PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265

Public Meeting held July 14, 2022

Commissioners Present:
Gladys Brown Dutrieuille, Chairman
John F. Coleman, Jr., Vice Chairman
Ralph V. Yanora

PPL Electric Utilities Corporation Universal Service and Energy Conservation Plan for 2023-2027 Submitted in Compliance with 52 Pa. Code § 54.74.

Docket No. M-2022-3031727

ORDER DIRECTING SUPPLEMENTAL INFORMATION AND ESTABLISHING COMMENT PERIOD

BY THE COMMISSION

On April 1, 2022, PPL Electric Utilities Corporation's (PPL) filed its proposed 2023-2027 Universal Service and Energy Conservation Plan (Proposed 2023 USECP) in compliance with 52 Pa. Code § 54.74, relating to electric universal service and energy conservation reporting requirements, which was docketed at M-2022-3031727. By this Order, we indicate issues that require further attention on the record. Consistent with the schedule established herein, stakeholders may comment on any aspect of the Proposed 2023 USECP or issues related to PPL's universal service policies or procedures. PPL's current 2017-2022 USECP (2017 USECP) at Docket No. M-2016-2554787 remains in effect, in whole or in part, until replaced, in whole or in part.

I. BACKGROUND

As a jurisdictional electric distribution company (EDC) with more than 60,000 customers, PPL must administer universal service programs and submit a proposed USECP periodically to the Commission for approval.[1, 2] PPL administers four universal service programs that help low-income customers maintain utility service. The four major components are as follows: (1) OnTrack (*i.e.*, PPL's customer assistance program or CAP), which provides discounted rates for low-income residential customers; (2) Winter Relief Assistance Program (WRAP, *i.e.*, PPL's low income usage reduction program or LIURP), which provides weatherization and usage reduction services to help low-income customers reduce their energy usage and utility bills; (3) Customer Assistance and Referral Evaluation Services (CARES) Program, which provides referral services and account credits for customers experiencing a temporary hardship; and (4) Operation Help (*i.e.*, PPL's Hardship Fund), which provides financial assistance to customers with annual incomes at or below 200% of the FPIG who are unable to pay the full amount of their energy bills due to a temporary hardship. PPL is obligated by statute to have these four programs. 66 Pa.C.S. § 2804 (8) & (9), relating to standards for restructuring of the electric industry.

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[1] In 2020, PPL served 1,243,502 residential customers. *2020 Report on Universal Service and Collections Performance* at 5.

[2] EDCs are subject to the universal service reporting regulations at 52 Pa. Code §§ 54.71-54.78 and the low-income usage reduction regulations at 52 Pa. Code §§ 58.1-58.18 and are guided by the recommendations in the CAP Policy Statement at 52 Pa. Code §§ 69.261-69.267.

II. HISTORY

2017-2019 USECP (Docket No. M-2016-2554787)

The 2017 USECP was originally approved by the Commission in an Order entered on October 5, 2017 (October 2017 Order) at Docket No. M-2016-2554787. On February 5, 2018, PPL filed a Petition (February 2018 Petition) to add an addendum to its 2017 USECP to include its proposed zero-income policy and form. On April 19, 2018, the Commission entered an Order (April 2018 Order) approving the February 2018 Petition. The 2017 USECP as amended remains in effect.

Request to Extend 2017 USECP and Third-Party Evaluation Filing Deadlines (Docket Nos. P-2019-3007285 and M-2016-2554787)

On January 18, 2019, PPL filed a Petition (January 2019 Petition), which was docketed at P-2019-3007285 and M-2016-2554787, requesting that its 2017 USECP be extended through 2020, that its next USECP cover the period 2021 through 2023, and that the filing deadline for a proposed 2021-2023 USECP be set as September 1, 2020. PPL also requested that the due date of the third-party evaluation of its universal service and energy conservation programs be changed to an earlier due date of March 1, 2020. January 2019 Petition at 7-8. On February 19, 2019, the PP&L Industrial Customer Alliance (PPLICA) filed an Answer indicating it did not oppose the January 2019 Petition. On February 28, 2019, the Commission issued a Secretarial Letter approving the January 2019 Petition.

Policy Statement on Customer Assistance Programs, 52 Pa. Code §§ 69.261-69.267 (CAP Policy Statement (2020)), Docket No. M-2019-3012599

The Commission amended its CAP Policy Statement (1999) effective March 21, 2020, pursuant to an order and annex entered on November 5, 2019, and published in the *Pennsylvania Bulletin* on March 21, 2020. *See 2019 Amendments to Policy Statement on Customer Assistance Program, 52 Pa. Code §§ 69.261-69.267*, Final Policy Statement and Order, Docket No. M-2019-3012599 (November 2019 Order and November 2019 Annex). *See also 50 Pa.B.* 1652.[3] In the November 2019 Order, the Commission, *inter alia*, strongly urged EDCs and natural gas distribution companies (NGDCs) to incorporate CAP policy amendments into their USECPs to allow stakeholders to have a basis for meaningful input in *Universal Service Rulemaking*.[4] November 2019 Order at 2.

Universal Service and Energy Conservation Plan Filing Schedule (Docket No. M-2019-3012601)

By order entered on October 3, 2019, (October 2019 Order) in *Universal Service and Energy Conservation Plan Filing Schedule*, Docket No. M-2019-3012601, the Commission established a new USECP filing schedule and extended the duration of USECPs from three years to at least five years. The filing schedule for third-party independent evaluations was adjusted to coincide with the revised USECP duration and filing schedule. As part of the October 2019 Order, the Commission directed EDCs and NGDCs to provide updated enrollment and budget projections for the extended terms of its existing USECPs based on the new filing schedule. With that Order, the Commission

[3] Available at https://www.pacodeandbulletin.gov/Display/pabull?file=/secure/pabulletin/data/vol50/50-12/409.html.

[4] On January 2, 2020, the Commission entered an order at Docket No. L-2019-3012600 directing its Bureau of Consumer Services (BCS) and Law Bureau to initiate a comprehensive universal service rulemaking. That matter remains under consideration.

extended PPL's 2017 USECP through 2022 and set the due date for PPL's next five-year USECP (2023-2027) as April 1, 2022.

On January 6, 2020, PPL filed a letter at Docket No. M-2016-2554787 detailing its projected CAP enrollments as well as CAP and LIURP budgets from 2020 through 2024. On February 21, 2020, PPL filed a letter (February 2020 Letter) detailing its then-current alignment with the CAP Policy Statement (2020) and noting that it would address areas of non-alignment in its upcoming 2023 USECP.[5]

Third-Party Universal Service Evaluation (Docket No. M-2020-3018986)

On February 26, 2020, pursuant to 52 Pa. Code § 54.76, PPL filed the independent third-party evaluation of its universal service and energy conservation programs completed by Applied Public Policy Research Institute for Study and Evaluation (APPRISE) (2020 APPRISE Evaluation).[6]

Temporary Suspension of WRAP Services in 2020

Beginning in mid-March 2020, all public utilities suspended in-person program services for several months due to the restrictions created by the COVID-19 pandemic.[7] PPL suspended its WRAP services through October 12, 2020. The Commission received individual letters from PPL contractors and PA State Representatives expressing concern about the impact of this suspension and possible future changes to WRAP administration. These letters have been filed at Docket No. M-2016-2554787.

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[5] The 2020 CAP Policy Statement is recommendation, not a regulation.
[6] The 2020 APPRISE Evaluation can be found at https://www.puc.pa.gov/pcdocs/1656535.pdf.
[7] On March 6, 2020, Governor Tom Wolf issued a Proclamation of Disaster Emergency (*Emergency Proclamation*) in response to the COVID-19 pandemic, available at https://www.governor.pa.gov/wp-content/uploads/2020/03/20200306-COVID19-Digital-Proclamation.pdf.

Temporary Increase to Operation HELP Income Limits

On March 27, 2020, PPL filed a Petition (March 2020 Petition) requesting a temporary change to the income eligibility requirements of its Operation HELP program from annual incomes at or below 200% of the federal poverty income guidelines (FPIG) to annual incomes at or below 250% of the FPIG. PPL proposed maintaining the revised income eligibility requirements for Operation Help through the end of 2020. March 2020 Petition at 1. PPL stated that this request was in response to the COVID-19 emergency situation. PPL reported that the Office of Consumer Advocate (OCA) and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) were consulted and did not oppose the proposed change. March 2020 Petition at 1-2. On March 30, 2020, the Commission issued a Secretarial Letter approving the March 2020 Petition.

On December 9, 2020, PPL filed a Petition (December 2020 Petition) requesting permission to extend the expanded income eligibility requirements for Operation HELP through the duration of the 2017 USECP. PPL asserted that OCA and CAUSE-PA were consulted and did not oppose the request. December 2020 Petition at 2. On January 6, 2021, the Commission issued a Secretarial Letter (January 2021 Secretarial Letter) approving the extension only through December 31, 2021. The Commission required PPL to file quarterly status updates including number and dollar amount of Operation HELP grants issued to recipients whose income is between 201% and 250% of the FPIG, and the total amount of Operation HELP funds remaining. January 2021 Secretarial Letter at 3. PPL filed these quarterly updates on April 30, 2021, July 30, 2021, October 27, 2021, and January 25, 2022.

2023-2027 USECP (Docket No. M-2022-3031727)

In compliance with Commission regulations and orders, PPL filed its Proposed 2023 USECP on April 1, 2022; it was docketed at M-2022-3031727. On May 18, 2022, Commission staff in the Bureau of Consumer Services (BCS) convened a telephonic meeting to allow PPL and other stakeholders an opportunity to provide their informal comments and questions about the Proposed 2023 USECP prior to issuance of a Commission order. Representatives from PPL, CAUSE-PA, OCA, the Office of Small Business Advocate (OSBA), the Commission's Bureau of Investigation and Enforcement (BIE), and the PA Coalition of Local Energy Efficiency Contractors, Inc. (PA-CLEEC) were invited to participate.

On May 26, 2022, PA-CLEEC filed its initial questions and comments regarding the Proposed 2023 USECP at the captioned docket. On June 14, 2022, PPL filed a response (June 2022 Letter) declining to address PA-CLEEC's May 26 filing until after the Commission has issued an order to request supplemental information and to establish comment and reply comment periods for all stakeholders. June 2022 Letter at 1.

III. DISCUSSION

A. Summary of Proposed Modifications to the Universal Service Programs in the Proposed 2023 USECP as Compared to the 2017 USECP

1. Proposed OnTrack (PPL's CAP) Modifications

Changes based on the Amended CAP Policy Statement

The November 2019 Order approved 17[8] changes to the CAP Policy Statement (1999) and directed EDCs and NGDCs to indicate their current status relative to any of the policy amendments as well as any plans to implement any of the recommended Policy Statement (2020) amendments. November 2019 Order at 106. PPL asserts the following regarding its existing and voluntarily proposed practices, relative to the amendments to the CAP Policy Statement (2020):

[8] Sixteen of the CAP Policy Statement (2020) amendments provide guidance relative to operative provisions in a USECP. The seventeenth amendment, while part of the CAP Policy Statement (2020), relates to recommendations regarding allocation of universal service costs that would be addressed, if at all, in utility-specific rate cases.

