

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

REBUTTAL TESTIMONY OF

DENISE ADAMUCCI

ON BEHALF OF
PHILADELPHIA GAS WORKS

Docket No. R- 2017-2586783

Philadelphia Gas Works

General Rate Increase Request

Topics Addressed:

Characteristics of Low Income Customers
PGW Termination and Reconnection Policies
Easy Way Budget Billing Program
Universal Service and Energy Conservation Issues

June 9, 2017

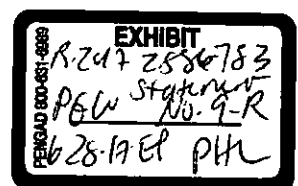


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1 **I. INTRODUCTION AND BACKGROUND**

2 **Q. PLEASE STATE YOUR NAME AND TITLE.**

3 A. My name is Denise Adamucci and I am the Vice President of Regulatory Compliance and
4 Customer Programs at Philadelphia Gas Works (“PGW” or Company”)

5 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND WORK**
6 **HISTORY.**

7 A. I have an MA in English Literature from Arizona State University and a JD from Boston
8 University School of Law. Prior to my current position, I worked as an attorney for
9 approximately 14 years. I worked in private practice at Manta and Welge, and then at
10 Klett Rooney Lieber & Schorling (acquired by Buchanan Ingersoll & Rooney).
11 Subsequently, I worked in PGW’s legal department as a senior attorney.

12 **Q. HAVE YOU SUBMITTED TESTIMONY AT ANY REGULATORY BODIES**
13 **BEFORE?**

14 A. Yes. Most recently, I presented written direct, rebuttal and surrebuttal testimony on
15 behalf of PGW in support of its petition for approval of its Demand Side Management
16 (“DSM”) plan at docket number P-2014-2459362.

17 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?**

18 A. My testimony is submitted on behalf of PGW.

19 **Q. DID YOU SUBMIT DIRECT TESTIMONY IN THIS MATTER?**

20 A. No.

21 **Q. PLEASE SUMMARIZE THE PURPOSE OF YOUR TESTIMONY.**

22 A. The purpose of my testimony is to respond to various issues raised by Roger Colton on
23 behalf of the Office of Consumer Advocate (“OCA”) and Harry Geller on behalf of
24 Tenant Union Representative Network and Action Alliance of Senior Citizens of Greater
25 Philadelphia (collectively, “TURN”).

1 **Q. WILL OTHER WITNESSES BE ADDRESSING THESE ISSUES?**

2 A. Yes. Bernard Cummings, Vice President of Customer Service and Collections, will also
 3 be addressing issues raised by these two witnesses. In a number of areas our departments
 4 work together on intermixing issues. For example, my department handles regulatory
 5 compliance, customer service representative training, and universal service programs.
 6 Mr. Cummings' department handles the call center, collections, and account
 7 management. In each of our rebuttal testimonies, we will note instances where we have
 8 relied on data provided by the other witness to inform our positions. In addition to Mr.
 9 Cummings, PGW is also presenting the rebuttal testimony of H. Gil Peach who has been
 10 hired as an outside consultant for PGW for the purposes of analyzing the various
 11 universal service and low-income proposals offered by Mr. Colton and Mr. Geller.

12 **II. CHARACTERISTICS OF LOW INCOME CUSTOMERS**

13 **Q. PLEASE SUMMARIZE THE OBSERVATIONS MR. COLTON MAKES ABOUT**
 14 **LOW INCOME CUSTOMERS THAT YOU WILL BE ADDRESSING.**

15 A. Mr. Colton presents an inaccurate conclusion about the characteristics of low income
 16 customers' usage based on the Commission's Universal Service Report ("USR").¹ He
 17 concludes that low income customers have significantly lower usage than residential
 18 customers generally and, therefore, will experience a much greater percentage bill
 19 increase than the average residential heating customer. (OCA St. No. 4 at 7-8).²

¹ *Pennsylvania Public Utility Commission 2015 Report on Universal Service Programs and Collections Performance* ("USR").

² References are from the revised testimony served on June 2, 2017.

1 **Q. HOW DOES MR. COLTON SUPPORT HIS VIEW THAT LOW INCOME**
2 **CUSTOMERS HAVE LOWER USAGE THAN RESIDENTIAL CUSTOMERS?**

3 A. Mr. Colton reaches this conclusion by comparing what he deems the billings for
4 residential customers versus confirmed low-income customers as set forth in the USR.
5 (OCA St. No. 4 at 7-8).

6 **Q. IS THIS ANALYSIS ACCURATE?**

7 A. No. "Confirmed low income customers" revenue (billings) (\$134,713,519) reported in
8 the USR are a subset of the total residential billings in the USR (\$486,111,491). In
9 addition, the USR billings include Customer Responsibility Program ("CRP") billings,
10 which are lower than actual usage billings for CRP customers since the bills are based on
11 a fixed percentage of household income. Thus, the "average bill" cited by Mr. Colton for
12 non-low income residential customers in the amount of \$1,033 a year would be a "bill"
13 for all residential customers, including low income and CRP. Further, the "average bill"
14 cited by Mr. Colton for low income customers in the amount of \$832 a year would be a
15 "bill" for any low income customer, including a CRP customer whose bill does not
16 reflect actual usage. As reported in the USR, the average monthly CRP bill in 2015 was
17 \$80 and the average annual CRP credit was \$800.³ Only the \$80 would be included in
18 the average CRP bill for low income CRP customers. This obviously understates the
19 total amount used by the CRP customer and results in the incorrect conclusion that, based
20 on the USR data, low income customers have lower average usage than residential
21 customers in general.

³ USR at 43-44.

1 **III. PGW TERMINATION AND RECONNECTION POLICIES**

2 **Q. PLEASE SUMMARIZE THE CONCERNS RAISED BY MR. GELLER**
 3 **REGARDING PGW'S TERMINATION AND RECONNECTION POLICIES.**

4 A. Mr. Geller takes the position that PGW needs to act "aggressively to decrease its
 5 involuntary termination of service numbers and decrease the number of customers
 6 entering into the winter without a safe central heating source." (TURN St. No. 1 at 16).⁴
 7 According to Mr. Geller, once terminated from service, a significant number of low
 8 income customers remain off PGW's system for a significant period of time to include
 9 the winter heating season. (TURN St. No. 1 at 12-13.)

