|  |  |
| --- | --- |
| PUC logo | *COMMONWEALTH OF PENNSYLVANIA*  *PENNSYLVANIA PUBLIC UTILITY COMMISSION*  *BUREAU OF CONSUMER SERVICES*  *P.O. BOX 3265, HARRISBURG, PA 17105-3265* |

May 3, 2017

**Docket No:** M-2016-2554787

To: PPL Electric Utilities Corporation and All Parties to M-2016-2554787

Re: Clarification requested on the Supplemental Information filed on April 26, 2017

On April 6, 2017, the Pennsylvania Public Utility Commission (Commission) entered a Tentative Order, proposing to approve the proposed 2017-2019 universal service and energy conservation plan (Proposed 2017-2019 Plan or USECP) for PPL Electric Utilities Corporation (PPL or Company). The Tentative Order indicated issues that required further attention and requested additional information from PPL. In compliance with this Tentative Order, PPL filed Supplemental Information on April 26, 2017 (PPL Supplemental Information or Supplemental Information). The Commission’s Bureau of Consumer Services (BCS) has reviewed the PPL Supplemental Information and has identified several areas where answers were either not complete or which require additional clarification.

Specifically, we request PPL provide the following additional information or clarification regarding its Supplemental Information filing:

1. *Provide the average energy burden levels for full-year OnTrack participants in 2014, 2015, and 2016,* ***with*** *the $5 co-payment and CAP Plus charge* ***included****.*

In the Tentative Order, the Commission asked PPL to:

[P]rovide average energy burden levels for full-year OnTrack participants in 2014, 2015, and 2016. Participant information should be broken out by FPIG level (*i.e.*, 0-50%, 51-100%, and 101-150%) and heating type. In addition, the energy burden level for the OnTrack bill should be identified separately from the energy burden level for additional OnTrack charges (*i.e.*, $5 co-payment and CAP Plus).

Tentative Order at 15.

The intention of this request was for PPL to provide two charts reflecting average energy burden levels for CAP participants for comparison. One chart should have reflected the energy burden level with the $5 co-payment and CAP Plus charges included; the other chart should have excluded those additional charges. In its Supplemental Information, PPL provided only energy burden levels with the $5 co-payment and CAP Plus charges excluded. Accordingly, PPL is directed to provide the average energy burden levels for full-year OnTrack participants in 2014, 2015, and 2016 with these additional OnTrack charges included.

1. *Clarify that customers removed from OnTrack for non-payment can re-enroll in the program after six months without any requirement that they pay all or a portion of their overdue balance.*

The Proposed 2017-2019 Plan states that customers removed from OnTrack for non-payment can re-enroll in the program within six (6) months by paying the “OnTrack catch-up amount,” which is the difference between what the customer would have paid if on OnTrack and payments actually made to PPL. Proposed 2017-2019 Plan at 18-19. In the Tentative Order, PPL was directed to explain, *inter alia*, “what amount it will require a customer to pay to re-enroll in OnTrack more than six months after removal for non-payment.” Tentative Order at 17-18.

PPL reports that “[t]he customer is not required to pay any amount of the overdue balance if more than six months elapses after removal from OnTrack due to non-payment.” PPL Supplemental Information at 7. This response suggests that the Company allows customers to re-enroll in OnTrack seven or more months after program removal without satisfying any remaining program arrearages or any arrearages accrued after leaving the program. If this is the case, then PPL should explain how it addresses overdue balances when customers re-enroll in OnTrack after a removal of longer than six months (*e.g.*, Is the overdue balance added to pre-program arrears for forgiveness?).

1. *Provide the number of OnTrack customers enrolled in 2015 with pre-enrollment energy burdens at or below the maximum levels in the CAP Policy Statement. Participant information should be broken out by FPIG level (i.e., 0-50%, 51-100%, and 101-150%) and heating type.*

In the Tentative Order, the Commission noted that PPL does not consider the household’s current energy burden level when determining the OnTrack discount and suggested that this may contribute to the high annual cost of the program. PPL was asked to provide the number of OnTrack customers enrolled in 2015 with energy burdens at or below the recommended [*i.e.*, maximum] levels in the CAP Policy Statement; broken out by FPIG level and heating type. Tentative Order at 33-35. In its Supplemental Information, PPL provided *post-enrollment* energy burden levels for customers enrolled in OnTrack in 2015. PPL Supplemental Information at 23. This information does not address the Commission’s articulated concern.