New CAP Policy Statement (2020) Recommendations (summarized)	PPL's Proposals and Current Provisions (summarized)
1.a. Maximum CAP energy burdens – FPIG tier 0%-50%: 2% for ENH, 6% for EH. FPIG tiers 51%-100% and 101%-150%: 4% for ENH, 10% for EH.[9]	PPL proposes replacing the current Percent of Bill plan with a Percent of Income plan (PIP) with the following maximum energy burdens: FPIG tier 0%-50%: 2% for ENH, 5% for EH FPIG tier 51%-100%: 3.5% for ENH, 6% for EH FPIG tier 101%-150%: 4% for ENH, 7% for EH Proposed 2023 USECP at 4.
1.b. Set minimum CAP payment requirements in USECP proceedings; alternatives may be proposed.	PPL proposes increasing minimum OnTrack payment amounts: From \$12 to \$20 for ENH From \$30 to \$40 for EH Proposed 2023 USECP at 5.
2. Allow CAP households to retain CAP enrollment when they transfer service.	PPL currently recalculates the OnTrack amount at the new address when an OnTrack customer moves from one residence to another. Current 2017 USECP at 20-21, Proposed 2023 USECP at 6.
3. Accept income documentation of at least the last 30 days or 12 months at application or recertification, whichever is more beneficial.	PPL proposes offering seasonal workers the option of providing proof of income for 30 days or 12 months. Proposed 2023 USECP at 9.
4. Eliminate the provision in the CAP Policy Statement that low-income customers must be "payment troubled" to qualify for CAPs.	This provision is already in place. 2017 USECP at 10.
5. Eliminate the provision in the CAP Policy Statement that a customer should direct the LIHEAP[10] grant to the utility sponsoring the CAP	This provision is already in place. February 2020 Letter at 2.

[9] Electric non-heating (ENH) and electric heating (EH).

[10] The Low-Income Home Energy Assistance Program (LIHEAP) helps low-income families pay their heating bills. LIHEAP is administered in the Commonwealth by the Pennsylvania Department of Human Services (DHS).

(Section 69.265(9)(i)), be penalized for not applying for LIHEAP (Section 69.265(9)(ii) and (iv)), and that a LIHEAP grant should be applied to reduce the amount of CAP credits (Section 69.265(9)(iii)).	
6. Exempt CAP customers from late payment charges.	This provision is already in place. 2017 USECP at 19. However, PPL's Proposed 2023 USECP does not address waiving late payment charges.
7. Provide (a) pre-program arrearage (PPA) forgiveness for each on-time and in-full monthly CAP payment regardless of in-CAP arrears and (b) retroactive PPA forgiveness for any month(s) missed once the household pays its in-program arrearage (IPA) balance/debt in full.	This provision is already in place. February 2020 Letter at 2. However, the Proposed 2023 USECP does not address retroactive PPA forgiveness.
8. Utilities may request, but not require, Social Security Numbers (SSNs) of household members.	This provision is already in place. February 2020 Letter at 2.
9. Set maximum CAP credit limits in USECP proceedings using a tiered structure based on the household's FPIG level providing lower income households with higher CAP credit limits. Notify CAP customers when they approach their CAP credit limits, instruct them to contact the utility if they meet any exceptions, and refer them to LIURP (if eligible).	This provision is already in place. 2017 USECP at 17-18. PPL is proposing the following maximum OnTrack credit limits, based on FPIG tier: ENH Accounts: FPIG tier 0%-50%: \$1,950 FPIG tier 51%-100%: \$1,500 FPIG tier 101%-150%: \$1,250 EH Accounts: FPIG tier 0%-50%: \$3,150 FPIG tier 51%-100%: \$2,500 FPIG tier 101%-150%: \$2,150 Proposed 2023 USECP at 13.
10. Establish online CAP applications; accept documentation electronically.	This provision is already in place 2017 USECP at 15; Proposed 2023 USECP at 10.
11. Use a standardized zero-income form and develop other industry-wide standardized forms.	This provision is already in place. 2017 USECP at 8, Proposed 2023 USECP at 6.

12. Maximum recertification timeframes for CAP: ● No income – at least every 6 months regardless of LIHEAP participation; ● LIHEAP – at least once every 3 years; ● Primary source of income is Social Security (SS), Supplemental Security Income (SSI), or pensions – at least once every 3 years; ● Others – at least once every 2 years.	PPL proposes to implement the following recertification timeframes: ● No income or income less than rent/mortgage – one-time recertification after 6 months. Additional documentation required for participation beyond 12 months. ● LIHEAP – every 2 years; ● Primary source of income is SSI – every 2 years; ● Others – annually. Proposed 2023 USECP at 12-13.
13. Initiate collection activity for CAP accounts when a customer has no more than two (2) in-program payments in arrears. Customers should not be removed or defaulted from CAP as a precursor to termination for non-payment.	PPL currently removes customers from OnTrack for non-payment if the customer misses two payments. 2017 USECP at 19. PPL is now proposing to initiate collection activity after one missed payment, unless the missed payment is less than $60, or after two missed payments, regardless of the amount. Proposed 2023 USECP at 14.
14. Evaluate household CAP bills at least quarterly to determine whether the customer's CAP credit amount or billing method is appropriate.	PPL proposes to implement a system alert to identify participants who have an OnTrack bill that is greater than their average bill. These accounts will be reviewed to determine whether the OnTrack bill should be adjusted. Proposed 2023 USECP at 6.
15. Work with stakeholders to develop Consumer Education and Outreach Plans (CEOPs).	PPL reports it has added this item to the agenda of its USSG. February 2020 Letter at 2. However, the Proposed 2023 USECP does not include a CEOP.
16. Use the definition of "household income" in Chapter 14 of the Public Utility Code.	PPL does not identify that it excludes earned and unearned income received by or for a minor when determining household income for OnTrack. 2017 USECP at 12-13, Proposed 2023 USECP at 7-9.

Additional proposed OnTrack Changes

- Decreasing the program timeframe from 18 months to 12 months. Proposed 2023 USECP at 2.

- Prohibiting customers enrolled in a Time of Use (TOU) rate from enrolling in OnTrack. Proposed 2023 USECP at 6-7.
- Updating information regarding fraud protocols. Customers removed from OnTrack for fraud, theft of service, or other misappropriation of service will not be eligible to receive OnTrack benefits for one year from the date of removal. Proposed 2023 USECP at 15-16.
- Requiring customers with an Electric Generation Supplier (EGS) to return to default service prior to enrolling in OnTrack. Proposed 2023 USECP at 17.
- Eliminating the $5.00 PPA co-payment. Proposed 2023 USECP at 18.

2. Proposed WRAP (PPL's LIURP) Modifications

- Eliminating the acronym WRAP as "Winter Relief Assistance Program." The program will just be called WRAP. Proposed 2023 USECP at 33.
- Including Ductless Heat Pump systems as a standard part of its full-cost measures. Proposed 2023 USECP at 23.
- Prohibiting households from receiving WRAP or Act 129[11] services if they previously received these services within the past five years.[12] Proposed 2023 USECP at 25.
- Denying or limiting WRAP services offered when inaccurate or fraudulent information is provided in the application. Proposed 2023 USECP at 26.
- Removing the provision that partial weatherization will be provided where the major energy use is attributed to lifestyle choices. Proposed 2023 USECP at 33.

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[11] Act 129 of 2008, *inter alia*, expanded the Commission's oversight responsibilities and imposed new requirements on EDCs with the overall goal of reducing energy consumption and demand. 66 Pa.C.S. § 2806.1, relating to energy efficiency and conservation program.
https://www.legis.state.pa.us/cfdocs/legis/LI/consCheck.cfm?txtType=HTM&ttl=66&div=0&chpt=28&sctn=6&subsctn=1

[12] PPL's current USECP prohibits customers from receiving WRAP or Act 129 services if they previously received these services within the past three years. 2017 USECP at 39

- Amending the provisions regarding the selection of WRAP contractors and the work performed by subtractors. Proposed 2023 USECP at 30.

3. Proposed CARES Modifications

PPL proposes no major changes to its CARES program in its Proposed 2023 USECP compared to its 2017 USECP.

4. Proposed Hardship Fund Modifications

- Continuing expanded eligibility to customers with incomes at or below 250% FPIG in keeping with the March 2020 Petition. Proposed 2023 USECP at 35.
- Limiting the use of Operation HELP grants to use on the customer's PPL Electric bill. Proposed 2023 USECP at 38.

B. <u>Program Descriptions as Proposed for 2023-2027</u>

1. OnTrack – PPL's CAP

OnTrack is a special payment program for low-income customers who are not able to pay their electric service bills in full. PPL funds the OnTrack program through a universal service fund surcharge. In addition to reduced utility bills, OnTrack customers also receive the opportunity to have their PPAs completely forgiven over the course of the program cycle after entering the program. PPL proposes reducing this program cycle from 18 months to 12 months. Proposed 2023 USECP at 2. OnTrack is a customer assistance program as that term is used in the 2020 CAP Policy Statement at 52 Pa. Code § 69.264.

To qualify for OnTrack, PPL customers must have household incomes at or below 150% of the FPIG and be a permanent resident in PPL's Pennsylvania service territory. Currently, customers cannot be enrolled in the OnTrack program if they own multiple properties or have multiple PPL accounts.[13] As proposed, customers would not be eligible for OnTrack if they have an electric generation supplier (EGS) or have a TOU rate.[14] Proposed 2023 USECP at 6-7.

OnTrack is administered by seven community-based organizations (CBOs). PPL customers can call or visit these OnTrack agencies to apply for the program. Proposed 2023 USECP at 10, 44.

Customers can claim earned and unearned sources of income to qualify for OnTrack. Unearned income can include some forms of government assistance or money from organizations, friends, or relatives. If OnTrack applicants receive unearned income from an undocumented source(s), they must submit a verification statement, also referred to as a "self-declaration" statement, describing how they are paying for their basic living needs (*e.g.*, food, shelter, etc.). Proposed 2023 USECP at 6-9.

OnTrack applicants reporting no incomes or those who report having an income less than or equal to their mortgage or rent – and are not facing foreclosure or eviction – can temporarily be accepted into PPL's limited-time OnTrack program called OnTrack Lifestyle (OTLS). Currently, OTLS customers must submit updated income information every nine months. 2017 USECP at 11. PPL proposes reducing this recertification timeframe to six months. For participation beyond 12 months, PPL will not allow recertifications by submission of a self-declaration statement indicating zero income or that their rent/mortgage remains higher than household income. OTLS customers will be

[13] Exceptions can be granted for specific situations such as a property with a separate meter for a garage or a property with multiple meters. Proposed 2023 USECP at 7.

[14] The requirements that an OnTrack participant must not be enrolled with an EGS or a TOU rate are newly proposed in the Proposed 2023 USECP. Proposed 2023 USECP at 6-7, 17.

required to provide additional evidence of eligibility, or they will be removed from the program. Proposed 2023 USECP at 12-13.

PPL proposes to continue using three separate payment options to calculate a customer's OnTrack bill. PPL will evaluate which option will offer the best solution for the customer's situation. PPL proposes to change the payment options it will use in the Proposed 2023 USECP. Proposed 2023 USECP at 3-4.