10 **Q. HOW DO YOU RESPOND TO MR. GELLER'S VIEW THAT PGW NEEDS TO**
 11 **DECREASE ITS INVOLUNTARY TERMINATION OF SERVICE NUMBERS?**

12 A. Though I am not presenting testimony as an attorney, I would note that Chapter 14 places
 13 an affirmative responsibility on utilities to attempt to collect payment on an overdue
 14 account.⁵ Regarding customers in CRP, the Commission's CAP Policy Statement
 15 indicates that a failure of the CRP participant to make payments will result in the utility
 16 placing the participant in the regular collection cycle and may lead to termination of
 17 service.⁶ PGW's Commission approved USECP also states that CRP customers who do
 18 not comply with the program requirements related to eligibility and payments can be
 19 subject to termination after one missed bill.⁷ Further, the Commission receives reporting

⁴ References are from the revised testimony served on June 7, 2017.

⁵ 66 Pa. C.S. § 1410.1(3).

⁶ 52 Pa. Code § 69.265(7)(i).

⁷ Philadelphia Gas Works Universal Service and Energy Conservation Plan 2014-2016 dated June 1, 2013 at 12-13 (described in the section titled CRP Provisions for Non-Compliance). The Commission approved this USECP on November 13, 2014. See *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 Re Compliance Filing dated November 13, 2014.

1 on residential customer accounts with arrearages that are \$10,000 or greater and has the
2 authority to levy civil fines or other appropriate sanctions if the Commission concludes
3 that the utility is not making reasonable efforts to collect payment. Terminating service
4 for nonpayment is a tool that can assist a utility in attempting to collect payment on an
5 overdue account. Therefore, PGW cannot focus only on reducing the number of
6 terminations while ignoring accumulating arrearages. However, PGW is concerned about
7 the plight of customers whose service is terminated and cannot reestablish service. PGW
8 works to assist customers whose service has been terminated and provides a robust CRP
9 program structure.

10 **IV. EASY WAY BUDGET BILLING PROGRAM**

11 **Q. DOES MR. COLTON RAISE CONCERNS ABOUT PGW'S BUDGET BILLING**
12 **PROGRAM?**

13 A. Yes. Mr. Cummings will be addressing these concerns more fully in his rebuttal
14 testimony. The purpose of my rebuttal testimony is to provide additional detail about
15 PGW's Easy Way Budget Billing Program.

16 **Q. PLEASE EXPLAIN PGW'S EASY WAY BUDGET BILLING PROGRAM.**

17 A. Residential customers who are current on their accounts can elect to enroll in PGW's
18 budget billing plan known as "Easy Way" which allows them to budget their bill over a
19 year. Easy Way is only offered to customers who are current on their bills and if the
20 Easy Way customer misses two consecutive payments, the customer is removed from
21 Easy Way. The monthly payment amount is based on usage from a premise over a 10-12
22 month period. An account requires 9 months of usage to calculate the monthly payment
23 amount. If sufficient account history is unavailable, then a flat monthly rate of \$75.00 is

1 used for residential non-heat and \$91.00 for residential heat.⁸ PGW reviews the Easy
 2 Way budget billing amount every three months and at the end of the budget billing year
 3 performs a reconciliation.

4 **Q. WHAT CRITICISMS DOES MR. COLTON OFFER ABOUT THE DEFAULT**
 5 **MONTHLY AMOUNT CALCULATION FOR PGW'S EASY WAY BUDGET**
 6 **BILLING PROGRAM?**

7 A. Mr. Colton claims that PGW's default Easy Way Budget monthly payment amount far
 8 exceeds the 12-month average heating bills for PGW residential customers and, therefore,
 9 PGW should be directed to recalculate the amount to reflect average estimated public
 10 utility service costs over a 10-, 11- or 12-month period. (OCA St. No. 4 at 57).

11 **Q. HOW DO YOU RESPOND TO THIS CRITICISM?**

12 A. The default Easy Way budget amount for residential heating customers is \$91.00 (and not
 13 the \$190.00 relied upon by Mr. Colton). The 12-month average heating bills for
 14 residential customers ranged from a low of \$77.22 to a high of \$95.99 and therefore this
 15 amount falls into the range cited by Mr. Colton.

16 **V. UNIVERSAL SERVICE AND ENERGY CONSERVATION ISSUES**

17 **(A) PGW's Currently Pending USECP and Other Commission Proceedings**

18 **Q. WHAT ARE THE PURPOSES OF PGW'S UNIVERSAL SERVICE AND**
 19 **ENERGY CONSERVATION (COLLECTIVELY "UNIVERSAL SERVICE")**
 20 **PROGRAMS?**

21 A. Consistent with the Commission's regulations at 52 Pa Code § 62.3, the purposes of
 22 PGW's Universal Service programs are to: (1) help low-income customers maintain

⁸ I recognize that Mr. Colton refers to a flat monthly amount of \$190.00 for residential heat based on materials provided to him in discovery. These training materials, however, reflect an incorrect number and will be revised. I have confirmed that the flat billing monthly rate set for residential heating customers with insufficient account history is \$91.00.

1 affordable natural gas service; (2) make available payment assistance to low-income
 2 customers; (3) help low income customers conserve energy and reduce residential utility
 3 bills; and, (4) ensure the Universal Service programs are operated in a cost-effective and
 4 efficient manner.

5 **Q. DOES THE COMMISSION REVIEW AND APPROVE PGW'S UNIVERSAL**
 6 **SERVICE PROGRAMS?**

7 A. Yes. In accordance with Commission regulation at 52 Pa. Code § 62.4, every three years
 8 utilities are required to file a Universal Service and Energy Conservation Plan for
 9 Commission review and approval. The Bureau of Consumer Services (BCS) is the
 10 Bureau vested with Commission oversight of universal service programs and plans.⁹
 11 PGW filed its USECP for 2017-2020 – a four year plan – on April 28, 2016 and the
 12 Commission entered a Tentative Order on January 26, 2017 seeking additional
 13 information.¹⁰ PGW and other interested stakeholders submitted information in response
 14 to the Tentative Order. By Secretarial Letter dated April 11, 2017, the Commission
 15 requested additional information. The comment period for the submitting of this
 16 additional information closed on May 5, 2017. A final order from the Commission is
 17 pending.

18 **Q. PLEASE DESCRIBE THE MAJOR COMPONENTS OF PGW'S USECP?**

19 A. PGW's USECP includes PGW's CRP which is intended to help low-income residential
 20 customers meet their energy needs by offering payment assistance in the form of an

⁹ *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 entered August 22, 2014 at 71.