PPL should provide the *pre-enrollment* energy burden levels for customers enrolled in OnTrack in 2015.

1. *Provide the total number of customers with in-program (OnTrack) arrears and the total dollar amount of in-program arrears in 2014, 2015, and 2016.*

The Tentative Order asked PPL to provide the number of customers with in-program arrears in the previous three years. Tentative Order at 35. By “in-program” arrears, the Commission was referring to all arrears accrued by customers while enrolled in the OnTrack program (*i.e.,* OnTrack arrearages). In-program arrears do not include pre-program arrearages that have been deferred for forgiveness. In its Supplemental Information, PPL appears to have provided a monthly count of *all* arrears carried by CAP customers in 2014, 2015, and 2016. PPL Supplemental Information at 26-27. We request that PPL provide a new chart that reflects only the number of customers who have accrued arrears within the OnTrack program and the total amount of those arrears in 2014, 2015, and 2016.

1. *Clarify the OnTrack $5 arrearage co-payment policy.*

In its Proposed 2017-2019 Plan, PPL explains that all OnTrack payment options include a monthly $5 arrearage co-payment. Plan at 5. Although this practice was not questioned in the Tentative Order, BCS has concerns that OnTrack customers may be charged this arrearage co-payment even after all pre-program debt has been forgiven. PPL should clarify its OnTrack arrearage co-payment policy and identify when and by what method this charge is removed from a customer’s monthly OnTrack payment.

In addition, since PPL is proposing to allow customers to enroll in OnTrack with no overdue balance, the Company should clarify if these customers will or will notbe charged the monthly $5 arrearage co-payment.

1. *Update the Winter Relief Assistance Program (WRAP) needs assessment.*

In its Supplemental Information, PPL provides an updated WRAP needs assessment that shows a total of 102,197 customers who are eligible for WRAP services and a Total Cost to Serve those customers of $253,602,210. PPL Supplemental Information at 16. BCS follows the methodology that results in the number of eligible customers, but is unable to duplicate the Total Cost to Serve them. The Total Cost to Serve is an estimation, but stakeholders must be able to follow the methodology used by the Company.[[1]](#footnote-1) PPL needs to explain how the Total Cost to Serve figure of $253,602,210 was calculated and provide a full explanation of each step in the methodology with sufficient detail as to allow for replication.

In order for the Commission’s review of PPL’s Proposed 2017-2019 USECP to proceed, PPL must file additional information in response to this request and serve all parties and interveners at this docket no later than 15 days from the date of this letter. Comments to PPL’s Proposed 2017-2019 Plan and response filings may be filed within twenty (20) days of the date of PPL’s filing deadline. Reply exceptions may be filed within fifteen (15) days thereafter.[[2]](#footnote-2)

Questions about this letter may be directed to Joseph Magee, [jmagee@pa.gov](mailto:jmagee@pa.gov), and Sarah Dewey, [sdewey@pa.gov](mailto:sdewey@pa.gov).

 Very truly yours,

Rosemary Chiavetta

Secretary

Cc: Amanda Gordon, BCS, [amgordon@pa.gov](mailto:amgordon@pa.gov)

James Farley, BCS, [jafarley@pa.gov](mailto:jafarley@pa.gov)

Joseph Magee, BCS, [jmagee@pa.gov](mailto:jmagee@pa.gov)

Sarah Dewey, BCS, [sdewey@pa.gov](mailto:sdewey@pa.gov)

Louise Fink Smith, Law Bureau, [finksmith@pa.gov](mailto:finksmith@pa.gov)

Cert. of Service via email

1. Multiplying the average annual job cost ($10,000,000 Annual LIURP Budget/3,300 Average Jobs = $3,030 Average Job Cost) by the estimated 102,197 customers, results in a Total Cost to Serve of $309,656,910. This is one example of methodology that has been commonly used by other electric distribution companies (EDCs), and previously accepted by the Commission. *See First Energy 2015-2018 USECP Final Order*, Docket No. M-2014-2407728 (Order entered May 26, 2015), at 56-59. [↑](#footnote-ref-1)
2. This new comment/reply comment timeline replaces the timeline established in the Tentative Order. [↑](#footnote-ref-2)