All OnTrack payment options currently include a $5 monthly PPA co-payment. 2017 USECP at 5. PPL is proposing to eliminate this monthly PPA co-payment. Proposed 2023 USECP at 18. All OnTrack payment plans also currently include a CAP Plus charge. This additional charge is used to offset program expenses for all residential ratepayers. Under PPL's proposed PIP, the monthly payment amount is calculated to include the CAP Plus amount. The amount of the CAP Plus charge can change annually every November based on the availability of federal funding for the LIHEAP program in the prior year. PPL calculates the monthly amount of the CAP Plus payment by "taking the total amount of LIHEAP funding received by OnTrack participants [in the previous year], dividing that dollar amount by the number of active OnTrack accounts as of September 30, and then dividing that annual amount by 12 months." Since DHS prohibits the use of LIHEAP funds to offset the cost of utility CAP programs, PPL reports it does not include a CAP Plus charge if the customer has a LIHEAP credit. Proposed 2023 USECP at 4-5.

A comparison of PPL's current and proposed OnTrack payment option is shown in Table 1.

Table 1. OnTrack Payment Options: 2017 USECP vs. Proposed 2023 USECP

	Current 2017 USECP	Proposed 2023 USECP
Option 1.	**Percent of Bill (POB) =** (Estimated average monthly bill) X (Percent of Bill Amount) + ($5 per month PPA co-payment) + (CAP Plus)	**Percent of Income (PIP) =** (Customer's monthly income) X (Percent of Income Amount in Table 2) CAP Plus charge is then included in this amount.
Option 2.	**Agency Selected (ASP) =** Same calculation used to determine Percent of Bill payment, but an additional discount is provided based on extenuating circumstances caused by the customer's household and/or financial situation.	**Agency Selected (ASP) =** If the PIP payment exceeds the average bill, the payment amount is determined by the CBO based on extenuating circumstances caused by the customer's household and/or financial situation.
Option 3.	**Minimum Payment =** (Customer's estimated monthly budget amount) – (maximum monthly CAP credit) + ($5 per month PPA co-payment) + (CAP Plus).	PIP or ASP amount cannot be less than the minimum payment **Minimum Payment =** $20 for ENH $40 for EH

Source: 2017 USECP at 4-6, Proposed 2023 USECP at 4-5.

PPL limits the calculated OnTrack payment to no more than the appropriate percent of income, as shown in Table 2, with the exception of minimum payment requirements. PPL proposes increasing the minimum monthly payment in OnTrack from $30 to $40 for heating customers and from $12 to $20 for non-heating customers. Proposed 2023 USECP at 5.

Table 2. Percentage of Income Payments

FPIG Tier	ENH	EH
0-50%	2%	5%
51-100%	3.5%	6%
101-150%	4%	7%

Source: Proposed 2023 USECP at 4.

PPL currently limits the amount of CAP credits a customer can receive during a program cycle based on their income level and account type. Table 3 shows the current and proposed maximum CAP credit limits, based on the current 18-month and the proposed 12-month program cycles.

Table 3. Maximum CAP Credits

	ENH		EH	
FPIG Tier	**Current 18-month**	**Proposed 12-month**	**Current 18-month**	**Proposed 12-month**
0-50%	$1,585	$1,950	$4,027	$3,150
51-100%	$1,441	$1,500	$3,661	$2,500
101-150%	$1,310	$1,250	$3,328	$2,150

Source: 2017 USECP at 17, Proposed 2023 USECP at 13.

Customers are required to provide updated proof of income when requested. Proposed 2023 USECP. Removal from the OnTrack program may occur for one or more of the following reasons:

- Failure to respond to requests for information and/or appointments associated with WRAP. If a customer is removed from OnTrack due to failure to provide this response, the customer will be reinstated after providing such response. Additionally, failure of an OnTrack customer to reduce or maintain electric usage or to fulfill WRAP-related requirements may result in removal from the program. Proposed 2023 USECP at 7, 28.
- Misrepresentation of the customers identity, fraud, theft of service, or other misappropriations of service. Proposed 2023 USECP at 15.

Based on our analysis of PPL's OnTrack, we identified areas of concern requiring clarification, as detailed below.

a. Proposed OnTrack Payment Changes

As noted above, PPL proposes the implementation of a PIP option to replace its previous POB option. The Proposed 2023 USECP explains that a PIP payment will be calculated by multiplying the monthly income by the applicable percent of income factor (see Table 2).

The Proposed 2023 USECP does not explain how PPL determined the proposed PIP energy burdens for each account type and FPIG tier. We note that PPL's proposed PIP energy burdens differ from the recommended maximum energy burdens in the CAP Policy Statement (2020) at 52 Pa. Code § 69.265(2)(i) for ENH and EH accounts. Particularly, for EH accounts, the proposed PIP energy burdens for the 0%-50% FPIG tier would exceed the recommended maximums, and the PIP energy burdens for the 51%-100% and 101%-150% FPIG tiers would be substantially lower than the recommended maximums. Table 4 compares the CAP Policy Statement (2020) recommended maximum energy burdens to PPL's proposed PIP energy burdens:

Table 4. Maximum Energy Burdens
CAP Policy Statement vs. PPL Proposed PIP

FPIG Tier	ENH		EH	
	CAP Policy Statement (2020)	Proposed PIP	CAP Policy Statement (2020)	Proposed PIP
0-50%	2%	2%	4%	5%
51-100%	4%	3.5%	10%	6%
101-150%	4%	4%	10%	7%

The Proposed 2023 USECP states that the ASP option is available in situations where the PIP payment amount exceeds the OnTrack customer's average bill. PPL states that the ASP option considers the customer's household and financial situation. The ASP payment amount is determined by the OnTrack agency based on the specific needs of the customer. Proposed 2023 USECP at 4-5. No further explanation of the ASP option is provided, and it is unclear whether the ASP payment would be less than or equal to an Ontrack customer's average bill.

The OnTrack bill will include a CAP Plus charge[15] but PPL has proposed eliminating the monthly $5 PPA co-payment. Proposed 2023 USECP at 4, 18.

Clarification Required: It is not clear how PPL determined its proposed PIP energy burdens and how ASP payments will be calculated. We also question how the proposed changes to the OnTrack payment calculation will impact annual OnTrack costs, collection costs, and LIHEAP grant refunds.

Accordingly, in its response to this Order, PPL shall provide the following information:

1. Explanation of how the proposed PIP energy burdens were determined. PPL shall also provide an analysis of projected average monthly PIP bills and the projected annual PIP credit expenditures from 2023-2027 based on charging the recommended maximum CAP Policy Statement (2020) energy burdens, broken down by FPIG tier (*i.e.*, 0%-50%, 51%-100%, and 101%-150%) and energy type (*i.e.*, ENH and EH).
2. Explanation of how the ASP calculated payment may differ from the customer's average bill. PPL is directed to include any instructions given to OnTrack agencies on how to determine an ASP amount based on specific household or financial situations.
3. Projected average monthly OnTrack bills from 2023-2027, broken down by FPIG tier, energy type, and payment option (*i.e.*, PIP/POB, ASP, Minimum Payment) based on both PPL's existing and proposed OnTrack Payment calculations.

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[15] CAP Plus is discussed in further detail below.

4. Projected cost impact of the proposed OnTrack payment changes. UGI shall provide an estimate of how the energy burden change may impact OnTrack expenditures in 2023-2027. The cost projections must be broken down by cost component (*i.e.*, administration, OnTrack credits, and PPA forgiveness), FPIG tier, energy type, and payment option.
5. Projected annual increase to OnTrack costs from 2023-2027 based on the elimination of the $5 PPA co-payment.
6. Projected impact on annual collection costs, as defined in 52 Pa. Code § 54.75(1)(ii), from 2023-2027 based on implementation of the proposed OnTrack payment changes, broken down by FPIG tier (*i.e.*, 0%-50%, 51%-100%, and 101%-150%).
7. Projected impact on unused LIHEAP grants returned to the Department of Human Services (DHS). PPL is directed to provide an analysis for each FPIG tier (0%-50%, 51%-100%, and 101%-150%) and energy type to determine the number and amounts of unused LIHEAP grants for OnTrack customers returned to DHS because the funds were not exhausted within the specified two-year period.[16] PPL must provide actual data for 2020 and 2021 and projected data for 2023 through 2027 based on the proposed changes to OnTrack bills.

b. CAP Plus Amount

As described above, PPL charges a CAP Plus amount as part of the customer's OnTrack bill. The OnTrack PIP bill, which PPL refers to as the "Total Energy Burden Payment Amount" (TEBPA) is a combination of the "OnTrack Installment Amount" and

[16] "LIHEAP funds are available for use during a two-year period that includes the LIHEAP program year of receipt and through June 30th of the LIHEAP program year immediately following. For example: LIHEAP benefits authorized on November 27, 2021[,] are available for use through June 30, 2023." LIHEAP Fiscal Year 2022 State Plan at B-12. https://www.dhs.pa.gov/Services/Assistance/Documents/Heating%20Assistance_LIHEAP/2022%20LIHEAP%20State%20Plan_FINAL%20Approved.pdf.

the CAP Plus charge. Proposed 2023 USECP at 4. In the Proposed 2023 USECP, PPL provides the following example of how a PIP bill is calculated for an EH customer with 2-person household and $950 of monthly income (approximately 62% of the 2022 FPIG):

Table 5. PIP Option Example – Electric Heat

Household Size	2
Monthly Income	$950
Utility Type	Electric Heat
FPIG Tier	51% - 100%
Percent of Income Factor	6%
TEBPA	$57.00
Components of TEBPA: CAP Plus Amount OnTrack Installment Amount	 $7.00 $50.00

Source: Proposed 2023 USECP at 4.

While this example does not exceed the targeted PIP energy burden, it is not clear whether the OnTrack Installment Amount plus the CAP Plus charge, which changes annually, will always be equal to or less than the PIP energy burden targets or average bill payment. It is also not clear how the Ontrack Installment Amount is calculated.

PPL reports that it will not include the CAP Plus charge if the customer has a credit balance from a LIHEAP grant. However, in these instances, PPL reports that the amount of the monthly PIP bill, or TEBPA, will not change; only that the CAP Plus charge will not be identified on the customer's bill. Proposed 2023 USECP at 5.

It appears PPL is proposing to include a CAP Plus charge on all OnTrack bills but not identify this charge if the customer has a LIHEAP credit. This practice appears to violate Section 601.45 of the Fiscal Year 2022 LIHEAP State Plan, which states that a

LIHEAP Cash grant cannot be applied to a CAP customer's unbilled usage amounts.[17] This practice would also violate 52 Pa. Code § 56.15(12), which requires that public utility bills clearly state an explanation of the various charges. If PPL is not proposing to subtract the CAP Plus charge from OnTrack bills when a LIHEAP credit remains, then it must explain how this practice is consistent with its obligations as a LIHEAP energy vendor.

Clarification Required: Accordingly, in its response to this Order, PPL is directed to explain:

- Whether the CAP Plus charge may result in a OnTrack bill that is greater than the customer's PIP energy burden or average bill amount, whichever is less.
- How the OnTrack installment amount is calculated.
- How the annual change to the CAP Plus charge is communicated to customers and stakeholders.
- How the monthly OnTrack payment amount can remain unchanged if the CAP Plus charge is not included in the bill. PPL shall provide an example of how an OnTrack household will be billed with a CAP Plus charge and how that same household will be billed if the CAP Plus charge is not included. PPL shall provide copies of sample bills showing both scenarios.
- How annual OnTrack costs would increase annually from 2023 through 2027 if the CAP Plus charge were eliminated.