¹⁰ *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, Tentative Order entered January 26, 2017 (“USECP 2017-2020 Tentative Order”).

affordable bill. The CRP structure, eligibility requirements and program costs are all approved as part of the USECP. A second component of PGW's USECP is its Low-Income Usage Reduction Program ("LIURP"), called CRP Home Comfort, the purpose of which is to provide free, in-home weatherization and energy conservation education services for single-family, high use customers enrolled in CRP, and – on a pilot basis – similar services to multi-family properties pursuant to the pilot Low-Income Multi-family Efficiency ("LIME") program.¹¹ Other components of PGW's USECP include: (1) the Customer Assistance Referral and Evaluation Service Program ("CARES"); and (2) matching grants by the Utility Emergency Service Fund ("UESF") referred to as "Hardship Funds." The Senior Citizen Discount program has also been included in the USECP, although this program is not considered a Universal Service program by the Commission as it is not need based and was discontinued for future enrollees.

Q. WHAT ISSUES AND PROPOSALS HAVE PARTIES RAISED REGARDING PGW'S USECP?

A. Regarding CRP, Mr. Geller recommends that: (1) all income eligible customers who choose to do so should be enrolled in CRP; and, (2) the percentage of income targets utilities use to determine the CRP asked-to-pay amount be changed from 8, 9, and 10% to 5, 7, and 9%. (TURN et al. St. No. 1 at 9-15). Regarding LIURP, Mr. Colton recommends that: (1) the budget for PGW's LIURP program be expanded (to equal the

¹¹ Since 2009, PGW's LIURP program was included as part of its Demand Side Management ("DSM") Plan rather than its USECP. As such, the program elements of PGW's LIURP were most recently approved in PGW's DSM proceeding. *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, Final Opinion and Order entered November 1, 2016 ("DSM II Final Order"). However, PGW is in the process of returning the LIURP program to the USECP portfolio of programs pursuant to the USECP.

1 same percentage bill increase to residential class at median usage); and, (2) that it be
 2 expanded to include a program to repair or replace broken systems that are the main
 3 heating system in a low-income home. (OCA St. No. 4 at 47-48, 70-71). Consistent with
 4 Mr. Geller's recommendation to expand eligibility for CRP, Mr. Geller also takes the
 5 position that all income eligible customers should be able to receive LIURP services.
 6 (TURN St. No. 1 at 16). Regarding CARES, Mr. Geller recommends that PGW be
 7 directed to increase staffing and activities. (TURN et al. St. No. 1 at 15). Some version
 8 of all of these issues are pending with the Commission in PGW's 2017-2020 USECP.

9 **Q. AS A THRESHOLD MATTER, DO YOU BELIEVE THESE MATTERS ARE**
 10 **APPROPRIATELY RAISED IN THIS PROCEEDING?**

11 A. No, I do not. The Commission already has a well-established process for utilities to
 12 submit their universal service programs for review and approval, which provides
 13 significant opportunity for interested stakeholders to provide input. As evidence, there
 14 have already been numerous opportunities provided to interested stakeholders regarding
 15 PGW's currently pending USECP.¹² Therefore, I do not believe a distribution rate
 16 proceeding is the appropriate forum to address structural or substantive Universal Service
 17 issues, particularly when those same issues are currently pending with the Commission.
 18 Addressing USECP proposals outside of the normal (and currently active) USECP review
 19 creates uncertainty about where these issues will be addressed and requires additional

¹² In the USECP proceeding, the Commission requested that PGW provide supplemental information and then permitted the filing of comments to the supplemental filing and reply comments to the comments. Subsequently, the Commission issued an secretarial letter seeking further information from PGW and affording interested stakeholders the opportunity to submit comments to the additional information provided by PGW and then reply comments to the comments. See *USECP 2017-2020 Tentative Order*; *Request for Additional Information Regarding PGW's Proposed 2017-2020 USECP*, Docket No. M-2016-2542415, Secretarial Letter dated April 11, 2017.

1 Company and Commission resources to address the same issues in multiple proceedings.
 2 In addition, the Commission's well-established process relies on the expertise of
 3 members of the Bureau of Consumer Services ("BCS") to act as the Commission's
 4 advisory team in the context of the non-adjudicatory universal service proceeding.

5 **Q. IS THE COMMISSION ALREADY ADDRESSING THE SPECIFIC CRP**
 6 **CONCERNS RAISED BY MR. GELLER REGARDING ELIGIBILITY FOR CRP**
 7 **AND ENERGY AFFORDABILITY?**

8 A. Yes. Although Mr. Geller recommends that PGW "discontinue its policies of denying
 9 arrearage forgiveness and LIURP services to income eligible customers unable to enroll
 10 in CRP" (TURN St. No. 1 at 16), PGW's processes and procedures in this regard are not
 11 "policies" to deny arrearage forgiveness or LIURP services. The current structure and
 12 features of PGW's USECP were approved by the Commission. Additionally, in the
 13 currently pending USECP proceeding, BCS directly asked PGW to consider the
 14 possibility of opening up CRP benefits to all income eligible customers without regard to
 15 the most affordable monthly bill payment option.¹³ As part of its consideration, PGW
 16 hired H. Gil Peach (who is also presenting rebuttal testimony) to review a number of
 17 PGW's CRP policies, including a review of the proposal to allow all income eligible
 18 customers to receive the benefits of CRP without regard to the most affordable monthly
 19 payment amount.¹⁴ PGW has presented the cost estimate developed by Dr. Peach as well
 20 as his recommendations to the Commission and is awaiting final direction in the USECP
 21 proceeding. Mr. Geller admitted in discovery that he has not performed any analysis

¹³ *USECP 2017-2020 Tentative Order* at 10-13.

¹⁴ Supplemental Information Submitted by Philadelphia Gas Works in Response to January 26, 2017 Tentative Order, Docket No. M-2016-2542415, dated February 15, 2017 at 5-8.

1 regarding the effect of his proposal on customers who are not enrolled in CRP (many of
2 whom are low-income) who will be required to pay increased costs to implement his
3 proposals.¹⁵

4 Regarding the percentage of income tiers, PGW's consultant also reviewed the
5 income percentages utilized by PGW to establish the CRP asked-to-pay amount and
6 shared that analysis with the Commission in the USECP proceeding. Mr. Geller admitted
7 in discovery that he has not performed any analysis regarding the effect of his proposal
8 on customers who are not enrolled in CRP (many of whom are low income) who will be
9 required to pay increased costs to implement the proposal.¹⁶ Also relevant to this
10 discussion is that in March 2017, the Commission initiated an internal study to determine
11 what constitutes an affordable energy burden for Pennsylvania's low-income households
12 and directed its staff make recommendations to the Commission concerning affordable
13 home energy burdens for low-income Pennsylvanians.¹⁷

14 In sum, both of Mr. Geller's recommendations are being addressed in the
15 currently pending PGW USECP proceeding, with the Commission more broadly
16 investigating the currently approved affordability guidelines. Because of this, requiring
17 PGW to take action on these two issues in this distribution rate proceeding is not
18 appropriate.

