

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Philadelphia Gas Works Universal Service	:	
And Energy Conservation Plan for 2017-2020	:	Docket No. M-2016-2542415
Submitted in Compliance with 52 Pa. Code § 62.4	:	
	:	

**Supplemental Comments of the Coalition for Affordable Utility Services and Energy
Efficiency in Pennsylvania (CAUSE-PA)**

On April 11, 2017, the Pennsylvania Public Utility Commission (Commission) issued a Secretarial Letter requiring PGW to file responsive information and data regarding its Universal Service and Energy Conservation Plan for 2017-2010. (April 11 Secretarial Letter). On April 21, 2017, PGW filed a three-page response. (PGW Supplemental Response). CAUSE-PA files these Supplemental Comments in response thereto, pursuant to the 7-day comment period enumerated in the Commission’s April 11 Secretarial Letter.

As an initial observation, CAUSE-PA notes that PGW’s Supplemental Response raises more questions than it answers. As CAUSE-PA asserted in its initial Comments, and in its Letter in Lieu of Reply Comments, PGW’s USECP is mired with unknowns and is factually deficient. CAUSE-PA continues to believe that a proceeding in which PGW is required to respond to inquiries by the parties, and can be compelled to do so if necessary, is needed to more closely examine whether PGW’s Universal Service and Energy Conservation programs are appropriately designed and available to low income customers who cannot otherwise afford the high cost of

energy. This fact notwithstanding, CAUSE-PA provides the following brief comments in response to PGW's Supplemental Response.

CRP Cure

PGW's CRP Cure policy requires previous CRP customers who were either voluntarily or involuntarily removed from CRP to pay a "cure" amount – which is equal to the amount of past-due CRP bills, in addition to the reconnection fee.¹ PGW clarified in its Supplemental Response that the CRP Cure amount is determined based on the individual's income at the time of their last recertification – regardless of whether the customer's circumstances changed between the time of their removal or voluntary withdrawal from CRP and the time they seek to reenroll.

PGW's clarification raises potential inequities in PGW's CRP Cure policy, and does little to shed light on the many questions surrounding PGW's Cure policy that remain unanswered.²

¹ CAUSE-PA Comments at 14-15 (citing PGW Amended Plan at 17; TO at 16-17; PGW Supplemental Information at 13).

² In its Reply Comments, PGW answered only one of the questions identified by CAUSE-PA. Namely, that PGW does not charge a CRP Cure amount for months when a customer was terminated and/or is disconnected from service. PGW Reply Comments at 18-19. However, the questions raised by CAUSE-PA were much more detailed than that, and answers thereto are necessary to properly assess whether the CRP Cure policy is appropriately designed to allow low income consumers to access assistance through the program or, in the alternative, whether the policy creates unnecessary barriers to continued service. The questions that are outstanding to date in this proceeding include:

- Whether the CRP Cure policy applied while a household is subject to a stay-out period;
- Whether remaining preprogram arrearages are re-deferred when the CRP Cure amount is paid;
- Whether all payments – including LIHEAP, Hardship Funds, and other grant assistance payments – are counted in calculating the CRP Cure amount;
- Whether the CRP customer will receive retroactive forgiveness for the "cured" months after re-enrollment; and
- Whether a customer who withdraws or is removed from CRP is eligible for a Hardship Fund grant or a payment arrangement to satisfy the CRP Cure amount?

CAUSE-PA Comments at 15-16. In addition to these technical questions about the policy, there are also open questions about the practical affect that this policy has on the ability for low income households to access natural gas service in PGW's service territory. Indeed, PGW has not even provided an estimate on the number of customers impacted by this policy.

As explained in its initial Comments, there is insufficient information available about the scope and impact of CRP Cure with which to assess the impact of the policy and reach an informed conclusion. Prior to approving PGW's plan, PGW should at the very least be required to respond to the questions posed by parties and address the issues raised in the comments submitted at this docket.

Health and Safety Pilot

In response to the Commission's question whether PGW intends to address de facto heating through its proposed Health and Safety Pilot, PGW responds that a customer with an inoperable heating system may be served through LIURP, but that the costs for repairing or replacing the system "would still be governed by cost effectiveness standards."

As a practical matter, the cost of repairing or replacing a furnace may exceed the cost-effectiveness standards for LIURP – making service through LIURP difficult. But inoperable natural gas systems pose a tremendous threat to the health and safety of low income customers and their families. The lack of a functioning central heating system increases the risk of fire, and can have severe consequences on an individual's physical and mental health. At the same time, remediating inoperable natural gas heating systems provides clear benefits to other ratepayers by eliminating the use of inefficient electric space heaters, which in turn cause high uncollectible expenses or otherwise unnecessarily raise the cost of both PGW and PECO's CAP and Hardship Fund programs. If PGW's health and safety pilot is approved, PGW should be required to develop a plan to address de facto heating. There are multiple ways in which this could be done, including through coordination with the LIHEAP Crisis Interface program and Weatherization contractors. In its initial Comments, CAUSE-PA recommended that PGW be required to form a

Universal Service Advisory Committee per 52 Pa. Code § 58.16. The development of a de facto heating remediation plan would be an appropriate topic to discuss with that group when formed.