[17] See FY 2022 LIHEAP State Plan at B-12. https://www.dhs.pa.gov/Services/Assistance/Documents/Heating%20Assistance_LIHEAP/2022%20LIHEAP%20State%20Plan_FINAL%20Approved.pdf

c. Alert Process for PIP Bills Exceeding Average Bill

PPL states that an alert will be generated when an Ontrack household's PIP bill is greater than its average bill. When such an alert is generated, the account will be reviewed, and the OnTrack bill may be adjusted. Proposed 2023 USECP at 6. The Proposed 2023 USECP does not identify how often this review is conducted or whether an alert is also generated when an OnTrack customer is paying the ASP amount and the calculated PIP bill would be less.

Clarification Requested: In its response to this Order, PPL is directed to provide an explanation of how often OnTrack bills are reviewed and whether its alert system will identify whether customers paying either the PIP or ASP amounts may need their bills adjusted, as well as how this determination is made. PPL is also directed to provide an explanation of the specific situations when an OnTrack bill will be adjusted.

l. Proposed Implementation Timeframe for a 12-month Program Cycle

As described above, PPL is proposing to transition from an 18-month to a 12-month program cycle. Proposed 2023 USECP at 2. However, PPL does not provide a proposed timeline for implementing the 12-month program cycle or identify when all OnTrack customers will be placed into this proposed program cycle. It is not clear whether PPL is proposing to transition existing OnTrack customers to the 12-month program cycle immediately upon implementation or wait until their current 18-month cycles are completed before recertifying existing OnTrack customers in the 12-month program cycle.

Clarification Required: Accordingly, in its response to this Order, PPL is directed to explain its implementation timeframe for its proposed 12-month program cycle and when new and existing OnTrack customers would be transitioned into it.

d. Collection Activity for Zero-Income Customers with Pending OnTrack Applications.

As described above, PPL proposed in its February 2018 Petition at Docket No. M-2016-2554787 to add an addendum to its 2017 USECP to include a zero-income policy and form. The Commission approved the February 2018 Petition in its April 2018 Order.

In its comments to the February 2018 Petition, CAUSE-PA raised concerns about PPL's proposal to mail the customer a zero-income form only after PPL receives a completed OnTrack application. CAUSE-PA questioned whether this policy will extend the OnTrack application process for zero-income customers and cause them to lose service unnecessarily due to this extended application process. CAUSE-PA recommended PPL pend termination for 15 days to give the customer time to return the zero-income form or include the zero-income form with the paper OnTrack application. CAUSE-PA Comments to the February 2018 Petition at 3-4.

The Commission found no evidence to support the concerns regarding potential disconnects during the pendency of an OnTrack application and did not require PPL to include the zero-income form with the paper OnTrack application. However, the Commission directed PPL to track the number of customers whose accounts are placed into collection or termination status or whose service is terminated within 30 days of submitting a paper OnTrack application claiming zero income and include this information in its next USECP filing. April 2018 Order at 7-8, 10, OP#3. The Proposed 2023 USECP does not include this required information.

Clarification Required: Accordingly, in response to this Order, PPL is directed to provide the number of customers claiming zero income, from 2019 through 2021, whose accounts were placed into collection or termination status or whose service was terminated within 30 days of submitting a paper OnTrack application. This information must be broken down by year and the type of collection activity taken (*e.g.*, termination notice, service shut-off).

e. Income Documentation for Last 30 Days or 12 Months

The Proposed 2023 USECP proposes to allow seasonal workers to provide proof of income for the past 30 days or 12 months, whichever is more beneficial to the household. Proposed 2023 USECP at 9. The Proposed 2023 USECP does not identify the acceptable income documentation timeframes for non-seasonal workers.

It is unclear if PPL's OnTrack income documentation policy gives all customers the opportunity to provide proof of 30 days or 12 months of income when applying for OnTrack, as recommended in CAP Policy Statement (2020). 52 Pa. Code §69.265(8)(ii)(B)(I). The Commission has recommended that public utilities give CAP applicants the option of selecting an income timeframe (*i.e.*, 30 days or 12 months) that is most representative of their true annual household income. See November 2019 Order at 41.

We have concerns about restricting the opportunity to provide proof of annual or monthly wages for the purposes of establishing OnTrack eligibility and benefits to seasonal workers only. Part-time service industry workers, for example, whose weekly hours may change based on operational need, can also have fluctuating incomes over the course of a year. These types of jobs may allow workers to work more hours on a temporary basis (*e.g.*, during periods of staff shortages or irregular overtime). For these types of workers, it may not be reasonable to assume that income earned during the past 30 days is representative of their actual annual income.

Clarification Required: Accordingly, in its response to this Order, PPL is directed to confirm whether all customers are given the option of providing 30 days or 12 months of income, whichever is more representative of household income, through the OnTrack application process. If not, PPL is directed to identify the income documentation timeframes requested from all OnTrack applicants. Additionally, PPL is directed to provide a definition and examples of what it considers "seasonal workers." PPL is also directed to include copies of its OnTrack application, recertification letters, brochures, and any other distributed written communications describing OnTrack income eligibility requirements or income documentation timeframes.

f. Counting Unearned Income for Minors

In its Proposed 2023 USECP, PPL states it will maintain its current provision of counting government benefits issued for the benefit of the child (such as SSI or Social Security Disability (SSD)) as household income. Proposed 2023 USECP at 9.

The Public Utility Code defines household income as the "combined gross income of all adults in a residential household who benefit from the public utility service." 66 Pa. C.S. § 1403 (relating to definitions). In the November 2019 Order, the Commission adopted this definition for household income in the CAP Policy Statement (2020)[18] and noted that the Section 1403 statutory definition is already used to establish Commission payment arrangement requests and recommended this definition be applied to determining CAP household income as well.

> Adopting the Chapter 14 definition will provide a single definition to be used by both the Commission and the energy utilities and should facilitate greater consistency among utilities in determining and documenting household income. This should work towards eliminating disparate

[18] *See* 52 Pa. Code § 69.262 (relating to definitions).

> parameters of CAP qualifications among the EDCs and NGDCs with the goal of fostering more uniformity in program implementation.

November 2019 Order at 79.

Although public utilities are not mandated to automatically adopt all provisions of the CAP Policy Statement, they are required to comply the Public Utility Code.

Clarification Required: Accordingly, in its response to this Order, PPL is directed to provide information showing the impact that excluding unearned income for minors would have on OnTrack eligibility and costs. Specifically, PPL is directed to identify the following statistics for 2019, 2020, and 2021:

- Number of OnTrack customers receiving unearned income for minor children.
- Number of customers determined income-ineligible for OnTrack who reported unearned income for minor children.
- Amount of additional OnTrack credit expenditures if unearned income for minors had been excluded from participating household income.

PPL is directed to also provide the projected additional annual enrollment and costs to OnTrack – including administration, arrearage forgiveness, and CAP credits – associated with excluding unearned income for minors from 2023 through 2027.

g. Calculating Loss of Income

In the description of how household income for OnTrack is determined and calculated, the Proposed 2023 USECP states that "[a] loss from one source of income cannot be used to offset another source of income." Proposed 2023 USECP at 9. It is unclear what situation or sources of income PPL is referring to or how one source of income could "offset" another.

Clarification Required: Accordingly, in its response to this Order, PPL is directed to clarify this provision.

h. Maximum Allowable CAP credits

As previously described and shown in Table 3, PPL is proposing to amend the maximum allowable OnTrack credits a customer can receive during a program cycle. Due to the change in program cycle length from 18 months to 12 months, while the maximum credit has decreased in multiple categories, the average monthly credit has increased for all categories with the exception of a slight decrease in the EH in the 101%-150% FPIG tier 101%-150%, as described in Table 6.

Table 6. Average Monthly OnTrack Credits

	ENH		**EH**	
FPIG Tier	**Current 18-months**	**Proposed 12 months**	**Current 18-months**	**Proposed 12 months**
0-50%	$88.05	$162.50	$223.72	$262.50
51-100%	$80.06	$125.00	$203.39	$208.33
101-150%	$72.78	$104.17	$184.89	$179.17

Source: 2017 USECP at 17, Proposed 2023 USECP at 13.

Clarification Requested: In its response to this Order, PPL is directed to provide information regarding how the proposed maximum allowable OnTrack credits for a 12-month program cycle were determined.

i. OnTrack Budget Billing (OTBB)

PPL introduced OTBB in response to the Commission's directive that PPL allow OnTrack participants to remain in the program with budget billing after they exceed their CAP credit limits. *See PPL 2014-2016 USECP Final Order*, Docket No. M-2013-2367021 (order entered on September 11, 2014) at 19-23. The 2014-2016 USECP (2014 USECP) also stated that letters are sent to inform OnTrack customers that they have reached 50% and 80% of their maximum credit amount, with information about energy education and WRAP services. 2014 USECP, WRAP at 10.

Currently, OTBB customers may re-apply for regular OnTrack again 18 months after their original enrollment date. Current 2017 USECP at 18. The 2017 and Proposed 2023 USECPs do not mention sending letters to advise OnTrack customers when they reach 50% or 80% of their maximum OnTrack credits. The only communication regarding OnTrack credits specified in the current and the proposed USECPs is when a household is notified that they have exceeded their maximum OnTrack credits and are being placed into OTBB and when the customer may reenroll in the traditional OnTrack program (*i.e.*, OTBB activation letter). 2017 USECP at 18, Proposed 2023 USECP at 13. The current and proposed USECPs do not indicate if the OTBB activation letter includes energy education contact information and information about WRAP services. It is also not clear whether OnTrack customers approaching or exceeding their maximum credit limits are informed about exemptions to these limits[19] or how they can apply for an exemption.

[19] The Commission's CAP Policy Statement (2020) affords guidance at 52 Pa. Code § 69.265(3)(vi) regarding exemptions: A utility may exempt a household from a CAP control feature if one or more of the following conditions exist: a household added a family member, a household member experienced a serious illness, energy consumption was beyond the household's ability to control, the household's housing unit was condemned or has code violations that negatively affect energy consumption, or energy consumption estimates were based on a previous occupant's consumption.

PPL proposes to make no changes the OTBB program with the exception that OTBB customers may now re-apply for regular OnTrack 12 months after the original enrollment date. Proposed 2023 USECP at 12-13.

We have concerns that customers placed into OTBB are unable to succeed in PPL's CAP, often accruing high in-program balances and risking loss of service. Of the 197 OnTrack-related informal complaints filed with the Commission and reviewed by Commission staff between July 25, 2019, and November 15, 2021, over 28% (56) were regarding OTBB. PPL customers who filed a complaint following transition to OTBB had average monthly bill increases of over 350%.

We also have concerns that many OnTrack customers are not aware of their maximum OnTrack credit limit. The 2020 APPRISE Evaluation found that 49% of customers who responded to the satisfaction survey indicated they were unaware of the maximum allowable OnTrack credits. 2020 APPRISE Evaluation at 67-68.

Considering that one of the primary objectives of OnTrack is to help low-income customers maintain utility service and reduce debt, we are concerned that the execution of the OTBB program is not beneficial to OnTrack customers as it results in program bills for which the customer may not be able to pay. A lack of awareness or understanding of the maximum allowable OnTrack credits during a program cycle – and what can be done to reduce energy usage or seek an exemption – may also contribute to the number of customers transitioned to OTBB.

