Second, the Company will waive the requirement that high-usage customers participate in PECO's LIURP. At the time of the six-month recertification, the Company will resume the LIURP participation requirement for high-usage customers enrolled or recertified under the expedited process.

Projected Cost: PECO estimates that the expedited process will facilitate approximately 5,000 additional enrollments and recertifications and result in additional CAP costs of \$1.3 million in 2020. PECO will limit the number of enrollments/recertifications processed under the expedited process to 22,000, resulting in a maximum additional CAP credit cost of \$5.8 million in 2020.²

3. Summer Cooling Initiative

Measure Description: To provide additional opportunities for low-income customers to reduce electric usage, PECO will transfer \$1.5 million from its 2020 electric LIURP budget to a new, temporary Summer Cooling Initiative for customers at or below 200% of FPL. The primary focus of the Initiative is replacing window air conditioning ("AC") units that are at least 10 years old with new, energy efficient units.

¹ This amount reflects the 27% offset factor applied to CAP costs under the Company's USFC.

² These amounts reflect the 27% offset factor applied to CAP costs under the Company's USFC.

The Company will also distribute fans to low-income customers. Working with community partners, PECO will identify low-income households with cooling needs, and, based on available information about the age and disability status of household members, will prioritize, where possible, fan distributions to vulnerable households. Finally, if funding is available, PECO will consider replacing older central AC units with new, energy efficient units. The Summer Cooling Initiative will be administered by the Company's LIURP vendor and will expire at the end of 2020.

Projected Cost: There will be no net cost to customers because the Initiative will be funded by dollars already dedicated to universal service programming. If the Company does not spend the entire \$1.5 million before the Initiative expires at the end of 2020, the remaining funds will be rolled forward to the Company's 2021 electric LIURP budget.

VERIFICATION

I, Richard G. Webster, Jr., hereby declare that I am the Vice President of Regulatory Policy and Strategy for PECO Energy Company; that, as such, I am authorized to make this verification on its behalf; that the facts set forth in the foregoing Petition are true and correct to the best of my knowledge, information and belief; and that I make this verification subject to the penalties of 18 Pa.C.S. § 4904 pertaining to false statements to authorities.

A handwritten signature in black ink, appearing to read 'R.G.W.' followed by a long horizontal flourish.

Dated: June 26, 2020

Dick G. Webster, Jr.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PECO ENERGY COMPANY’S 2016- :
2018 UNIVERSAL SERVICE AND : DOCKET NO. M-2015-2507139
ENERGY CONSERVATION PLAN :**

CERTIFICATE OF SERVICE

I hereby certify and affirm that I have this day served a copy of the **Petition of PECO Energy Company for Expedited Approval of Temporary Universal Service Measures to Address COVID-19 Related Economic Hardship and Provide Additional Opportunities for Electric Usage Reduction** on the following persons, in the manner specified below, in accordance with the requirements of 52 Pa. Code § 1.54:

VIA ELECTRONIC MAIL

Tanya J. McCloskey
Acting Consumer Advocate
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
tmccloskey@paoca.org

Josie B. H. Pickens
Joline R. Price
Community Legal Services
1424 Chestnut Street
Philadelphia, PA 19102
jpickens@clsphila.org
jprice@clsphila.org
Counsel for TURN et al.

Elizabeth R. Marx
Ria Pereira
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101
emarxpulp@palegalaid.net
rpereirapulp@palegalaid.net
pulp@palegalaid.net
Counsel for CAUSE-PA

Richard Kanaskie
Director & Chief Prosecutor
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commerce Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17105-3265
rkanaskie@pa.gov

John Evans
Small Business Advocate
Commonwealth of Pennsylvania
Office of Small Business Advocate
Forum Place
555 Walnut Street, First Floor
Harrisburg, PA 17101
jorevan@pa.gov



Kenneth M. Kulak (PA I.D. No. 75509)
Catherine G. Vasudevan (PA I.D. No. 210254)
Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103-2921
215.963.5384 (bus)
215.963.5001 (fax)
ken.kulak@morganlewis.com
catherine.vasudevan@morganlewis.com

Dated: June 26, 2020

Counsel for PECO Energy Company