CARES

In response to the Commission’s inquiry about PGW’s CARES unit staff, PGW explains that its CARES program has two components: “quick-fix and case management.” For quick-fix cases, approximately 140 call center staff provide customers with referrals from a resource guide. For case management, staff from the Universal Service department provides “ongoing monitoring and follow-up services.” PGW does not provide any further insight into the level of case management services provided.

The information PGW has provided to date suggests that PGW’s CARES program is functionally non-existent and PGW is using the guise of CARES to provide basic customer service – providing little more than basic referrals to its own universal service programs and the other services provided by community based organizations. Chapter 14 already requires PGW to provide this sort of referral as part of its customer service obligations³ and PGW should not use CARES funding to meet its already existing obligations. CARES funding should enhance this outreach.

PGW’s CARES services, as described in its filings throughout this proceeding, simply do not justify its proposed budget of \$880,800. PGW estimates that 271 customers will participate in CARES. But, even assuming that all 271 participating customers are provided with intensive case management services, the cost per customer is \$3,250.18. PGW’s costs are not in the form

³ 66 Pa. C.S. § 1410.1(2).

of financial assistance to the households, so it is hard to see how PGW could justify the budget.⁴ PGW should, at a minimum, be required to provide a breakdown of its CARES budget to determine whether the costs are being appropriately targeted to assist low income customers. CAUSE-PA also recommends that if this budget level is permitted to continue, PGW should have dedicated CARES staff who provide case management services for CARES-eligible customers and should seriously evaluate whether to use a portion of the funds to provide bill credits to households who have run out of other options.

Hardship Funds

In its Supplemental Response, PGW explained that its Hardship Fund grants have declined because UESF “experienced a decrease in funding, primarily federal grant monies.” PGW’s Supplemental Response is inadequate, and further inquiry is necessary. Indeed, it is unclear whether those federal grant programs allow the dollars to be subsumed (as opposed to leveraged) by PGW’s Hardship Fund.

PGW further attributes the decline in Hardship Fund grants to the 24% increase in average grant amount. While PGW correctly noted its average Hardship Fund grant increased from \$998 to \$1,234 (23.6%) from 2010 to 2015,⁵ it does not fully explain the sharp decline in the number of grants. There were fewer grants because there are fewer available dollars. The need – as evidenced by the \$14,958,895 in debt held by PGW’s low income customers in 2015⁶ - is overwhelming. PGW’s Hardship Fund budget dedicated to grants should increase both to support additional grants and an increase in the grant amounts.

⁴ See BCS, 2015 Report on Universal Service Programs & Collections Performance, at 49 (2016). In 2015, PGW provided just \$992 in non-LIHEAP grants for CARES participants. *Id.*

⁵ 2015 Report on Universal Service Programs & Collections Performance, at 52 (2016).

⁶ 2015 Report on Universal Service Programs & Collections Performance, at 22 (2016).

Finally, with regard to UESF's Administrative Costs, PGW clarified in its Supplemental Response that it shares UESF's operating costs with the Philadelphia Water Department and PECO – and that additional administrative costs were incurred to pay for a “special City grant” and “increased operating expenses.” PGW does not provide any information about the City grant – or a breakdown of the “increased operating expenses.” PGW concludes by requesting that it be allowed to recover the costs of its Hardship Fund program to the extent it is required to administer the program in-house or provide funding for grant assistance.

CAUSE-PA's continues to assert – as it did in its initial comments – that the Commission must better understand the relationship between PGW and UESF – and whether the funds from each are appropriately leveraged to maximize the grant pool. As it stands, the limited information PGW has made available thus far in this proceeding suggests that PGW is supplanting, rather than leveraging, the funds available through UESF. CAUSE-PA supports UESF and its valuable work, but believes that PGW should be providing more in grant money to its customers. Given PGW's continued refusal to provide information about its programming, CAUSE-PA asserts that it is necessary for this case to be referred for hearings to provide an appropriate level of review.

Conclusion

CAUSE-PA thanks the Commission for this opportunity to submit supplemental comments in this proceeding, and urges the Commission to adopt the recommendations contained in its Comments, Letter in Lieu of Reply Comments, and these supplemental comments.

Respectfully Submitted,
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Certificate of Service

I hereby certify that I have this day served copies of CAUSE-PA’s Supplemental Comments in accordance with the requirements of 52 Pa. Code § 1.54 in the manner and upon the persons listed below.

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