Clarification Required: Noting our concerns with OTBB, we require more information regarding its impact on OnTrack customer. Accordingly, in its response to this Order, PPL is directed to provide the following information for customers enrolled in OTBB during 2019, 2020, and 2021:

- Total and average in-program arrears accrued by customer in OTBB
- Average total bill amount and percent bill increase for customers transitioned to OTBB.
- Number of OTBB customers who were sent termination notices.
- Number of OTBB customers whose service was terminated.

PPL is also directed to explain whether it continues to send letters informing OnTrack customers when they reach 50% and 80% of their maximum OnTrack credit limits. If so, PPL shall provide copies of those letters and the OTBB activation letter. PPL is also directed to explain whether OnTrack customers may seek exemptions to their credit limits, what exemptions are given, and how those exemptions are communicated to the customer.

j. Minimum Payment Amounts

As described above, PPL proposes increasing the OnTrack minimum payment amounts from $12 to $20 for ENH customers and from $30 to $40 for EH customers. Proposed 2023 USECP at 13. The Proposed 2023 USECP does not explain what factors PPL took into consideration when determining this proposed increase.

Clarification Requested: In its response to this Order, PPL is directed to explain how the proposed OnTrack minimum payment amounts were determined for each energy type (i.e., ENH, EH) and how many OnTrack customers will see an increase to their monthly bills as a result of this change and the average amount of this increase. Additionally, PPL is directed to provide the annual projected cost difference between maintaining the current minimum payment amounts and the proposed minimum payment amounts from 2023 through 2027.

k. PPA Forgiveness

The CAP Policy Statement (2020) recommends that public utilities allow PPA forgiveness for each on-time and in-full monthly payment, regardless of in-program arrears, and retroactive PPA forgiveness for any months missed once the customer pays the CAP balance in full. 52 Pa. Code § 69.265(8)(ix)(A-B). PPL reports that it is compliant with this provision. February 2020 Letter at 2. However, the Proposed 2023 USECP does not indicate that customers receive PPA forgiveness for each monthly payment, regardless of OnTrack arrears, or retroactive PPA forgiveness.

Clarification Required: Accordingly, in its response to this Order, PPL is directed to clarify whether it allows OnTrack customers to receive PPA forgiveness for each on-time and in-full monthly payment, regardless of OnTrack arrears, and retroactive PPA forgiveness for any months missed once the customer pays the Ontrack balance in full.

l. 12-month PPA Forgiveness

As part of the proposed change from an 18-month to a 12-month program cycle, PPL proposes to change the time period OnTrack customers can earn full PPA forgiveness from 18 months to 12 months. Proposed 2023 USECP at 2. This proposal would allow all OnTrack customers to have their PPA balances forgiven after paying OnTrack bills in-full over a one-year period. It is not clear how this change would impact annual PPA forgiveness costs for OnTrack or if PPL has considered other timeframes, such as 24 or 36 months.

Clarification Required: Accordingly, in its response to this Order, PPL is directed to identify the projected annual cost of providing PPA forgiveness over 36 months, 24 months, 18 months, and 12 months from 2023 to 2027, and to explain why the chosen program cycle is proposed.

m. Late Payment Charges

The CAP Policy Statement (2020) recommends that public utilities exempt CAP customers from late payment charges. 52 Pa. Code § 69.265(6). PPL reports that it is compliant with this provision. February 2020 Letter at 6. However, the Proposed 2023 USECP does not state that OnTrack customers are exempt from late fees.

Clarification Required: Accordingly, in its response to this Order, PPL is directed to clarify whether OnTrack customers are exempt from late fees.

n. Refund of Security Deposits

The Proposed 2023 USECP does not describe PPL's policy or practices regarding the waiving or refunding of security deposits for OnTrack-eligible customers.

Both Title 66 and Commission regulations prohibit requiring a cash deposit for utility service from customers who are confirmed to be eligible for a CAP. *See* 66 Pa.C.S. § 1404(a.1)[20] and 52 Pa. Code § 56.32(e)[21]. Commission regulations also state that a public utility must "refund a deposit, along with any applicable interest, within 60 days upon determining that the customer or applicant from whom a deposit was collected is not subject to a deposit…" *See* 52 Pa. Code § 56.53(f).

[20] 66 Pa.C.S. § 1404(a.1) provides that "no public utility may require a customer or applicant that is confirmed to be eligible for a customer assistance program to provide a cash deposit."

[21] 52 Pa. Code § 56.32(e) provides that "a public utility may not require a cash deposit from an applicant who is, based upon household income, confirmed to be eligible for a customer assistance program. An applicant is confirmed to be eligible for a customer assistance program by the public utility if the applicant provides income documents or other information attesting to his or her eligibility for state benefits based on household income eligibility requirements that are consistent with those of the public utility's customer assistance programs."

Clarification Required: Accordingly, in its response to this Order, PPL is directed to describe its policy and procedures regarding waiving or refunding security deposits for OnTrack-eligible customers.

o. Voluntary Removal from OnTrack

PPL proposes that customers requesting to be removed from the OnTrack program before their 12th month cannot reenroll until after the original agreement timeline has expired. PPL also proposes that OnTrack customer accounts that are terminated for nonpayment will resume participation through the end of the program cycle upon reconnection. Proposed 2023 USECP at 14-15.

PPL had proposed a similar policy in its 2017 USECP proceeding. PPL claimed that this stay out provision for customers who voluntarily leave OnTrack was necessary because it would dissuade customers from leaving the program when the OnTrack bill is higher than actual usage. 2017 USECP PPL Reply Comments (filed June 22, 2017) at 10-11. The Commission was unpersuaded by this argument and found that these customers must be given the opportunity to reenroll in OnTrack:

> OnTrack offers the most affordable annual payment options for low-income households. . . . . PPL has provided no data to support its concern that customers will find full-tariff rate bills more affordable in certain months and may leave the OnTrack program for short periods of time. Even if this situation exists, it is not clear why these customers are not offered an opportunity to make an "OnTrack catch-up" payment to satisfy the difference between the OnTrack and full-tariff rate bills and earn re-instatement into the program. Allowing these customers to catch-up on OnTrack payments will also allow them to receive arrearage forgiveness for the months spent out of the program.

October 2017 Order at 26-27.

The Commission directed PPL to re-instate customers who voluntarily leave OnTrack or are removed for non-payment if they pay the OnTrack catch-up amount (*i.e.,* total of OnTrack arrears and the amount the customer would have paid if still on OnTrack) at any time during the 18-month program time period. October 2017 Order at 27-28.

Clarification Required: Accordingly, in its response to this Order, PPL is directed to explain its reasoning for re-proposing this stay-out provision for customers who voluntarily leave OnTrack. If the reasons are similar to those raised in the 2017 USECP proceeding, PPL is directed to provide supporting data showing how customers are benefiting when they voluntarily leave OnTrack. If PPL has new reasons, PPL is directed to provide supporting data for those reasons.

p. OnTrack Final Billing

The Commission issued the *Staff Review of Customer Assistance Program Final Billing Methods* order (CAP Final Billing Order) on March 12, 2020, at Docket No. M-2019-3010190. The CAP Final Billing Order detailed how electric and natural gas public utilities calculate final CAP bills, summarizes stakeholder input on the issues, and calls attention to existing statutory and regulatory provisions relating to billing. The CAP Final Billing Order did not recommend a standard CAP final billing policy but indicated these policies must comply with PUC statutes and regulations:

> Section 1303, 66 Pa. C.S. § 1303, provides that public utilities must bill their customers for service rendered. Section 56.11(a) of Commission regulations, 52 Pa. Code § 56.11(a), require that a public utility render bills every billing period. Utilities are henceforth on notice that these statutory and regulatory provisions will be applied to the facts in all matters wherein we are called upon to review specific final CAP bills or recovery of universal service costs. Further, Section 1303 provides that public utilities are to compute bills under the rate most beneficial to the customer.

> *Generally speaking, it would appear that the starting point for any specific inquiry regarding the bill for usage in a partial final billing period as a CAP participant should be a comparison between a residential tariff rate calculation for energy consumed and the CAP price prorated for the number of days of service in the billing period.* The other items on a bill such as true-ups, arrears, arrearage forgiveness, third-party assistance such as LIHEAP, and CAP credits and limits are separate considerations dependent on the customer's payment history and the utility's CAP provisions. We shall address how the energy utilities describe their final billing practices for CAP customers in utility-specific proceedings.

CAP Final Billing Order at 22 (emphasis added).

PPL does not describe or list its final OnTrack billing practice in its Proposed 2023 USECP. In the CAP Final Billing proceeding, PPL reported that OnTrack customers are final billed at the residential tariff rate for the billing period and CAP credits are not applied to the CAP customer's final bill. Any unforgiven PPA balance is included in the final bill amount. March 12, 2020 Order at 7-8.

We are not opposed to PPL's practice of charging the residential rate for usage in a final bill in circumstances when the tariff rate is less than the prorated OnTrack billing price. However, we are concerned that customers enrolled in OnTrack up until the date of service termination or discontinuance may be charged more than their prorated OnTrack billing price for usage incurred during their final billing period.

Clarification Required: Accordingly, in its response to this Order, PPL is directed to describe its current OnTrack final billing policy and explain whether this policy has changed since the Commission's CAP Final Billing proceeding. PPL is also directed to address how its final OnTrack billing practices reflect compliance with the relevant statutes and regulations as discussed in the CAP Final Billing Order.

q. Adopt Amended CAP Recertification Timeframes

PPL proposes to reduce the amount of time between recertifications for all OnTrack customers as shown in Table 7.

Table 7. OnTrack Recertification Timelines

OnTrack Type	Current 2017 USECP	Proposed 2023 USECP
Regular OnTrack (No LIHEAP or SSI)	Every 18 months	Every 12 months
OnTrack with LIHEAP or SSI	Every 36 months	Every 24 months
OTLS (includes zero-income)	Every 9 months	Every 6 months

Source: 2017 USECP at 13,16, Proposed 2023 USECP at 12.

Initially, we support PPL's proposal to establish a six-month OnTrack recertification timeframe for customers reporting zero income, which is consistent with the recommended timeframe in the CAP Policy Statement (2020). *See* 52 Pa. Code 69.265(8)(viii)(A)(I). As discussed in the November 2019 Order, the Commission found it does not seem reasonable to presume that a household can maintain housing/living expenses for an extended period of time with no source of income. November 2019 Order at 69.

However, we have concerns about shortening other recertification timeframes, particularly for customers on regular OnTrack or OnTrack customers who receive SSI or LIHEAP – as this change may result in more income-eligible customers unnecessarily being removed from OnTrack. In the November 2019 Order, the Commission noted that more frequent recertification periods can be an obstacle to remaining on CAP:

> The most common reason customers are removed from CAPs is due to failure to recertify.[22] The more frequent the recertification, the more likely it is that households will be removed from the program for failing to send in required documentation.

November 2019 Order at 68.

We need more information to determine whether PPL's proposed OnTrack recertification timeframes are appropriate and how these reduced timeframes may impact program enrollments and low-income customer bills.