¹⁵ PGW Exh. DA-1 (TURN Response PGW-III-1).

¹⁶ PGW Exh. DA-1 (TURN Response PGW-III-2).

¹⁷ *Energy Affordability for Low Income Customers*, Docket No. M-2017-2587711, Opinion and Order entered May 5, 2017 at 5, Ordering Paragraph 1 ("*Energy Affordability Investigation Order*").

Q. REGARDING CRP ENROLLMENT, IS PGW TAKING ANY ACTIONS CURRENTLY EXPECTED TO MAKE IT EASIER FOR CUSTOMERS TO ENROLL?

A. Yes. PGW is working to automate its CRP application and recertification processes, which will provide customers with the option to apply for CRP electronically. This automation can be expected to make it easier for customers who elect electronic enrollment to enroll since, among other things, customers will not have to take off from work to visit a PGW District Office or experience any delays related to mailing.

Q. IS THE COMMISSION ALREADY ADDRESSING THE RECOMMENDATIONS OF MR. GELLER REGARDING CARES?

A. Yes. In its currently pending USECP proceeding, the Commission has specifically asked PGW to provide additional information about its CARES program as part of its review process.¹⁸ TURN has offered the same recommendations regarding PGW's CARES program in the USECP proceeding as are offered in this proceeding.¹⁹ Mr. Geller admitted in discovery that he has not performed any analysis of the cost of his proposal.²⁰

Q. HAS THE COMMISSION ALREADY ADDRESSED MESSRS. COLTON AND GELLER'S ISSUES REGARDING PGW'S LIURP?

A. Yes. Mr. Colton's recommendation to expand PGW's LIURP to repair or replace broken heating systems was rejected by the Commission during PGW's recent DSM proceeding in response to a very similar proposal that was offered by another party (i.e. the "De

¹⁸ Request for Additional Information Regarding PGW's Proposed 2017-2020 USECP, Docket No. M-2016-2542415, Secretarial Letter dated April 11, 2017 at 1.

¹⁹ Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2012-2020 Submitted in Compliance with 52 Pa. Code § 62.4, Docket No. M-2016-2542415, Comments of Tenant Union Representative Network and Action Alliance of Senior Citizens of Greater Philadelphia in Response to PGW's Supplemental Information Submitted April 21, 2017, April 28, 2017 at 8-10.

²⁰ PGW Exh. DA-1 (TURN Response PGW-III-3).

1 *Facto Electric Heating” Proposal*).²¹ Similarly, the budget for PGW’s LIURP was also
 2 addressed during the recent DSM proceeding and then referred by the Commission to the
 3 currently pending USECP proceeding, where it is now being reviewed by the
 4 Commission.²² Regarding Mr. Geller’s view that LIURP should be expanded to non-
 5 CRP customers, the Commission is also addressing that issue in the context of PGW’s
 6 current USECP.²³

7 **Q. NOTWITHSTANDING YOUR VIEW THAT THESE ISSUES ARE NOT**
 8 **APPROPRIATELY ADDRESSED HERE DO YOU AGREE WITH MR. GELLER**
 9 **REGARDING THE IMPACT OF LIURP ON SERVICE TERMINATIONS FOR**
 10 **CRP PARTICIPANTS?**

11 A. No, because LIURP treatments do not affect a CRP customer’s bill amounts. PGW’s
 12 LIURP, the CRP Home Comfort Program, is designed to conduct cost-effective
 13 comprehensive weatherization treatments in the homes of the highest usage CRP
 14 participants. Because CRP participants pay a flat “asked to pay” amount based on their
 15 income, irrespective of actual energy use, their bills are unaffected by LIURP treatment.

16 **Q. WHAT DO YOU CONCLUDE BASED ON YOUR REVIEW OF THE**
 17 **PROPOSALS HERE AND THE CURRENTLY PENDING OR CLOSED**
 18 **PROCEEDING?**

19 A. Since all of these recommendations are currently subject to the open USECP proceeding
 20 (or, in the case of the energy affordability guidelines and Universal Services generally,
 21 broader Commission review), I do not believe that these issues are appropriately raised or
 22 decided here. Requiring the Company to address the same proposals in separate

²¹ *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 Opinion and Order entered August 4, 2016 at 131-135 (“*DSM II Tentative Order*”).

²² *USECP Tentative Order* at 5.

²³ *Id.* at 33.

1 proceedings (or to revise an existing long-standing percentage of income policy that may
 2 be changed by the Commission in the near-term) is not an efficient use of ratepayer
 3 resources or Commission time and resources. For these reasons, I believe all of these
 4 proposals should be rejected in this proceeding.

5 **Q. DO YOU HAVE OTHER GENERAL CONCERNS ABOUT EACH OF THESE**
 6 **PROPOSALS?**

7 A. Yes. Many of the costs of PGW's Universal Service programs are paid by PGW's firm
 8 customers and implementing the proposals discussed in this section can be expected to
 9 increase these costs. Neither Mr. Colton nor Mr. Geller acknowledge or otherwise
 10 attempt to address this fact. Further, Mr. Colton actually proposes to reduce the amount
 11 of costs that can be recovered for PGW's CRP. Increasing ratepayer recovered costs and
 12 then reducing allowable recovery is not a sustainable way to achieve the PUC's goals for
 13 Universal Service programs. In addition, a significant increase in CRP participation that
 14 may occur as a result of changes in the USECP would also place added pressure on the
 15 amount of subsidy that non-CRP participants will be required to pay to support the
 16 program. Instead, PGW supports the Commission's balanced and studied approach –
 17 pursuant to the USECP process,²⁴ pending energy burden study²⁵ and the comprehensive
 18 statewide Universal Service review²⁶ – which carefully designs Universal Service
 19 programs to satisfy their purposes while ensuring that they are cost-effective and do not

²⁴ *Id.*

²⁵ *Energy Affordability Investigation Order.*

²⁶ *Review of Universal Service and Energy Conservation Programs*, Docket No. M-2017-2596907, Opinion and Order entered May 10, 2017.

1 overly or inappropriately burden the ratepayers who are asked to pay for them. Adopting
 2 Mr. Colton and Mr. Geller's proposals here do not achieve these results.

