

April 10, 2015

Via Electronic Filing

Rosemary Chiavetta, Secretary
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Petition of Philadelphia Gas Works for Approval of Demand Side Management Plan for
FY 2016-2020 – Docket No. P-2009-2097639 and

Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2014-2016
Pa Code § 62.4 – Docket No. M-2013-2366301

Dear Secretary Chiavetta:

Enclosed for electronic filing on behalf of Philadelphia Gas Works (“PGW”) please find a
Petition to Extend PGW’s Demand Side Management Plan (“DSM”) for an interim period from
September 1, 2015 through either: (1) August 31, 2016; or, (2) upon the effective date of a
compliance plan filed in response to a final Commission Order at docket number P-2014-
2459362, whichever is earlier.

As explained in the Petition, PGW respectfully requests **that a Commission order regarding
this petition be entered on or before May 19, 2015. Accordingly, to accommodate this
timeline, we request that the Commission establish that answers (if any) to the Petition be
due by April 20, 2015.** Without action on or before May 19, 2015, PGW’s current DSM
program – DSM I – will terminate on September 1, 2015 and PGW would need to start
informing its business partners as well as consumers – on or about June 1, 2015 – that its DSM
programs would no longer be available effective September 1, 2015. PGW’s Petition requests
permission to continue its existing DSM programs until the PUC makes a final decision on DSM
II. Notably, this “Bridge Plan” does not authorize any of new programs requested in DSM II and
proposes funding levels for the existing programs that are the same or lower than PGW’s DSM I
current funding levels.

PGW is authorized to represent that the following parties participating in the currently pending
DSM Phase II Plan proceeding at P-2014-2459362 do not oppose this request: the Office of
Consumer Advocate, the Bureau of Investigation and Enforcement, the Coalition for Affordable
Utility Services and Energy Efficiency in Pennsylvania, Tenant Union Representative Network

and Action Alliance of Senior Citizens of Greater Philadelphia, the Philadelphia Industrial and Commercial Gas Users Group, and Clean Air Council. While the Office of Small Business Advocate does not oppose the concept of a DSM bridge plan, it continues to review the proposed program budgets in the petition and reserves the right to comment.

Copies to be served in accordance with the attached Certificate of Service.

Sincerely,



Daniel Clearfield

DC/lww
Enclosure

cc: Hon. Christopher P. Pell w/enc.
Hon. Marta Guhl w/enc.
Attached Cert. of Service w/enc.

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of PGW's Petition to Extend Demand Side Management Plan upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

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Daniel Clearfield, Esq.

Date: April 10, 2015

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Philadelphia Gas Works for Approval of Demand-Side Management Plan for FY 2016-2020	:	Docket No. P-2009-2097639
	:	
and	:	
	:	
Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2014- 2016 52 Pa Code § 62.4	:	Docket No. M-2013-2366301
	:	

**PETITION OF PHILADELPHIA GAS WORKS
TO EXTEND DEMAND SIDE MANAGEMENT PLAN**

Philadelphia Gas Works (“PGW” or “Company”) requests that the Pennsylvania Public Utility Commission (“Commission”) approve a limited extension of its current Demand Side Management (“DSM”) Plan (“DSM Phase I Plan”) for an interim period (“DSM Bridge Plan”) from September 1, 2015 through either: (1) August 31, 2016; or, (2) upon the effective date of a compliance plan filed in response to a final Commission Order at docket number P-2014-2459362, whichever is earlier. Without this requested extension, the currently operating non-low income programs of the DSM Phase I Plan will “go dark” on September 1, 2015 – even though all programs are currently operating at scale. The result would be a loss of vendor participation, customer confusion and wasted resources that would harm customers as well as the efforts that PGW has taken over the last several years to promote cost effective natural gas conservation programs. As noted, PGW has proposed to continue DSM programs as part of its DSM Phase II Plan (at docket number P-2014-2459362), but a decision from the Commission will not occur in time to ensure a seamless transition from the DSM Phase I Plan to the DSM Phase II Plan. Thus, without Commission direction as requested by this Petition, Commission approval to continue

the programs of the DSM Phase I Plan will terminate on September 1, 2015. If this were to occur then PGW would need to start informing its business partners as well as consumers – on or about June 1, 2015 – that the programs of DSM Phase I Plan would no longer be available effective September 1, 2015. The lead time is necessary to wind down the programs and provide ample customer notice. Therefore, PGW respectfully requests a decision on this Petition regarding PGW’s proposed DSM Bridge Plan on or before the Commission’s May 19, 2015 public meeting.