Clarification Requested: In its response to this Order, PPL is directed to provide:

- The annual number of customers removed from Ontrack in 2018 and 2019[23] for failure to recertify and how many of these customers re-enrolled within six months after program removal.
- The annual number and percentage of OnTrack recertifications in 2018 and 2019 resulting in a customer being removed from the program for being income-ineligible
- The projected impact of the proposed OnTrack recertification timeframes on annual program removals from 2023 through 2027.

r. OnTrack Lifestyle Recertification

As described above, PPL is proposing to require customers enrolled in OTLS (*i.e.*, customers reporting no income or income less than rent or mortgage) to recertify every

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[22] For example, *see* FirstEnergy 2017 APPRISE Universal Service Impact Evaluation at 22. http://www.puc.pa.gov/general/pdf/USP_Evaluation-FirstEnergy.pdf. Of customers removed from FirstEnergy CAPs in 2013-2015, 63% were removed for failing to recertify, and 8% were removed because their income was too high, on average.

[23] We are not requesting recertification data for 2020 and 2021 since most public utilities waived CAP recertification timeframes from March 2020 into 2021, due to the onset of the COVID-19 pandemic.

six months. PPL also proposes to require OTLS customers to provide additional evidence of eligibility to recertify after 12 months, such as receipts, bank statements, and/or support letters to explain how the customer is meeting their expenses. The company will not allow continued recertifications by submitting a self-declaration statement indicating zero income or that mortgage/rent remains higher than income. Proposed 2023 USECP at 13.

The use of a zero-income form does not restrict a public utility's ability to request additional information to verify a household's income situation, if necessary, including requesting additional information about how living expenses are being paid. November 2019 Order at 64, FN 101. Similarly, if a customer reports household income below the household's living expenses, it is reasonable to request additional information to verify how those expenses are being met or addressed. However, we would like more information about the types of documentation that PPL would consider appropriate to allow a customer to continue in OTLS beyond 12 months.

Clarification Required: Accordingly, in its response to this order, PPL is directed to explain what documentation or information would be considered sufficient to allow a customer to recertify in OTLS beyond 12 months.

s. OnTrack Lifestyle Enrollments

As described above, PPL enrolls customers reporting no income or income less than their rent or mortgage in OTLS. It is unclear how many customers have historically been enrolled in OTLS.

Clarification Required: Accordingly, in its response to this Order, PPL is directed to provide the total number and percentage of OnTrack customers enrolled in OTLS annually from 2018 through 2021. This information shall be broken down between

OTLS participants enrolled with zero income and OTLS participants with income less than their rent/mortgage. PPL should also identify how many of these customers were later enrolled in regular OnTrack, remained in OTLS for more than once nine-month cycle, had service terminated, or were subsequently determined income-ineligible.

t. Credit Checks and Fraud Investigations

PPL states that, as part of its standard revenue protection practices, it may analyze customer information for potential fraud. This investigation may include a rate check, confirmation of customer's debt location by a credit reporting service, soft credit inquiry, and a probe into how the customer is paying for basic living expenses. If the investigation includes the use of credit report information, PPL reports that it will provide the customer with an adverse action notification in accordance with the Fair Credit Reporting Act. PPL states that findings of fraud, theft of service, and other misappropriations of service may result in back billing, removal from OnTrack, and/or termination of service. Proposed 2023 USECP at 15.

The Proposed 2023 USECP does not describe if or how a customer is given an opportunity to address or refute potential evidence of fraud prior to PPL taking these proposed actions.

Clarification Required: Accordingly, in its response to this Order, PPL is directed to provide additional information regarding this fraud investigation process including:

- If there is a timeline given for the customer to dispute the public utility or credit report findings.
- When PPL will take adverse action such as removal from OnTrack should the customer fail to respond or PPL determines the response insufficient.
- If or how the customer may appeal a finding of fraud by PPL.

- The number of fraud investigations conducted annually from 2018 through 2021.
- The number of instances of fraud discovered annually from 2018 through 2021.

u. Outreach and Education

Section 69.265(8)(i) of the CAP Policy Statement (2020) recommends that a public utility develop and incorporate a CEOP as part of its USECP. 52 Pa. Code § 69.265(8)(i). In the November 2019 Order, the Commission recommended that public utilities identify in their CEOPs, *inter alia*, (1) efforts to educate and enroll eligible and interested customers with incomes at or below 50% of the FPIG; and (2) resources, services, and translated materials available to those customers who are of Limited English Proficiency (LEP). November 2019 Order at 77.

In its February 2020 Letter, PPL reports that it will add CEOPs to its semi-annual USAC meetings.[24] PPL has not, however, included a proposed CEOP as part of its Proposed 2023 USECP.

Clarification Required: Accordingly, in its response to this Order, PPL is directed to provide a proposed CEOP identifying all ongoing and all planned universal service outreach and education initiatives. The CEOP must also:

- Indicate which education and outreach initiatives are new (*i.e.*, established in 2019 or later) and which initiatives represent existing, ongoing practices to help the most vulnerable customers.
- Provide examples of consumer education letters, postcards, bill inserts, educational brochures, and outbound call messaging scripts.

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[24] February 2020 Letter at FN 2.

- Identify what languages PPL provides for program applications, brochures, and consumer education materials. Also explain how PPL determines what languages are needed for its service territories.

2. WRAP

As the program that addresses PPL's universal service LIURP obligations, PPL's WRAP provides weatherization and energy conservation services to OnTrack and other low-income customers. The primary objectives for WRAP are to reduce customer energy usage and electric bills, increase ability to pay, and decrease arrearages. PPL engages contractors to conduct energy surveys (audits), provide weatherization measures, and provide energy education. All WRAP customers are eligible for baseload measures, such as installation of LED lightbulbs, refrigerator replacement, water leak repair or water heater replacement and other measures that meet the PUC payback criteria. Customers with electric heat installed in 50% or more of the premises are eligible to receive full-cost WRAP measures. Examples of full-cost WRAP measures include blower door testing and associated air sealing, insulation, weather-stripping, as well as other measures. Proposed 2023 USECP at 20-23.

To be eligible for WRAP, a customer must be at least 18 years old and have income at or below 150% of the FPIG, a primary residence within the PPL service territory, electric service in the name of one of the household occupants, at least nine months of usage history at the premise,[25] annual usage of at least 6,000 kWh,[26] and no history of receiving weatherization services from WRAP and/or Act 129 within the past

[25] PPL will make exceptions to the nine-month usage history requirement on a case-by-case basis. Households may also qualify for Act 129. Proposed 2023 USECP at 25.
[26] PPL may make exceptions to the usage criteria for small premises or hardship situations. Proposed 2023 USECP at 26.

five years.[27] Apartment buildings with at least three units may receive WRAP services if at least 50 percent of tenants are determined eligible. WRAP services are prioritized based on customers with the highest electric usage or OnTrack customers in danger of exceeding CAP credit limits. PPL defines "high usage" as households that use more than 18,000 kWh per year. Proposed 2023 USECP at 25-26.

Based on our analysis of PPL's WRAP, we identified areas requiring clarification as detailed below.

a. WRAP Eligibility

The Proposed 2023 USECP states that for a customer to qualify for WRAP, *inter alia*, household income must be at or below 150% of the FPIG and using at least 6,000 kWh annually. In addition, the Proposed 2023 USECP further states that PPL "will serve up to 20% of customers that are between 150% and 200% of the FPIG through its LIURP budget." Proposed 2023 USECP at 25. This includes "special needs" customers as defined by the Commission,[28] multi-unit projects that could best benefit from "whole building" treatments, and customers referred through inter-utility coordination. Proposed 2023 USECP at 25.

LIURP regulations at 52 Pa. Code § 58.10(c) allow a public utility to spend up to 20% of its annual LIURP budget on eligible special needs customers. PPL's proposal to provide WRAP services to up to 20% of customers *with incomes between 150% and 200% of the FPIG* is not consistent with this regulation. We are concerned that eligible

[27] PPL currently allows eligible customers to receive WRAP services if they did not receive WRAP or ACT 129 services within the past three years. 2017 USECP at 39. PPL is proposing to increase this timeframe to five years but will review applicants who have received WRAP or ACT 129 services within the past five years on a case-by-case basis. Proposed 2023 USECP at 25.
[28] The LIURP regulations define a special needs customer as: "A customer having an arrearage with the covered utility and whose household income is at or below 200% of the [FPIG]." *See* 52 Pa. Code § 58.2 (relating to definitions).

customers with incomes below 150% of the FPIG are being underserved in WRAP because PPL may limit one-fifth of its LIURP jobs to special needs or other qualified customers with incomes between 150% and 200% of the FPIG. It is also not clear whether an eligible customer with income at 150% of the FPIG must have special needs to qualify for WRAP.

Clarification required: The Proposed 2023 USECP is not consistent with LIURP regulations at 52 Pa. Code § 58.10(c) and does not make a distinction between customers with income at 150% of the FPIG and special needs customers at the 151% through 200% FPIG tier, who can be served with up to 20% of PPL's LIURP budget. Accordingly, in its response to this Order, PPL is directed to clarify this inconsistency. PPL is also directed to clarify if eligible customers with household incomes at 150% of the FPIG are required to be "special needs" and whether funding for services for these customers are included in the 20% of the LIURP budget spent on customers within the 151% and 200% FPIG tier.

b. Post-Installation Inspections

The Proposed 2023 USECP states that PPL will target a minimum of 30% of all full-cost jobs for a site inspection and will conduct phone inspections for a minimum of 25% of baseload and low-cost jobs. PPL may choose to inspect all jobs involving new or pilot measures. In addition, quality assurance inspectors offer a follow-up energy education session to customers in conjunction with a post-installation inspection or within six months after the installation of all measures. They also offer follow-up education while conducting a phone inspection to recipients of full-cost jobs that do not receive a site inspection. When a customer's usage increases or remains high after the twelve-month post WRAP period, PPL offers remedial energy education or a referral for additional WRAP services and measures. Proposed 2023 USECP at 23-24.

The Proposed 2023 USECP does not explain in detail how PPL selects 30% of all full-cost jobs for a site inspection and 25% of baseload and low-cost jobs for a phone inspection. Furthermore, it is unclear what a phone inspection entails and why a phone inspection would be offered to a full-cost recipient. It is also unclear what usage threshold warrants remedial education or a referral for additional WRAP services and measures when a customer's usage increases within 12 months after installation of WRAP measures.

Clarification required: Accordingly, in its response to this Order, PPL is directed to explain the methodology it uses to select 30% of all full-cost jobs to receive a site inspection and 25% of baseload and low-costs jobs to receive a phone inspection. Furthermore, PPL is directed to explain what a phone inspection entails and clarify if all recipients of full-cost jobs receive a phone inspection if they are not selected to receive a site inspection. PPL is also directed to provide its usage threshold for additional education and services if a customer's usage increases within 12 months after post installation of WRAP measures.

c. Usage Requirements for Inter-Utility Coordinated Jobs

The Proposed 2023 USECP states that PPL will continue to encourage coordination with the Department of Community and Economic Development's (DCED's) Weatherization Assistance Program (WAP), gas utility weatherization programs, and county weatherization programs in accordance with the budget and resources of other programs. The Proposed 2023 USECP states that there is no minimum usage requirement for jobs coordinated with Act 129. Proposed 2023 USECP at 26, 31-32. However, it is not clear if PPL waives the WRAP minimum usage requirement for jobs coordinated with DCED's WAP, gas utility LIURP/weatherization programs, and county weatherization programs.