3 ***(B) Low-Income Repair / Replacement Program***

4 **Q. PLEASE DESCRIBE MR. COLTON'S PROPOSED LOW-INCOME REPAIR /**
 5 **REPLACEMENT PROGRAM.**

6 A. Mr. Colton recommends that for PGW customers (or non-customers, if gas service has
 7 been terminated) with income at or below 200% of Federal Poverty Level, unable to use
 8 their natural gas system as a heating source because it is broken and the consumer has not
 9 had the system repaired or replaced, PGW should be directed to implement a pilot
 10 program. Under this program, PGW contractors would repair or replace broken systems
 11 where the consumer has used, or is likely to use, electric space heaters as a replacement
 12 heating source. Mr. Colton proposes that the pilot program, which is not presented as a
 13 usage reduction program, be administered by PGW's LIURP service providers²⁷ and that
 14 PGW should be directed to fund the program at the rate of \$500,000 per year to be
 15 recovered through the Universal Service Surcharge. (OCA St. No. 4 at 47-48).

16 **Q. WHY DOES MR. COLTON MAKE THIS PROPOSAL?**

17 A. According to Mr. Colton, when consumers turn to non-gas portable space heaters: (1)
 18 PGW loses sales; (2) the local electric company faces unpaid bills; (3) the electric
 19 company faces higher carrying costs; (4) the electric company faces more bad debt from
 20 customers; (5) the electric company's customers face higher than necessary electric
 21 universal service costs; and, (6) the electric company's low income customers face higher
 22 bills. (OCA St. No. 4 at 44).

²⁷ Mr. Colton does not address or acknowledge any of the Company's municipal procurement obligations.

1 **Q. HAS THE COMMISSION ALREADY CONSIDERED AND REJECTED A**
2 **SIMILAR PROPOSAL FOR PGW?**

3 A. Yes. Essentially the same proposal was offered by another party during PGW's litigation
4 of its DSM plan. The administrative law judges in that proceeding ultimately rejected the
5 proposal on the basis that it was not an effective use of resources nor did it appropriately
6 consider the fact that many of the affected customers may already have large arrearages.
7 No party filed exceptions to the recommendation of the Administrative Law Judges to
8 deny the proposal and ultimately the Commission concluded that the recommendation to
9 deny it was reasonable.²⁸

10 **Q. ASIDE FROM THE GENERAL VIEW THAT THESE ISSUES SHOULD BE**
11 **ADDRESSED IN THE CONTEXT OF PGW'S USECP PROCEEDING AND THE**
12 **FACT THAT THE COMMISSION HAS ALREADY REJECTED THIS**
13 **PROPOSAL, WHAT OTHER CONCERNS DO YOU HAVE REGARDING MR.**
14 **COLTON'S RECOMMENDATION?**

15 A. While requiring PGW's ratepayers to fund repairs and replacements of gas heating
16 sources (including for customers above 150% of the federal poverty level) likely would
17 positively impact the local electric company and its ratepayers, this is not a prudent use of
18 PGW ratepayer funds. Notably, to the extent a customer's gas was turned off due to past
19 arrearages owed and there is a reconnection fee and unpaid bills owed before service can
20 be reconnected, Mr. Colton does not address how those additional costs will be paid.

21 **Q. DOES PGW OFFER ANY RESOURCES TO LOW INCOME CUSTOMERS?**

22 A. Yes. By offering an asked-to-pay amount consistent with the Commission's current
23 energy affordability guidelines, PGW's CRP assists customers with financing their
24 energy needs. In addition, PGW's LIURP provides weatherization services to qualified

²⁸ *DSM II Tentative Order* at 131-135.

1 high use customers – which can include heating system repairs or replacements - and
 2 PGW has proposed a new Health and Safety Pilot in its USECP so contractors can install
 3 necessary health and safety measures that will allow comprehensive weatherization of a
 4 home.²⁹ This comprehensive approach is more appropriate than the limited program
 5 described by Mr. Colton, which did not set criteria for equipment efficiency or
 6 weatherization requirements. PGW also offers heating equipment rebates through
 7 EnergySense, its voluntary demand side management program, which are available to
 8 low income customers purchasing qualifying heating equipment. Also, PGW hosts
 9 approximately 86 weatherization workshops a year. Participants of these workshops
 10 learn how to weatherize their homes and are provided with a free weatherization kit along
 11 with an energy savings how-to guide. These workshops are conducted throughout the
 12 City of Philadelphia on various days and times and are open to all interested customers.
 13 These workshops are not restricted to CRP participants.

14 **Q. DO YOU HAVE OTHER THOUGHTS REGARDING THIS**
 15 **RECOMMENDATION?**

16 A. Yes. As part of the Company's review of the proposal we asked that Dr. Peach also
 17 evaluate the recommendation and provide his opinion. The Company supports Dr.
 18 Peach's view that this proposal should be rejected for the further reasons set forth in his
 19 rebuttal testimony.

²⁹ First Amended USECP 2017-2020 filed at Docket M-2016-2542415 on November 16, 2016 at 27; Supplemental Information Submitted by Philadelphia Gas Works in Response to January 26, 2017 Tentative Order, Docket No. M-2016-2542415, dated February 15, 2017 at 17-22.

1 **(C) Increase LIURP Budget**

2 **Q. WHAT RECOMMENDATION DOES MR. COLTON OFFER REGARDING**
 3 **PGW'S LIURP BUDGET?**

4 A. Mr. Colton recommends that PGW should expand its LIURP budget (equal to the same
 5 percentage bill increase to the residential class at median usage). (OCA St. No. 4 at 70).
 6 According to Mr. Colton, an approved increase in rates would increase the benefits of
 7 delivering LIURP services; Mr. Colton concludes that as a result of this increase, both the
 8 number of individual measures and the number of homes for which "some measures" are
 9 justified will increase. (OCA St. No. 4 at 70). Mr. Colton indicates that increasing the
 10 "number of households" to be served and increasing the number of measures potentially
 11 justified would "slow down the rate toward which PGW will successfully serve all
 12 households needing LIURP services." (OCA St. No. 4 at 70-71).