PGW submits that allowing the current DSM Phase I Plan to terminate prior to a final decision on DSM II would be premature, costly and unnecessarily confusing for customers. It would also have a negative effect on the continued participation of PGW’s business partners and contractors, as they would be forced to take other assignments and likely would be unavailable to participate, at least immediately, in PGW’s DSM Phase II Plan, if and when it is approved by the Commission. Importantly, all of the requisite infrastructure and initial start-up costs have already been incurred to bring the currently operating programs on-line, thus, approving the DSM Bridge Plan will allow for the increasingly cost-effective continuation of programming pending further direction from the Commission regarding PGW’s proposed DSM Phase II Plan.

Importantly, the proposed DSM Bridge Plan is only proposed as an interim plan and is not intended to prejudge or resolve any of the issues currently being litigated regarding PGW’s proposed DSM Phase II Plan. If approved, the proposed DSM Bridge Plan would be replaced in its entirety by the final Commission approved DSM Phase II Plan. If the DSM Phase II Plan is approved during PGW’s FY 2016, then the DSM Phase II Plan approved program budgets would be implemented on a prorated basis in the months remaining in FY 2016. All issues related to

the DSM Phase II Plan, including programs and program budgets, will be determined in the currently pending DSM Phase II Plan proceeding at docket number P-2014-2459362.

PGW proposes the following program funding levels for the DSM Bridge Plan:

	FY 16 Proposed Bridge
PGW Admin	\$300,000
Purchased Services:	\$10,392,464
Portfolio-wide	\$600,000
CRP Home Comfort	\$7,570,000
RHER	\$777,000
CIRI	\$284,200
CIER	\$313,650
HECI	\$181,000
Home Rebates	\$666,614
TOTAL	\$10,692,464

These proposed program funding levels take into consideration several issues. First, the proposal balances continuation of DSM programs pending the Commission’s decision regarding PGW’s proposed DSM Phase II Plan with the impact to the Company of increased costs associated with the lost margin resulting from reduced throughput by customers during the bridge period. PGW submits that a reasonable balance is achieved by proposing spending levels that are the same or more modest than those approved for FY 2015 for the DSM Phase I Plan. Thus, the proposed DSM Bridge Plan funding levels for most of the programs is consistent with PGW’s proposed permanent program funding levels set forth in its DSM Phase II Plan petition.¹

¹ There are two exceptions to this. First, PGW is proposing a program budget for *CRP Home Comfort* consistent with the Fiscal Year 2015 budget for the reasons discussed further herein. Second, the proposed DSM Bridge Plan portfolio-wide and Home Rebates budgets are consistent with the “expanded plan” alternative set forth in PGW’s DSM Phase II Plan if PGW were to receive authority to implement its Conservation Adjustment Mechanism (“CAM”). This proposed budget for the DSM Bridge Plan set forth here to keep PGW’s Home Rebates program operational during the DSM Bridge Plan pending a Commission decision on PGW’s proposal to phase it out.

Second, PGW’s DSM includes the *CRP Home Comfort* program which provides weatherization treatments to the highest usage customers in PGW’s Customer Assistance Program (“CAP”) consistent with the requirements of 52 Pa Code §§ 58.1-58.18 (i.e. the Commission’s LIURP regulations). In the interests of reaching a consensus among the parties regarding PGW’s petition here, PGW’s proposed Bridge Plan program funding level for *CRP Home Comfort* would maintain the program funding level for Fiscal Year 2015. Below is a comparison of the proposed DSM Bridge Plan program budgets with the DSM Phase I FY 2015 program budgets and the program budgets proposed by PGW for DSM Phase II Plan:

	FY 15	FY 16 As Proposed In DSM Phase II Plan Petition	FY 16 Proposed DSM Bridge Plan
PGW Admin	\$399,504	\$290,000	\$300,000
Purchased Services:	\$12,308,662	\$4,219,268	\$10,392,464
Portfolio-wide	\$1,021,000	\$500,000	\$600,000
CRP Home Comfort	\$7,570,000	\$ 2,000,000	\$7,570,000
RHER	\$1,145,520	\$ 777,000	\$777,000
CIRI	\$536,558	\$ 284,200	\$284,200
CIER	\$337,792	\$313,650	\$313,650
HECI	\$297,791	\$181,000	\$181,000
Home Rebates	\$1,400,000	\$163,419	\$666,614
TOTAL	\$12,708,166	\$4,509,268	\$10,692,464

For all these reasons, PGW proposes that the Commission approve this Petition and permit PGW’s proposed DSM Bridge Plan – as set forth herein – to be in effect from September 1, 2015 through either: (1) August 31, 2016; or, (2) upon the effective date of a compliance plan

filed in response to a final Commission Order at docket number P-2014-2459362, whichever is earlier.²

Importantly, PGW is authorized to represent the following parties participating in the currently pending DSM Phase II Plan proceeding at P-2014-2459362 (which includes all of the parties who participated in the DSM Phase I Plan proceeding – with the exception of the Philadelphia Housing Authority³) do not oppose this request: Office of Consumer Advocate, the Bureau of Investigation and Enforcement, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania, Tenant Union Representative Network and Action Alliance of Senior Citizens of Greater Philadelphia, the Philadelphia Industrial and Commercial Gas Users Group, and Clean Air Council. While the Office of Small Business Advocate does not oppose the concept of a DSM Bridge Plan, it continues to review the proposed program budgets in the petition and reserves the right to comment.

In further support of this Petition, PGW provides as follows:

² In the event that the Commission declines to approve this Petition, and to ensure that PGW can continue to offer a LIURP program consistent with regulatory requirements at 52 Pa Code § 58.1, PGW requests that the Commission issue an interim order which directs PGW to implement its *CRP Home Comfort* at a program funding level to be determined after a comment period limited to this issue. PGW respectfully requests that if this alternative path is taken, the Commission’s final order regarding the *CRP Home Comfort* program be entered on or before September 1, 2015. It should be noted that the question of whether PGW’s DSM programs will continue will be determined in the DSM Phase II Plan proceeding. Accordingly, there is no basis for suggesting at this time that the *CRP Home Comfort* program should be moved to PGW’s Universal Service and Energy Conservation Plan for 2014-2016 (“USECP 2014-2016”). PGW opposes such a removal for the reasons further explained in the Commission’s final order at *Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2014-2016 Submitted in Compliance with 52 Pa. Code § 62.4*, Docket No. M-2013-2366301, Final Order August 22, 2014 at 47 (“*USECP 2014-2016 Order*”). To ensure seamless continuation of the *CRP Home Comfort* program, PGW respectfully requests that the final order be entered on or before July 1, 2015 to allow sufficient time to enable PGW to implement it prior to September 1, 2015 which is when authority for the current program would expire if the Commission does not approve the DSM Bridge Plan.

³ PHA has not intervened in this proceeding.

I. BACKGROUND

1. On July 29, 2010, the Commission approved the settlement of a base rate filing made by PGW in December 2009 (Docket Nos. P-2009-2097639 and R-2009-2139884). As part of that Settlement, the Parties agreed to the creation of a five-year DSM plan (“DSM Phase I Plan”).⁴ The DSM Phase I Plan provided high-level designs for six programs, including estimated costs, savings, and cost-effectiveness, as well as a framework for implementation and management of the programs. Since the filing and approval of the DSM Phase I Plan, which was rebranded as “EnergySense,” PGW has continued to provide updates on its portfolio of energy efficiency programs in the form of annual implementation plans and annual reports.

2. The DSM Phase I Plan has been successful and cost effective and has delivered significant benefits to customers. Over the full five years of the DSM Phase I Plan, PGW expects to spend approximately \$44.1 million on its gas efficiency programs.⁵ From inception through June 30, 2014, the EnergySense portfolio delivered \$4.9 million in Total Resource Cost (“TRC”) Net Benefits to customers (2009\$), achieving a Benefit-Cost Ratio of 1.19 and providing support for over 8,500 natural gas efficiency projects, including many at the homes of low income CRP customers. The programs are projected to save 373 BBtus of natural gas during the first five years of the portfolio, and 7,802 BBtus of natural gas over the lifetime of the measures installed.⁶ When the Plan is completed it is projected to result in the reduction of over

⁴ Philadelphia Gas Works’ Revised Petition For Approval of Energy Conservation and Demand Side Management Plan, Opinion and Order entered July 29, 2010, Docket Nos. R-2009-2139884, P-2009-2097639.