The Commission has previously approved PPL to waive the minimum usage requirements for LIURP jobs coordinated with Act 129.[29] The Commission has also previously permitted other public utilities to waive minimum usage requirements for LIURP jobs coordinated with DCED's WAP or other public utility LIURP/weatherization programs.[30]

Clarification Required: Accordingly, in its response to this Order, PPL is directed to clarify if the minimum usage requirement is waived when coordinating WRAP services with DCED's WAP, gas utility LIURP/weatherization programs, or county weatherization programs.

d. Quality Control and Contractor Requirements

PPL's 2017 USECP states that auditors, inspectors, and at least one member of each installation agency that performs full-cost work must have an active Building Performance Institute (BPI) - Analyst I Certification or PA weatherization certification equivalent. 2017 USECP at 52-53. However, the Proposed 2023 USECP proposes to remove this provision and does not include any details regarding contractor certification requirements or clarify if certifications for quality control are required for PPL or other staff conducting field observations.

Clarification Required: Accordingly, PPL is directed to provide details of its certification requirements for contractors and PPL or other staff conducting field observations.

[29] *See* October 2017 Order at 45-46.
[30] For example, *see* Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company's (collectively FirstEnergy's) 2019-2021 USECP, Docket Nos. M-2017-2636969, M-2017-2636973, M-2017-2636976, and M-2017-2636978 (filed on June 24, 2019), at 19. NGDCs are not subject to Act 129.

e. Customer Consent

The Proposed 2023 USECP states that customers must consent prior to the start of any WRAP work. In addition, the customer must agree to participate in the energy audit and energy educations session(s). Proposed 2023 USECP at 26. However, it is unclear how PPL obtains and documents consent from the customer.

Clarification Required: Accordingly, in its response to this Order, PPL is directed to clarify how customer consent for WRAP services is obtained. If customer consent is obtained in writing, PPL is directed to provide a copy of its consent form.

f. Re-Weatherization Eligibility

PPL proposes to expand the timeframe between when a premise may receive WRAP services again from three years to five years.[31] The Proposed 2023 USECP states that WRAP is available to eligible customers whose premises did not receive WRAP or Act 129 services within the past five years and has the potential to receive energy-reduction measures and services. It further states that PPL staff will review applicants who received WRAP or Act 129 services within the past five years on a case-by-case basis. Proposed 2023 USECP at 25, 33. However, the Proposed 2023 USECP does not explain what criteria or situations would initiate a case-by-case review of an applicant who received WRAP or Act 129 services within the five-year timeframe. It also does not explain what circumstances would allow a premise to receive WRAP services again in less than five years.

[31] We note that PPL currently displays a brochure on its website that states that to qualify for WRAP services, customers must own or rent a house or apartment that has not received WRAP services within the past "seven" years. https://www.pplelectric.com/my-account/billing-and-payments/need-help-paying-your-bill/~/media/PPLElectric/My%20Account/Docs/WRAP-brochure.pdf#:~:text=Since%20it%20was%20founded%20in%201985%2C%20PPL%20Electric,received%20WRAP%20services%20in%20the%20past%20seven%20years. Last accessed June 29, 2022.

Clarification Required: Accordingly, in response to this Order, PPL is directed to explain what criteria or situations would initiate a case-by-case review of applicants who have received WRAP or Act 129 services within the five-year timeframe and what circumstances would qualify them for additional WRAP services. PPL is also directed to clarify its reason for proposing to expand WRAP's re-weatherization timeframe from three years to five years.

g. Automated WRAP Applications for OnTrack Customers

As described above, income-eligible customers can qualify for WRAP services if, *inter alia*, their annual usage meets or exceeds 6,000 kWh. In PPL's 2017 USECP proceeding, the Commission approved PPL's proposal to establish an automated process to create a WRAP application for every approved OnTrack customer with an annual kWh use of 18,000 or greater, regardless of heating source. October 2017 Order at 28-31. PPL reports that this process was implemented in June 2018. Proposed 2023 USECP at 27.

We question whether the usage threshold for this automated application process should be lowered. Energy reduction services for OnTrack residences benefits OnTrack customers by making their premises more energy-efficient and benefits other ratepayers because it reduces the amount of funds needed to subsidize OnTrack bills. Given these benefits, it may be preferable to automatically enroll OnTrack customers into WRAP as soon as they meet the usage eligibility requirements (*i.e.*, 6,000 kWh annually), rather than restrict it to "high usage" participants (18,000 kWh annually).

Clarification Required: Accordingly, in response to this Order, PPL is directed to explain whether there are issues or concerns with automatically enrolling OnTrack customers into WRAP if they have annual usage of 6,000 kWh or higher.

h. WRAP Contractor Selection

The Proposed 2023 USECP makes modifications to the description of how PPL contracts with weatherization agencies and local private contractors, including removing provisions limiting subcontractor work to specialized jobs (*e.g.*, electrical, plumbing, and heating equipment repair) and limiting contracts with WRAP agencies to three years. 2017 USECP at 52, Proposed 2023 USECP at 30. PPL also reports a reduction in the number of WRAP contractors. PPL contracted with 24 organizations for WRAP services at the time the 2017 USECP was approved. October 2017 Order at 67. The Proposed 2023 USECP states PPL currently contracts with seven WRAP contractors, only one of which is a CBO. Proposed 2023 USECP at 45.

The Competition Act directs the Commission to encourage electric utilities to use CBOs to assist in the operation of universal service programs. 66 Pa. C.S. § 2804(9). Partnerships with CBOs may provide better opportunities within the community to identify underserved neighborhoods, an understanding of customer need, and access to geographically isolated communities (*e.g.*, rural, resource-constrained). As such, we have concerns about whether PPL will maintain the number of jobs provided in each county it serves with fewer CBOs working in WRAP.

Clarification Required: Accordingly, in response to this Order, PPL is directed to clarify how it will ensure that communities receive the same level of WRAP services for the next five years with less WRAP contractors and CBOs. Further, PPL is directed to provide the number of full-cost, low-cost, and baseload WRAP jobs completed annually from 2018 through 2021 for each county that PPL serves. PPL is also directed to provide the annual number of full-cost, low-cost, and baseload WRAP jobs it projects to complete for the same counties from 2023 through 2027.

i. *New WRAP Measures – Ductless Heat Pump*

PPL proposes to adopt the Ductless Heat Pump (aka Mini-split system or DHP) as a standard WRAP measure. Proposed 2023 USECP at 33.

The DHP Pilot for electric resistance heating was approved as part of PPL's 2017 USECP proceeding. PPL reports it developed the site selection and installation criteria with guidance from a home performance expert. The DHP Pilot was approved to install up to 25 DHP systems at a total maximum cost of $250,000. October 2017 Order at 5-6, 2017 USECP at 56.

Clarification Required: Accordingly, in its response to this Order, PPL is directed to provide an impact analysis of the DHP Pilot since its inception, including its impact on residential usage and heating.

j. Installation of Measures: Municipal Requirements

The 2017 USECP states that PPL expects contractors to acquire a permit as part of the WRAP job when a municipality requires a permit for the installation of WRAP measures, such as water heater replacement. The installation of smoke alarms, water heating check valves, and water heating expansion tanks are permitted in accordance with municipal requirements as needed to install WRAP measures. The 2017 USECP further requires WRAP Contractors to include a copy of the permit as part of the invoicing process. 2017 USECP at 47.

The Proposed 2023 USECP no longer includes these provisions addressing requirements for weatherization work in a municipality.

Clarification Required: Accordingly, in response to this Order, PPL is directed to explain the basis for this omission and clarify if it is still following the process specified in its 2017 USECP for WRAP work performed in a municipality or if there will be changes to this process.

l. WRAP Needs Assessment

PPL's WRAP needs assessment identified 85,825 customers who may benefit from WRAP services. Of those customers, PPL projects that 32,107 would likely receive electric heat treatments and that 53,718 would likely receive water heating and/or baseload treatments, including customers with electric heat. Proposed 2023 USECP at 29-30. While the needs assessment identified the number of customers potentially eligible for WRAP, it does not identify the factors used to determine this number, relative to screening the pool of low-income customers.[32]

Required Clarification: Accordingly, in response to this Order, PPL is directed to provide the factors and numbers it used to calculate that 85,825 customers are potentially eligible customers to receive WRAP. These factors may include:

- The number of customers income eligible.
- The number of those customers who meet the usage criteria for WRAP.
- The number of those customers with 9 months of usage history.
- The number of those customers who have not received WRAP services within the past five years.

[32] LIURP regulations at Section 58.4(c)(1)-(4) provide guidance on how the steps/factors should be considered. 52 Pa. Code § 58.4(c)(1)-(4).

In addition, PPL is directed to explain how it determines the projected number of WRAP treatments (*e.g.*, electric heat, water heating, or baseload) provided to potentially eligible customers.

3. CARES Program

The CARES program assists customers who are experiencing temporary hardships (*i.e.*, expected to last three months or less) that may lead to a loss of electric service. Temporary hardships can include injury, illness, loss of employment, or high medical bills. PPL's CARES program has no income eligibility requirement. The primary features of the CARES program include protection against shutoff, referrals to other programs and services, and possible financial assistance. PPL representatives make referrals to social service agencies and provide information regarding available programs. In situations where other assistance may not be available, CARES customers may also receive a credit on their PPL account (CARES Credits) to help them maintain electric service through the temporary hardship. PPL sets an annual budget of $54,000 for CARES Credits, which is taken from PPL's annual donation to Operation HELP. In 2021, 73 customers received CARES Credits with an average credited amount of $538 per account. Proposed 2023 USECP at 39-40.

Clarification Required: PPL's CARES program appears to provide the outreach and casework approach necessary to help customers secure energy assistance funds and other needed services as described in 52 Pa Code § 54.72. Accordingly, we are not currently requiring any clarifications or proposing any changes to this aspect of the Proposed 2023 USECP.

4. Operation HELP

Operation HELP is PPL's hardship fund and provides grants to residential income-eligible customers with hardships and an inability to pay the full amount of their energy bills. The primary features of Operation HELP include direct financial assistance for overdue energy bills, protection against shutoff, and referrals to other programs and services. Currently Operation Help grants may be issued to other energy vendors (*e.g.*, gas, oil). 2017 USECP at 68. The Proposed 2023 USECP proposes to limit the use of Operation Help grants to PPL electric bills. Proposed 2023 USECP at 34, 38. Operation HELP is administered by 7 CBOs and operates year-round (funding-permitted) with ongoing donations from PPL Corporation, its employees, retirees, and customers. Proposed 2023 USECP at 34, 44.

The Proposed 2023 USECP states that customers are eligible for this program if they have: (1) household incomes at or below 250% of the FPIG[33]; (2) a current hardship; and (3) an inability to pay the full amount of energy bills. Hardships may include the death or serious illness of a primary wage earner and life-threatening situations. CBOs also consider the following factors when determining eligibility:

- Eligibility to receive other programs and services with larger available funding, such as LIHEAP or OnTrack.
- Extenuating circumstances such as serious illness, injury, loss of life, or loss of employment.
- Household composition.
- Collection status and payment history.

[33] This 250% FPIG income limit is a proposed increase for this program. The 2017 USECP Operation HELP income limit is 200% or less of the FPIG. 2017 USECP at 71.

A customer may not receive more than one Operation HELP grant per year. PPL projects that it can assist about 2,500 customers each year in Operation HELP if the annual budget remains constant at $1.3 million. Proposed 2023 USECP at 34-37.

a. Operation HELP Grant amount

The Proposed 2023 USECP does not explain how the amount of the Operation HELP grant is determined or whether there is a minimum or maximum threshold for assistance.

