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May 5, 2017

**Via Electronic Filing**

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

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

Dear Secretary Chiavetta:

On behalf of Philadelphia Gas Works (“PGW”), please accept this letter in lieu of more formal reply comments to the supplemental comments submitted by the Tenant Union Representative Network and Action Alliance of Senior Citizens of Greater Philadelphia (collectively, “TURN”) and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”) both filed on April 28, 2017. This reply addresses PGW’s Universal Service and Energy Conservation Plan for 2017-2020 (“USECP 2017-2020”) filed on April 25, 2017 and is being submitted in accordance with the Commission’s April 11, 2017 Secretarial Letter.

**PGW’s Proposed Health and Safety Pilot**

In response to PGW’s clarification in its April 21, 2017 letter that its proposed Health and Safety Pilot is not designed to address “de facto heating situations,” TURN and CAUSE-PA both advocate the contrary, recommending that PGW’s proposed pilot be expanded to address de facto heating situations.<sup>1</sup> PGW objects to this expansion for two reasons.

First, the Commission has already denied CAUSE-PA’s proposal to require PGW to implement a de facto heating program during the recent litigation of PGW’s Demand-Side Management Plan.<sup>2</sup> According to the Commission’s previous order, the proposed de facto heating program: (1) would not be “an effective use of resources;” (2) would increase the cost of LIURP; (3)

<sup>1</sup> TURN Supplemental Comments at 5-7; CAUSE-PA Supplemental Comments at 3-4.

<sup>2</sup> *Petition of Philadelphia Gas Works for Approval of Demand-Side Management Plan for FY 2016-2020, and Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2014-2016, 52 Pa. Code § 62.4 – Request for Waivers*, Docket No. P-2014-2459362, Tentative Order entered August 4, 2016 at 134-135. The Commission adopted the recommendation of the Administrative Law Judges on this issue and no party filed exceptions to the Commission’s decision. The subsequently entered final order did not further address this issue.

would not affect the amount of arrears that a CRP customer may have, nor prevent termination of service; (3) would increase costs for PGW to extend weatherization service to non-customers and then deal with customers who have already been terminated for non-payment and who may have significant outstanding arrearages; and, (4) would not lead to a directly comparable benefit to CRP customers as would result for PECO's customer assistance participants.<sup>3</sup> All of these fundamental flaws of the de facto program would exist if the proposal of CAUSE-PA and TURN is adopted here. For all the reasons outlined by the Commission, PGW does not support implementation of a de facto heating program.

Second, PGW has proposed the Health and Safety Pilot on a temporary, pilot basis because, among other reasons, this would be a new and untested approach in PGW's existing CRP Home Comfort Program.<sup>4</sup> As such, modifications to the initial proposal or lack of approval to include the proposed spend as part of PGW's LIURP budget will require PGW to withdraw the proposal. PGW has carefully considered all parts of its Universal Service Plan and determined that it is willing to offer the Health and Safety proposal on a pilot, trial basis in accordance with the previously provided parameters. Notably, all the parties filing comments have expressed support for PGW's proposal and the Commission's regulations specifically encourage utilities to propose pilot programs consistent with the purposes of the regulations.<sup>5</sup> Requiring PGW to include in its initial pilot a de facto heating program that has been specifically denied by the Commission (and that would negatively impact PGW's overall Universal Service Plan) is not consistent with the goals of the Commission to encourage utilities to offer innovative approaches for the benefit of customers.

### **PGW's Proposed CARES Budget**

CAUSE-PA and TURN also make unfounded allegations about PGW's level of commitment regarding its CARES program which PGW addresses here. More specifically, TURN asserts that PGW pays "little, if any attention" to the CARES program<sup>6</sup> and CAUSE-PA claims that PGW is "overbudgeting" the amount necessary to provide CARES intensive case management services.<sup>7</sup> Neither of these allegations is accurate. As stated in the USECP 2017-2020, the CARES budget includes LIHEAP outreach, but the number of referrals and cases managed does not include customers who receive LIHEAP/Crisis outreach:

CARES Estimated Budget – CARES budgeting is included in the LIHEAP Outreach budget . . . . The average monthly participation provided below is an estimate of the discrete number of customers for whom PGW

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<sup>3</sup> *Id.*

<sup>4</sup> First Amended Universal Service and Energy Conservation Plan 2017-2020 dated November 16, 2016 (red-lined version) at 5-6. *See also*, Supplemental Information Submitted by Philadelphia Gas Works in Response to January 26, 2017 Tentative Order, Docket No. M-20162542415 dated February 15, 2017 at 18-19.

<sup>5</sup> 52 Pa. Code § 58.4(d).

<sup>6</sup> TURN Supplemental Comments at 9.

<sup>7</sup> CAUSE-PA Supplemental Comments at 4-5.

customer service representatives provide a (non-LIHEAP) “quick fix” referral as well as those referred for case management. It does not include the customers who are likely to receive a LIHEAP and/or Crisis grant.<sup>8</sup>

Thus, PGW’s CARES budget is appropriately sized to encompass the services that are being offered. Moreover, as described in PGW’s USECP, PGW’s CARES provides both quick fix referrals for customers, and on-going case management (monitoring and follow-up services through its Universal Service Department) for customers when needed.

In conclusion, PGW appreciates the Commission’s careful review of its USECP and looks forward to continuing to work with staff on these important issues.

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

Sincerely,

*pp: Deanne M. O'Dell*

Deanne M. O’Dell

DMO/lww  
Enclosure

cc: Cert. of Service w/enc.

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<sup>8</sup> First Amended Universal Service and Energy Conservation Plan 2017-2020 dated November 16, 2016 (red-lined version) at 5-6.

**CERTIFICATE OF SERVICE**

I hereby certify that this day I served a copy of PGW's Letter in Lieu of Reply Comments 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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Dated: May 5, 2017

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