⁵ PGW’s Five-Year EnergySense Demand Side Management Portfolio, Fifth Year Implementation Plan, dated May 14, 2014, Docket Nos. R-2009-2139884; P-2009-2097639 at 6.

⁶ *Id.*

455 thousand short tons of CO₂, and to create some 234 to 390 jobs. It has also been viewed positively by the participants.

3. Due to the success of the DSM Phase I Plan, PGW filed a petition on December 23, 2014 (docket number P-2014-2459362) seeking approval to continue to provide DSM programming (DSM Phase II Plan), in order to continue supporting the deployment of high efficiency natural gas equipment as well as conservation and load management efforts.

4. PGW's proposed DSM Phase II Plan petition was referred to the Office of Administrative Law Judge and then assigned to ALJs Pell and Guhl. The ALJs issued Prehearing Order #1 was issued on February 19, 2015 and established a procedural schedule for the litigation of the petition. It is anticipated that the Commission will receive the recommended decision from the presiding officers at the end of the fourth quarter of 2015 which will not result in a Commission decision prior to August 31, 2015. Accordingly, the Commission's approval for PGW's DSM Phase I Plan will terminate on August 31, 2015 unless the Commission takes action before then.

5. In its petition regarding PGW's proposed DSM Phase II Plan, PGW addressed its concerns about being required to terminate the current DSM Phase I Plan and PGW and the parties have continued to have discussions about this issue. Additionally, discovery regarding PGW's proposed DSM Phase II plan is on-going.

6. After conferring with the parties and obtaining suggestions from the ALJs presiding in the DSM Phase II Plan proceeding, PGW requests that the Commission approve this request for a limited extension of its current DSM Phase I Plan for an interim period from September 1, 2015 through either: (1) August 31, 2016; or, (2) upon the effective date of a compliance plan filed in response to a final Commission Order at docket number P-2014-

2459362 , whichever is earlier. Without Commission direction as requested by this Petition to approve the DSM Bridge Plan, all of the current contracts related to the market rate programs of the DSM Phase I Plan will be terminated on September 1, 2015. If that were to occur, then on or about June 1, 2015, PGW would need to start informing its business partners as well as consumers that the programs of DSM Phase I Plan would no longer be available effective September 1, 2015. The lead time is necessary to unwind the programs and provide ample customer notice.

7. Allowing PGW's DSM efforts to "go dark" would have a number of negative consequences. Existing vendors and contractors would likely become unavailable to PGW, resulting in additional training and ramp-up costs. Consumers could very well become confused about whether the program was going to continue, resulting in a loss of interest and participation. In addition, the administrative and "supply chain" infrastructure built up by PGW over the last several years will go unused.

8. In consideration of the time, investment and benefits currently being provided by the DSM Phase I Plan as well as PGW's proposal to continue DSM programs as set forth in its DSM Phase II Plan, PGW submits that allowing the current DSM Phase I Plan (which includes the PGW's LIURP program, i.e. *CRP Home Comfort*) to terminate would be premature, costly and unnecessarily confusing for customers as well as PGW's business partners and contractors. Importantly, the DSM Bridge Plan would permit PGW to continue to provide conservation and load management assistance to customers, including LIURP customers through PGW's *CRP Home Comfort* program, without interruption and a later restart if PGW's proposed DSM Phase II Plan is approved. None of PGW's newly proposed programs set forth in its proposed DSM Phase II Plan would be added during the DSM Bridge Plan (i.e. Low-Income Multifamily

Program and the DSM Efficient Fuel-Switching Program) nor would any of the current DSM programs (i.e. Home Rebates) be removed during the DSM Bridge Plan. Because all of the requisite infrastructure and initial start-up costs have already been approved by the Commission and these expenditures have been incurred to bring the currently operating programs on-line, approving the DSM Bridge Plan will merely extend the Commission's prior decision to approve PGW's DSM program for this interim period pending further direction from the Commission on PGW's proposed DSM Phase II Plan.