Clarification Required: Accordingly, in its response to this Order, PPL is directed to explain how it determines the amount of Operation HELP grants issued to eligible customers and whether there is an established minimum or maximum threshold for assistance.

b. Collection and Payment Requirements

When determining eligibility for Operation HELP, PPL states that it will consider, *inter alia*, "[t]he customer's collection status as well as their payment history, including the overdue balance and payment efforts on their PPL Electric account." Proposed 2023 USECP at 36.

We find this description too vague. It is not clear whether the reference to "collection status" implies a customer must be off or in termination status to qualify for an Operation HELP grant. It is also not clear how the customer's payment history may impact eligibility or whether PPL requires the customer to have made a certain number of payments within a specific timeframe to qualify.

Clarification Required: Accordingly, in its response to this Order, PPL is directed to explain how specifically collection status and payment history factor into an eligibility determination for Operation HELP.

c. Use of Grants for PPL service

PPL is proposing to limit the use of Operation HELP grants to PPL electric bills only. PPL is also proposing to extend eligibility to households with incomes at or below 250% of the FPIG. Proposed 2023 USECP at 34-35, 38. PPL has distributed fewer funds than were available. For example, in the 2019-2020 program year, PPL reported contributions to Operation HELP totaling $1,985,431. However, PPL reported that it disbursed Operation HELP grants totaling $1,275,164 resulting in an underspend of $710,267 below total contributions**.** *2020 Report on Universal Service Programs & Collections Performance* at 79-80.

Clarification Required: While an energy utility obligated to have a USECP is obligated to have a hardship fund, PPL's Operation Help, as are most hardship funds, is fully funded by contributions and not by ratepayer funds. In its response to this Order, PPL is requested to explain why it is proposing to (1) limit the use of Operation HELP grants for only PPL electric bills rather than continue to provide financial assistance for other energy sources; and (2) expand income eligibility to 250% of FPIG. PPL is also requested to provide the number and amounts of grants issued annually by energy type (*e.g.*, electric, natural gas, oil, etc.) and income tier between 2018 and 2021.

D. Projected Needs Assessment

In compliance with Section 54.74(b)(3), the proposed 2023 USECP includes a needs assessment for PPL's universal service programs, which is depicted in Table 8 below.

Table 8. Needs Assessment

1. Estimated number of low-income households between 0%-150% of the FPIG	337,091
2. Confirmed number of low-income households between 0%-150% of the FPIG	228,117
3. Identified number of payment troubled, low-income households between 0%-150% of the FPIG	140,220
4. Estimated Payment Troubled households between 151%-250% of the FPIG	81,568
5. Confirmed Payment Troubled households between 151%-250% of the FPIG	27,697
6.Estimated number of currently eligible WRAP participants	85,825
7. Cost to serve customers needing WRAP	$236,735,254

Source: Proposed 2023 USECP at 11, 29, and 37.

E. Projected Enrollment Levels

PPL's projected enrollment levels from 2023 through 2027 are as shown in Table 9 below.

Table 9. Projected Enrollment Levels

Program	2023	2024	2025	2026	2027
OnTrack	71,000	73,250	75,500	77,700	79,800
WRAP	3,500	3,500	3,500	3,500	3,500
CARES	400	400	400	400	400
Operation HELP	2,500	2,500	2,500	2,500	2,500

Source: Proposed 2023 USECP at 11,29,37, and 41.

WRAP Energy Saving Kits

The Proposed 2023 USECP states that in addition to the estimated enrollment levels, PPL may use its WRAP budget to provide energy-saving kits and/or energy education for income-eligible customers not eligible for WRAP measures. Proposed 2023 USECP at 29. However, the Proposed 2023 USECP does not provide the estimated number of customers that could potentially receive energy-saving kits and/or energy education and the projected cost of providing this service.

Historically, PPL has provided energy-savings kits and/or energy education to customer not eligible for WRAP measures.[34] PPL should be able to provide these estimates based on historical annual data since 2018.

Clarification Required: Accordingly, in response to this Order, PPL is directed to provide the projected annual number of customers that may receive energy-savings kits and/or energy education from 2023 through 2027.

F. **Program Budgets**

Table 10 below shows the proposed budget levels for 2023-2027.

[34] See PPL 2017 USECP at 50.

Table 10. PPL Universal Service Program Budgets

Universal Service Component	2023	2024	2025	2026	2027
OnTrack	$87,130,105	$84,581,575	$82,276,307	$86,171,777	$87,168,578
WRAP	$10,000,000	$10,000,000	$10,000,000	$10,000,000	$10,000,000
CARES	$114,000	$117,420	$120,943	$124,570	$128,308
Operation HELP*	$1,300,000	$1,300,000	$1,300,000	$1,300,000	$1,300,000
Total	**$98,544,105**	**$95,998,995**	**$93,697,250**	**$97,596,347**	**$98,596,886**
Costs Recovered from Ratepayers	**$97,244,105**	**$94,698,995**	**$92,397,250**	**$96,296,347**	**$97,296,886**
Average Monthly Cost per Residential Customer**	$6.07	$5.92	$5.77	$6.02	$6.08

Source: Proposed 2023 USECP at 11,29,37, and 41-42.
* No funds for Operation HELP are recovered through base rates, and therefore this budgeted amount is not counted as part of the "Costs Recovered from Ratepayers" and "Average Monthly Spending per Residential Customer."[35]
** Based on 1,334,000 residential customers, as reported by PPL. Proposed 2023 USECP at 11.

a. OnTrack Internal Costs

The Proposed 2023 USECP states that the projected OnTrack expenditures (i.e., budget) from 2023 through 2027 do not include PPL's "internal costs." It is not clear what these internal costs consist of or whether these costs are recovered through PPL's universal service rider.

Clarification Required: Accordingly, in its response to this Order, PPL is directed to clarify what internal OnTrack costs are incurred, projected annual internal costs from 2023 through 2027 (broken out by type), and whether these costs are recovered through its universal service rider.

[35] PPL reports it provides funding to support program administration. Proposed 2023 USECP at 35.

b. Projected OnTrack Enrollment and Budget

As shown in Table 12, PPL projects that the number of customers enrolled in OnTrack will increase by approximately 2,200 or more annually 2023 through 2027. However, PPL also projects that annual program expenditures will decrease by approximately $5 million from 2023 through 2025 and then increase by approximately $5 million by 2027.

Table 11. Projected OnTrack Enrollment, Budget, and Spending Per Participant

Year	Estimated OnTrack Participants	Estimated Program Expenditures	Average Spending per Participant*
2023	71,000	$87,130,105	$1,227.18
2024	73,250	$84,581,575	$1,154.70
2025	75,500	$82,276,307	$1,089.75
2026	77,700	$86,171,777	$1,109.03
2027	79,800	$87,168,578	$1,092.34

Source: Proposed 2023 USECP at 11.
* This column was calculated by Commission staff.

It is not clear why PPL projects annual OnTrack costs will decrease or remain consistent with 2023 spending levels while the number of OnTrack customers is projected to increase by approximately 2,200 annually through 2027.

Clarification Required: Accordingly, in its response to this Order, PPL is directed to provide an explanation and any analysis related the cost of serving OnTrack customers from 2023 through 2027 and how its annual program expenditure amounts were determined. The cost projections must be broken down by cost component (*i.e.*, administration, CAP credits, and arrearage forgiveness).

G. Use of Community-Based Organizations (CBOs)

The Competition Act directs the Commission to encourage utility companies to use CBOs to assist in the operation of universal service programs. 66 Pa. C.S. § 2804(9). PPL uses CBOs to administer the OnTrack, WRAP, CARES, and Operation Help programs.[36] Proposed 2023 USECP at 42.

Clarification Required: We are not currently requiring any clarifications to this aspect of the Proposed 2023 USECP, but we do note that PPL has committed to respond to the questions raised in PA-CLEEC's May 26 filing.

H. Organizational Structure

The internal organizational structure for PPL's universal service programs includes one Director of Regulatory Programs and Business Services, two Managers of Regulatory Programs, three Regulatory Program Specialists, five Universal Service Representatives, and two Temporary Support Representatives. Proposed 2023 USECP at 43.

Clarification Required: We are not currently requiring any clarifications or proposing any changes to this aspect of the Proposed 2023 USECP.

V. CONCLUSION

This Order sets forth aspects that PPL will need to address prior to our review of its Proposed 2023 USECP. This Order also calls for additional information from PPL and allows for comments and reply comments from stakeholders.

[36] A full listing of community-based organizations can be found in Appendix B of the Proposed 2023 USECP. Proposed 2023 USECP at 44-45.

PPL is directed to file and serve its responses and supplemental information within twenty days of the entry date of this Order. To the extent that PPL has responsive proposals for additional relief or universal service provisions, those proposals, along with revised timelines, enrollments, and cost estimates, must be described in the response to afford other parties the opportunity to comment and reply. If the clarifications provided in response to issues raised in this Order would result in revised language to the 2023 USECP, PPL is directed to include such draft language in its supplemental information for review. If PPL cannot implement changes proposed upon receipt of Commission approval of the 2023 USECP, it must include proposed implementation timeframes for each change as part of its supplemental information.

Comments are due twenty days after PPL's response and supplemental information filing deadline, and reply comments are due fifteen days thereafter.

If the comments and reply comments raise relevant material factual issues, we may refer this matter, in whole or in part, to the Office of Administrative Law Judge (OALJ) for hearing and decision. This Order does not limit the Commission's authority to order future changes to PPL's USECP based on evaluation findings, universal service data, rate-making considerations, or other relevant factors; **THEREFORE,**

IT IS ORDERED:

1. That approval of the proposed Universal Service and Energy Conservation Plan as the PPL Electric Utilities Corporation on April 1, 2022, is withheld pending Commission review of the requested supplemental information, stakeholder comments, and reply comments, as set forth in this Order.

2. That a copy of this Order be served on all parties to Docket Nos. M-2022-3031727, M-2016-2554787, and P-2019-3007285.

3. That the PPL Electric Utilities Corporation shall file and serve the supplemental information required herein within twenty days of the entry date of this order.

4. That comments shall be filed within twenty days after the filing deadline for the supplemental information. Reply comments shall be filed within fifteen days thereafter.

5. That one original signed copy of comments and reply comments shall be filed with the Commission's Secretary at: Pennsylvania Public Utility Commission, Commonwealth Keystone Building - 2nd Floor, 400 North Street, Harrisburg PA 17120. Comments may also be filed electronically through the Commission's e-filing system,[37] in which case no paper copy needs to be filed with the Secretary provided that the comments are less than 250 pages.

6. That an electronic copy, in WORD® or WORD®-compatible format, of all filed submissions, comments, and reply comments be provided to Nathan Froehlich, Bureau of Consumer Services, nfroehlich@pa.gov ; Christina Chase-Pettis, Office of Communications, cchasepett@pa.gov; and Louise Fink Smith, Law Bureau, finksmith@pa.gov.

[37] https://www.puc.pa.gov/efiling/default.aspx

7. That the contact person for this Order is Nathan Froehlich, Bureau of Consumer Services, 717-525-5059, nfroehlich@pa.gov.

BY THE COMMISSION,

Rosemary Chiavetta
Secretary

(SEAL)

ORDER ADOPTED: July 14, 2022

ORDER ENTERED: July 14, 2022