13 **Q. ASIDE FROM THE GENERAL VIEW THAT THESE ISSUES SHOULD BE**
 14 **ADDRESSED IN THE CONTEXT OF PGW'S USECP PROCEEDING, WHAT**
 15 **OTHER CONCERNS DO YOU HAVE REGARDING MR. COLTON'S**
 16 **RECOMMENDATION?**

17 A. It is important to reiterate that the issue of PGW's LIURP budget is currently being
 18 addressed by the Commission in PGW's USECP proceeding, after having been
 19 thoroughly litigated during PGW's DSM proceeding. As clearly evidenced by the
 20 Commission's own orders on this issue as well as the numerous opposing viewpoints
 21 submitted by the parties in the context of both proceedings, establishing the appropriate
 22 LIURP budget is a very complicated and controversial issue and one that the Commission
 23 has made clear should include the oversight/advice of its BCS.³⁰ In addition, Mr. Colton

³⁰ *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 §*

ignores a basic component of CRP Home Comfort – the program is currently designed to address CRP high users in a cost effective manner. An increase in billed amounts is not connected with an increase in use (and, in any event, the CRP customer would not see an increase in his or her CRP bill from a rate increase). While higher distribution costs could increase the total savings achieved through weatherization, this does not increase the need for such services and would not “slow down” the rate at which PGW will successfully serve households needing LIURP services. Even if CRP Home Comfort were to be expanded to include non-CRP customers, gas distribution costs are not included in the Total Resource Cost test and therefore would not impact the cost effectiveness review of weatherization measures. As such, I do not believe it is appropriate to adjust LIURP budgets in the context of this proceeding.

(D) Energy Burdens

Q. PLEASE EXPLAIN HOW PGW CALCULATES A CUSTOMER’S CRP ASKED-TO-PAY AMOUNT.

A. PGW’s CRP is a percent of income payment plan that bills enrolled customers a flat “asked to pay” amount based on their income, irrespective of actual energy use. PGW’s current Commission-approved energy burden percentages are consistent with the Commission’s energy affordability guidelines.³¹ Depending on a customer’s household income, the CRP asked-to-pay amount could be 8, 9 or 10% of a customer’s income, or a minimum of \$25 (plus \$5 toward arrears, if any).

62.4 – Request for Waivers, Docket No. P-2014-2459362, Final Opinion and Order entered November 1, 2016 at 16-17.

³¹ 52 Pa. Code § 69.265(2)(i)(A).

1 **Q. PLEASE SUMMARIZE MR. GELLER'S RECOMMENDATIONS REGARDING**
2 **PGW'S CURRENT CALCULATION OF CRP ASKED-TO-PAY AMOUNTS.**

3 A. According to Mr. Geller, PGW's current percentage of income targets are "beyond many
4 low-income customers' ability to consistently afford" service and, therefore, he
5 recommends that these targets be changed from 8, 9, and 10% to 5, 7, 9%. (TURN St.
6 No. 1 at 11-15).

7 **Q. ASIDE FROM THE GENERAL VIEW THAT THESE ISSUES SHOULD BE**
8 **ADDRESSED IN THE CONTEXT OF PGW'S UNIVERSAL SERVICE**
9 **PROCEEDING OR THE COMMISSION'S ENERGY BURDEN AND**
10 **UNIVERSAL SERVICES REVIEWS, WHAT OTHER CONCERNS DO YOU**
11 **HAVE WITH THIS PROPOSAL?**

12 A. PGW's current CRP income percentages are consistent with the Commission's existing
13 CAP Policy Statement percentages and have been approved by the Commission in a
14 USECP. Therefore, I have been advised by counsel that they have been deemed by the
15 Commission to be affordable. I recognize that the Commission has recently implemented
16 a statewide investigation to consider whether its current determinations of affordability
17 need to be updated.³² As explained further by Dr. Peach, Mr. Geller has not presented
18 any PGW-specific analysis or data to support his recommendations. Requiring PGW to
19 modify its current guidelines – without sufficient study – only to revise them at a later
20 date based on the outcome of the Commission's comprehensive investigation is not a
21 *reasonable use of resources and could result in unnecessary costs or confusion for PGW's*
22 *ratepayers.* In addition to the surcharge costs directly related to the change in
23 percentages, PGW would, for example, incur costs related to revising all of its current
24 CRP informational materials, to training all of its customer service representatives with

³² *Energy Affordability Investigation Order* at 4.

1 the new information, to educating its current CRP customers regarding the changes, and
 2 to reprograming its customer information system. To the extent other changes are
 3 required for PGW's Universal Service programs as a result of the USECP proceeding,
 4 those changes could also create costs – all of these costs and issues should be reviewed
 5 together in a comprehensive manner as part of PGW's USECP.

6 ***(E) LIHEAP Crisis Grant Policy***

7 **Q. WHAT CONCERNS DOES MR. GELLER RAISE REGARDING PGW'S LIHEAP**
 8 **CRISIS GRANT ACCEPTANCE POLICIES?**

9 A. Mr. Geller makes the claim that PGW is refusing to accept a LIHEAP Crisis grant that
 10 does not – either separately or in combination with other funding – fully satisfy the
 11 amounts due to maintain or restore service. (TURN St. No. 1 at 31).

12 **Q. IS PGW REQUIRED TO ACCEPT A CRISIS GRANT REGARDLESS OF THE**
 13 **AMOUNT OF ARREARAGE OWED BY A CUSTOMER?**

14 A. No. I am advised by legal counsel that there is no legal requirement that requires PGW to
 15 accept a Crisis grant that does not fully satisfy the amounts due and continue to maintain
 16 or restore service.

17 **Q. IS MR. GELLER ACCURATELY PORTRAYING PGW'S PRACTICES?**

18 A. No. For a customer whose service has not been physically terminated, depending on the
 19 amount of the customer's arrears, PGW has in some years accepted a Crisis grant that
 20 does not fully satisfy the amount due to maintain service. This past LIHEAP season,
 21 PGW would accept any Crisis grant amount to maintain service if the customer's
 22 arrearage was \$1,000 or less. When a customer, however, has had service terminated,
 23 PGW does not accept a Crisis grant unless it (alone or in conjunction with other grants
 24 and monies) satisfies the restoration amount required. Mr. Cummings more fully

1 addresses the Company's concerns if it were required to restore service to a terminated
2 customer upon receipt of a LIHEAP grant in any amount.

3 **Q. IS MR. GELLER'S COMPARISON TO PECO'S LIHEAP CRISIS GRANT**
4 **ACCEPTANCE POLICY APPROPRIATE?**

5 A. No. An a threshold matter, for purposes of this rebuttal testimony, I have accepted Mr.
6 Geller's representation of PECO's program as accurate. First of all, PECO's universal
7 service programs are different than PGW's programs and are not being reviewed in, or
8 relevant to, this proceeding. PGW would note that PECO has the ability to remotely
9 disconnect and restore service.³³ It can be assumed that this is likely a less costly way to
10 both terminate and restore service. Essentially, Mr. Geller is seeking to impose an
11 obligation on PGW to accept federal grant monies that do not satisfy a customer's
12 arrearage merely because another regulated utility in Pennsylvania currently voluntarily
13 elects to do so. PGW would note that it does work with customers to combine other
14 grants to assist with service restoration.