9. Currently, PGW files a DSM Implementation Plan annually in May.⁷ Consistent with this current practice, if the Commission approves this proposed DSM Bridge Plan, PGW would file an Implementation Plan for the DSM Bridge Plan within 30 days of the Commission's Order.

10. As explained further below, PGW's proposed program funding levels for the DSM Bridge Plan take into consideration: (1) the importance of continuing these programs during this interim period; (2) the impact to the Company during this interim period of increased costs associated with the lost margin resulting from reduced throughput by customers; and, (3) maintaining a funding level for PGW's LIURP program (*CRP Home Comfort*) as necessary to achieve consensus with the parties regarding this Petition (approximately 70% of the total proposed spend for the DSM Bridge Plan is associated with the CRP Home Comfort Program).

II. DETAILS OF PROPOSED DSM BRIDGE PLAN

11. The DSM Phase I Plan consists of the following six conservation programs:

⁷ See, e.g., PGW's Five-Year EnergySense Demand Side Management Portfolio, Fifth Year Implementation Plan, dated May 14, 2014, Docket Nos. R-2009-2139884; P-2009-2097639 at 6.

- a. *CRP Home Comfort* program (formerly referred to as ELIRP), providing weatherization treatments to the highest usage customers in PGW's Customer Assistance Program (CAP);
- b. *Residential Equipment Rebates* program, providing prescriptive residential-sized heating equipment rebates targeting the replacement of equipment at the end of its operational life;
- c. *Commercial Equipment Rebates* program, providing prescriptive commercial-sized heating and cooking equipment rebates targeting replacement at the end of its operational life;
- d. *Efficient Building Grants* program providing custom project grants for existing commercial and multifamily buildings; and
- e. *Efficient Construction Grants* program, providing custom project grants for new and gut rehabilitated commercial and multifamily buildings, and single family homes.
- f. *Home Rebates Program* providing residential retrofit incentives to single-family residential customers for implementing comprehensive natural gas conservation projects in their home, including air sealing, insulation, and heating system replacements.

12. If this Petition is granted, PGW would continue all of these six programs during Fiscal Year 2016 from September 1, 2015 through either: (1) August 31, 2016; or, (2) upon the effective date of a compliance plan filed in response to a final Commission Order at docket number P-2014-2459362, whichever is earlier. Similarly, while PGW has proposed two new programs as part of the DSM Phase II Plan (i.e. a new Low-Income multifamily Program and the DSM Efficient fuel-Switching Program), PGW is not proposing to include either of those new programs in the DSM Bridge Plan. Importantly, the purpose of the DSM Bridge Plan is to permit the currently operating six programs to continue for an interim period until the Commission's final action in the proceeding addressing PGW's proposed DSM Phase II Plan. To that end, this DSM Bridge Plan would be replaced by the outcome of the DSM Phase II Plan proceeding and Commission approval of this proposed DSM Bridge Plan is not intended to prejudice the outcome of any of the issues being litigated in the DSM Phase II Plan. Moreover,

all of the current DSM reporting would continue during the DSM Bridge Plan. If the Commission approves PGW's proposed DSM Phase II Plan so that it can feasibly be implemented prior to August 31, 2016 (the end of PGW's 2016 fiscal year), then PGW would size the program budgets for the starting year of the DSM Phase II Plan consistent with the Commission approved budget for the DSM Phase II Plan but pro-rated for the remaining months of the 2016 fiscal year. All issues related to the DSM Phase II Plan, including programs and program budgets, will be determined in the currently pending DSM Phase II Plan proceeding at docket number P-2014-2459362.

13. As noted in PGW's proposed DSM Phase II Plan Petition, a significant cost of the DSM Phase I Plan has been the lost margin associated with the reduced throughput by customers as a result of PGW-financed conservation efforts. Approving PGW's proposed DSM Bridge Plan will increase the costs to the Company associated with this lost margin. While PGW's proposed DSM Phase II Plan seeks approval of a Conservation Mechanism Adjustment ("CAM") to recover the cost to PGW of reduced contributions to fixed costs due exclusively to PGW's energy-efficiency activities under DSM Phase II Plan natural gas conservation programs, PGW is not proposing any such mechanism be implemented as part of this petition to cover the lost costs that will be incurred during the DSM Bridge Plan.

14. However, PGW has taken into consideration the expected costs that would be incurred during the one-year DSM Bridge Plan and proposes to adjust the program funding levels accordingly during the interim DSM Bridge Plan period. A comparison of the proposed DSM Bridge Plan program budgets with the DSM Phase I FY 2015 program budgets and the program budgets proposed by PGW for the DSM Phase II Plan are as follows:

	<u>FY 15</u>	<u>FY 16</u> <u>As Proposed In DSM</u> <u>Phase II Plan Petition</u>	<u>FY 16 Proposed</u> <u>DSM Bridge Plan</u>
PGW Admin	\$399,504	\$290,000	\$300,000
Purchased Services:	\$12,308,662	\$4,219,268	\$10,392,464
Portfolio-wide	\$1,021,000	\$500,000	\$600,000
CRP Home Comfort	\$7,570,000	\$ 2,000,000	\$7,570,000
RHER	\$1,145,520	\$ 777,000	\$777,000
CIRI	\$536,558	\$ 284,200	\$284,200
CIER	\$337,792	\$313,650	\$313,650
HECI	\$297,791	\$181,000	\$181,000
Home Rebates	\$1,400,000	\$163,419	\$666,614
TOTAL	\$12,708,166	\$4,509,268	\$10,692,464

15. As noted in this table, the proposed program funding levels for the majority of the existing programs is consistent with the permanent program funding levels proposed in PGW's DSM Phase II Plan petition, but lower than the FY 2015 levels previously approved by the Commission as part of the DSM Phase I Plan. There are two exceptions to this. First, PGW is proposing a program budget for *CRP Home Comfort* consistent with the Fiscal Year 2015 budget for the reasons discussed further herein. Second, the proposed DSM Bridge Plan portfolio-wide and Home Rebates budgets are consistent with the "expanded plan" alternative set forth in PGW's DSM Phase II Plan if PGW were to receive authority to implement its CAM. Since PGW's proposed DSM Phase II Plan would terminate the Home Rebates program if PGW does not receive authority for its proposed CAM, the proposed program budget for the Home Rebates Program during the DSM Bridge Plan is intended to keep the Home Rebates program operational during the interim period pending a Commission decision on PGW's proposal to phase it out. With the exception of the *CRP Home Comfort* and Home Rebates programs, the variance between the Fiscal Year 2015 program budgets and those proposed for the DSM Bridge Plan is based on the need for PGW to balance the impact of lost margins associated with the reduced

throughput by customers as a result of these PGW-financed conservation efforts during the bridge period, which PGW will not recover. PGW submits that these proposed program funding levels are a reasonable balance for the interim bridge period. Importantly, the programs and the program budgets for the long-term DSM plan will be fully addressed in the currently pending DSM Phase II Plan proceeding at docket P-2014-2459362 and nothing proposed here for the DSM Bridge Plan is intended to prejudge the outcome of that proceeding.

III. IF THE COMMISSION REJECTS PGW'S PROPOSED DSM BRIDGE PLAN, THEN THE COMMISSION SHOULD APPROVE THE CRP HOME COMFORT PROGRAM

16. As explained above, the current DSM Phase I Plan includes PGW's *CRP Home Comfort* program offered consistent with the Commission's LIURP regulations. If the Commission approves this Petition, then PGW's *CRP Home Comfort* program will continue without interruption and at funding levels consistent with the Fiscal Year 2015 budget.