15 **Q. WHAT OTHER OBSERVATIONS REGARDING THIS TESTIMONY OF MR.**
16 **GELLER DO YOU HAVE?**

17 A. Mr. Geller bases his testimony on data acquired from Pennsylvania's Department of
18 Human Services ("DHS") in its Energy Assistance Summary ("EASUM") Reports. In
19 relying on this data, Mr. Geller makes two points which I will address. First, he spends
20 time comparing the data provided by PGW in discovery regarding the number of Crisis
21 grants with the data compiled by DHS in its EASUM report, noting differences and being
22 critical of PGW for not being able "to provide any explanation of why its numbers would
23 differ." (TURN St. No. 1 at 33). To be clear, PGW is not responsible for creating the

³³ Mr. Geller acknowledged this in response to discovery. PGW Exh. DA-1 (TURN Response to PGW-II-2).

EASUM report and DHS has not notified PGW how it prepares that data. Therefore, to the extent this testimony is intended to imply there is some obligation on PGW in this regard, it should be rejected.

Second, using the EASUM data Mr. Geller claims that “PECO outperforms PGW, with Crisis grants representing a larger proportion of its total number of LIHEAP Cash and Crisis grants.” (TURN St. No. 1 at 34). This conclusion ignores the fact that as reported in the EASUM, in the City of Philadelphia for the years 2014 and 2015, PGW received more LIHEAP Cash and Crisis grants and dollars than PECO. Provided below is a breakdown of the number and dollars received between PGW and PECO according to the EASUM report.

EASUM- LIHEAP Cash in Phila. County				
	PGW		PECO	
	#	\$	#	\$
2014	67,097	\$15,775,791	22,232	\$5,328,244
2015	60,635	\$15,364,217	24,496	\$6,168,196

EASUM- LIHEAP Crisis in Phila. County				
	PGW		PECO	
	#	\$	#	\$
2014	13,122	\$4,675,537	6,874	\$2,675,847
2015	13,562	\$4,182,436	7,672	\$2,998,522

(F) Expand CRP To Customers For Whom The Current Program Is Not Beneficial

Q. PLEASE SUMMARIZE MR. GELLER’S RECOMMENDATIONS TO EXPAND PGW’S CRP PROGRAM.

A. As Mr. Geller correctly acknowledges, PGW engages in a customer-specific analysis to determine the most affordable payment option for a customer. (TURN St. No. 1 at 8). If

1 a customer's budget bill plus payment agreement (if applicable) ("Budget Plus") is lower
 2 than what would be asked-to-pay through CRP participation, then – as approved in
 3 PGW's current USECP³⁴ – the customer is currently ineligible to participate in CRP.
 4 He/she would be better served by paying Budget Plus since it is financially more
 5 beneficial. Mr. Geller is critical of this approach, taking the view that customers who are
 6 income eligible for CRP should receive all of the benefits of CRP (such as arrearage
 7 forgiveness and possible LIURP treatment) regardless of whether the CRP asked-to-pay
 8 amount is higher than their Budget Plus amount. (TURN St. No. 1 at 8).³⁵

9 **Q. ASIDE FROM THE GENERAL VIEW THAT THESE ISSUES ARE ALREADY**
 10 **BEING ADDRESSED IN THE CONTEXT OF PGW'S USECP, DO YOU HAVE**
 11 **FURTHER OBSERVATIONS ABOUT THIS PROPOSAL?**

12 A. Yes. As explained in the USECP proceeding, Dr. Peach was hired in the context of the
 13 USECP to consider this proposal and make recommendations. Since the proposal has
 14 been raised again here, Dr. Peach was asked to review the testimony of Mr. Geller and
 15 provide his evaluation which is set forth in his rebuttal testimony. The Company
 16 supports and agrees with Dr. Peach's further analysis.

17 **Q. DO YOU SEE ANY OTHER ISSUES WITH THIS RECOMMENDATION?**

18 A. Yes, expanding CRP as suggested could provide certain customers with an energy burden
 19 amount that is lower than what would be calculated under the current policy statement on
 20 customer assistance programs. Currently, the customer who has a Budget Plus payment

³⁴ Philadelphia Gas Works Universal Service and Energy Conservation Plan 2014-2016 dated June 1, 2013 at 11 (described in the section titled CRP Control Features). The Commission approved this USECP on November 13, 2014. See *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 Re Compliance Filing dated November 13, 2014.

³⁵ Not all CRP customers have arrearages.

1 amount that is lower than the CRP asked-to-pay amount is asked to pay the Budget Plus.
2 Thus, this Budget Plus monthly payment amount is already less than the percent of
3 income deemed affordable under the CAP Policy Statement. To the extent that a Budget
4 Plus customer's new CRP asked-to-pay amount removes any arrearage payment that the
5 Budget Plus customer would have been paying outside of CRP, the customer's bill could
6 be reduced to one that is an even lower percentage of income. PGW's understanding is
7 that the CAP Policy Statement percentages were deemed by the Commission to be
8 affordable and this result seems inconsistent when contrasted with other CRP customers
9 who will continue to pay the fixed percent of income as calculated consistent with the
10 CAP guidelines. Moreover, the Commission has recently opened an investigation to
11 consider whether its current determinations of affordability need to be updated.³⁶

12 **Q. HOW SHOULD CHANGES TO CRP BE MADE?**

13 A. As I discussed previously, the Commission already has a process to review and approve a
14 Company's universal service plan and to implement processes. More broadly speaking,
15 though, PGW's CRP is a percentage of income program which sets the customers CRP
16 asked-to-pay amount based on income. Implementing the proposal offered by Mr. Geller
17 would create a different type of CRP program because now the asked-to-pay amount
18 might be based on income or some other metric. This type of change would add a layer
19 of complexity into the current program which would not only be difficult to implement
20 but difficult to explain to customers.

21 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

22 A. Yes.

³⁶ *Energy Affordability Investigation Order* at 4.