17. However, if the Commission declines to approve this Petition, then PGW recommends that the Commission ensure continuation of PGW's LIURP program (the *CRP Home Comfort* program). To do this, in the event the Commission rejects the DSM Bridge Plan, the Commission should issue an interim order which directs PGW to implement its *CRP Home Comfort* program at a program funding level to be determined after a comment period limited to this issue is provided. If the Commission chooses this alternate path (by not approving the proposed DSM Bridge Plan), then the Commission will need to determine the appropriate program funding level for the *CRP Home Comfort* program that would be in place for the interim period covering PGW's fiscal year of September 1, 2015 through either: (1) August 31, 2016; or, (2) upon the effective date of a compliance plan filed in response to a final Commission

Order at docket number P-2014-2459362, whichever is earlier.⁸ In the event the Commission declines to approve PGW's proposed DSM Bridge Plan, issuance of an interim order authorizing PGW to continue its *CRP Home Comfort* program at a program level to be determined in a final interim order – to be issued on or before July 1, 2015 – after parties are given an opportunity to comment will assure that low income customers will continue to receive conservation assistance consistent with Commission regulations. PGW also respectfully requests that if the Commission chooses to pursue this alternate route, a final interim order regarding PGW's *CRP Home Comfort* program needs to be issued on or before July 1, 2015 to provide sufficient time to enable PGW to implement it before September 1, 2015 which is when current Commission authorization for the program will terminate. To be clear, even if this alternative approach is adopted by the Commission, the long-term program details and funding levels for the *CRP Home Comfort* program (as well as the other programs) will be determined in the DSM Phase II Plan proceeding and the final Commission-approved DSM Phase II Plan will supplant any interim order or DSM Bridge Plan.

IV. CONCLUSION

18. PGW requests approval of its DSM Bridge Plan as just, reasonable, prudent, cost-effective and in the public interest in accordance with Chapter 22 of the Public Utility Code and Sections 1301, 1319, 1501, and 1505(b) of the Code.

⁸ The question of whether PGW's DSM programs will continue will be determined in the DSM Phase II Plan pending at docket P-2014-2459362. Accordingly, there is no basis for suggesting at this time that PGW's *CRP Home Comfort* program should be moved into its USECP 2014-2016 either for this interim period or on a long term basis. For reasons already explained in the *USECP 2014-2016 Order* PGW does not support such a transfer. In addition, and importantly, PGW's USECP runs on a calendar year basis while PGW's DSM programs – including the *CRP Home Comfort* program – run on a fiscal year basis. Accordingly, pending the outcome of PGW's proposed DSM Phase II Plan and if the Commission declines to adopt PGW's DSM Bridge Plan, PGW urges the Commission to continue to permit the *CRP Home Comfort* program to continue on a fiscal year basis for this interim bridge period pending the outcome of the DSM Phase II Plan proceeding at docket number P-2014-2459362.

19. PGW requests approval of its DSM Bridge Plan for an interim period from September 1, 2015 through either: (1) August 31, 2016; or, (2) upon the effective date of a compliance plan filed in response to a final Commission Order at docket number P-2014-2459362, whichever is earlier, at the program funding levels set forth in this Petition.

20. PGW requests that it be permitted to file an Implementation Plan for the DSM Bridge Plan within 30 days of entry of the Commission's Order approving the plan.

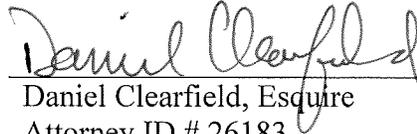
21. PGW requests that any and all current waivers of Chapter 58 as necessary to permit the CRP Home Comfort program to satisfy these regulatory requirements be continued during the DSM Bridge Plan period.

22. PGW requests that an order be entered on or before the May 7, 2015 public meeting to enable PGW to avoid the process of shuttering the six currently operating programs of the DSM Phase I Plan pending a final order from the Commission regarding PGW's proposed DSM Phase II Plan which is being addressed at docket number P-2014-2459362.

23. If the Commission declines to approve this petition, then, in order to assure that PGW continues to be in compliance with the Commission's LIURP regulations, PGW requests that the Commission issue an interim order which directs PGW to implement its *CRP Home Comfort* program at a program funding level to be determined after a comment period limited to this issue is provided to the parties. PGW also respectfully requests that if the Commission chooses to pursue this alternate route, a final interim order regarding PGW's *CRP Home Comfort* program needs to be issued on or before July 1, 2015 to provide sufficient time to enable PGW to implement it before September 1, 2015 which is when current Commission authorization for the program will terminate. The final interim order would continue the *CRP Home Comfort* program for the interim period starting September 1, 2015 until either: (1) August 31, 2016; or,

(2) upon the effective date of a compliance plan filed in response to a final Commission Order at docket number P-2014-2459362, whichever is earlier.

Respectfully Submitted,



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