Exhibit DA-1

Response of TURN et al. to PGW Interrogatories to TURN et al., Set III

Docket No. R-2017-2586783

Request: 1.Reference TURN, St. 1 (Geller) at 9. Has Mr. Geller undertaken any analysis of the effects of his proposal that all customers having income at or below 150% of FPL should be able to participate in CRP on: (a) low-income customers who are not enrolled in CRP; and/or, (b) non-CRP customers? If so, provide the analysis as well as all documents, workpapers and supporting information utilized to perform the analysis.

Response: 1. Mr. Geller has not performed such an analysis. As his testimony indicates, it is Mr. Geller's belief that low-income individuals who have access to CRP will benefit by having arrears frozen and potentially forgiven, access to LIURP, as well as affordable monthly payments.

Response provided by: Harry Geller, Esq.
Dated: June 5, 2017

Response of TURN et al. to PGW Interrogatories to TURN et al., Set III

Docket No. R-2017-2586783

Request: 2. Reference TURN, St. 1 (Geller) at 11-15. Has Mr. Geller undertaken any analysis of the effects of his proposal to adjust PGW's current CRP percentage of income targets on: (a) low-income customers who are not enrolled in CRP; and/or, (b) non-CRP customers? If so, provide the analysis as well as all documents, workpapers and supporting information utilized to perform the analysis.

Response: 2. Mr. Geller has not performed such an analysis. As his testimony indicates, it is Mr. Geller's belief that low-income individuals who have access to a more affordable CRP energy burden will benefit by continued service and reduced levels of service termination.

Response provided by: Harry Geller, Esq.

Dated: June 5, 2017

Response of TURN et al. to PGW Interrogatories to TURN et al., Set III

Docket No. R-2017-2586783

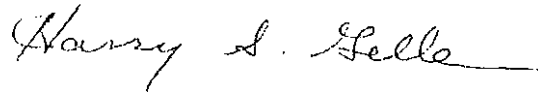
Request: 3. Reference TURN, St. 1 (Geller) at 15. Has Mr. Geller undertaken any analysis of the effects of his proposal that PGW be required to increase the level of Customer Assistance Referral and Evaluation Services ("CARES") program staff on: (a) low-income customers who are not enrolled in CRP; and/or, (b) non-CRP customers? If so, provide the analysis as well as all documents, workpapers and supporting information utilized to perform the analysis.

Response: 3. Mr. Geller has not performed such an analysis. As his testimony indicates, it is Mr. Geller's belief that low-income individuals who have access to an increased level of CARES service will benefit by continued service and reduced levels of service termination.

Response provided by: Harry Geller, Esq.
Dated: June 5, 2017

VERIFICATION

I, Harry S. Geller, witness of Tenant Union Representative Network and Action Alliance of Senior Citizens of Greater Philadelphia ("TURN *et al.*") hereby state that the facts contained in the foregoing pleading are true and correct to the best of my knowledge, information and belief, that I am duly authorized to make this Verification, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 10 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

A handwritten signature in cursive script that reads "Harry S. Geller". The signature is written in dark ink and is positioned above a horizontal line.

Date: 6/5/17

Harry S. Geller witness of TURN et al.

Response of TURN et al. to PGW Interrogatories to TURN et al., Set II

Docket No. R-2017-2586783

Request: 2. Reference TURN, St. 1 at 30-31.

(a) Please explain whether or not PECO has the ability to terminate service remotely;

(b) Please explain the differences between the structure of PECO's Customer Assistance Program and PGW's over the last 10 years, specifically regarding how the customer payment obligations are calculated.

Response: 2(a) The Testimony in TURN *et al.*, St. 1 at 30-31 refers to the discretionary ability of a utility to accept LIHEAP Crisis Grants. It does not refer to a utility's technical ability to effect service termination. The question is therefore not relevant to the testimony cited. That being stated, and without waiving objection as to the future admissibility of this discovery response, it is Mr. Geller's understanding that PECO has the ability to terminate service remotely.

2(b) The testimony in TURN *et al.*, St. 1 at 30-31 refers to the discretionary ability of a utility to accept LIHEAP Crisis grants. It does not refer to the internal structure of a particular utility's Customer Assistance Program nor the varying ways in which CAP payments are or have been calculated. The question is therefore not relevant to the testimony cited. That being stated, and without waiving objection as to the future admissibility of this discovery response, the following response is provided:

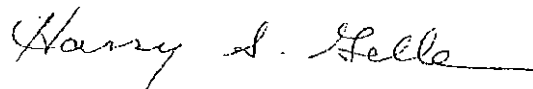
PGW's CRP program is generally described in the witness's testimony at pages 7-8.

For most of the period referred to in the query, PECO's Customer Assistance Program (CAP Rate) was structured as a tiered discount program. Under this structure, PECO primarily provided fixed percentage discounts off of customers' bills based on the household's federal poverty level. The percentage of discounts were higher for lower income tiers. Customer bills were generally calculated by applying the percentage discount off of the total bill. Effective in 2016, PECO eliminated its CAP Rate design and put in place what is known as a Fixed Credit Option Percentage of Income Payment Plan, or FCO PIPP. A pamphlet describing the basics of PECO's FCO PIPP is attached in response to II-2(b).

Response provided by: Harry Geller, Esq.
Dated: June 2, 2017

VERIFICATION

I, **Harry S. Geller**, witness of Tenant Union Representative Network and Action Alliance of Senior Citizens of Greater Philadelphia ("TURN *et al.*") hereby state that the facts contained in the foregoing pleading are true and correct to the best of my knowledge, information and belief, that I am duly authorized to make this Verification, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 10 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

A handwritten signature in cursive script that reads "Harry S. Geller". The signature is written in dark ink and is positioned above a horizontal line.

Date: 6/2/17

Harry S. Geller witness of TURN et al.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	R-2017-2586783
Office of Consumer Advocate	:	C-2017-2592092
Office of Small Business Advocate	:	C-2017-2593497
Philadelphia Industrial & Commercial	:	
Gas Users Group	:	C-2017-2595147
William Dingfelder	:	C-2017-2593903
	:	
v.	:	
	:	
Philadelphia Gas Works	:	

VERIFIED STATEMENT

I, Denise Adamucci, hereby state that the facts set forth below are true and correct to the best of my knowledge, information and belief and I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

1. I have submitted testimony in this proceeding on behalf of Philadelphia Gas Works and am authorized to make this statement on its behalf.
2. I prepared PGW St. No. 9-R which includes Exhibit DA-1 and was served on the parties in this proceeding on June 9, 2017.
3. I do not have any corrections to any of this testimony.
4. If I were asked the same questions set forth in each of these statements today, my answers would be the same.

Date: June 27, 2017



Denise Adamucci