



July 15, 2019

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O.Box 3265
Harrisburg, PA 17105-3265

Re: Pennsylvania Public Utility Commission v. Peoples Natural Gas Company, LLC
Docket No. R-2018-3006818

Dear Secretary Chiavetta:

In accordance with 52 Pa. Code § 5.412(a), please accept the following preserved testimony, for filing with the Commission:

- *CAUSE-PA Statement 1*, The Direct Testimony of Harry Geller on Behalf of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania
- *CAUSE-PA Statement 1-SR*, The Surrebuttal Testimony of Harry Geller on Behalf of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania

The testimony, with respective appendices and verifications, was admitted to the record at the hearing held June 20, 2019, before Deputy Chief Administrative Law Judge Joel H. Cheskis.

A copy of this letter is being served consistent with the attached Certificate of Service. Please contact me with any questions or concerns.

Respectfully yours,

A handwritten signature in black ink that reads "John W. Sweet". The signature is written in a cursive style with a large, sweeping initial "J" and "S".

John W. Sweet
Counsel for CAUSE-PA

Enc.

Cc: Certificate of Service

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission, et al. :
 :
 v. : Docket No. R-2018-3006818
 :
 Peoples Natural Gas Company LLC. :

Certificate of Service

I hereby certify that I have this day served copies of the **Compliance Filing Letter/Testimony of the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania** upon the parties of record in the above captioned proceeding in accordance with the requirements of 52 Pa. Code § 1.54 in the manner and upon the persons listed below.

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A handwritten signature in black ink, appearing to read "John W. Sweet". The signature is stylized with a large, sweeping initial "J" and "S".

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Date: July 15, 2019

CAUSE-PA STATEMENT 1
PREPARED DIRECT TESTIMONY OF HARRY S. GELLER

1 **Q. Please state your name, occupation, and business address.**

2 A. My name is Harry S. Geller. I am an attorney. I am retired as a staff member of the
3 Pennsylvania Utility Law Project (PULP), but have maintained an office at 118 Locust St.,
4 Harrisburg, PA 17101, for the purpose of providing consulting services and assistance to low
5 income individuals and the organizations which represent them in utility and energy matters.

6 **Q. Briefly outline your education and professional background.**

7 A. I received a B.A. degree from Harpur College, State University of New York at
8 Binghamton in 1966, and a J.D. degree from Washington College of Law, American University in
9 1969. Upon graduation from law school, I entered the Volunteers in Service to America (VISTA)
10 program at the New York University Law School. I took courses in the Law School's Urban
11 Affairs and Poverty Law program and worked with the Community In Action Program on the West
12 Side of Manhattan in New York City from 1969-1971. In 1971, I started as a Staff Attorney for
13 the New York City Legal Aid Society, Criminal Court, and Supreme Court Branches in New York
14 County. In 1974, I moved to Pennsylvania and began working for Legal Services, Incorporated
15 (LSI). LSI was a civil legal aid program serving Adams, Cumberland, Franklin, and Fulton
16 Counties. I worked at LSI from 1974-1987 first as a Staff Attorney, then as Managing Attorney,
17 and ultimately became Executive Director. Through a restructuring with other legal services
18 programs, LSI eventually became part of MidPenn Legal Services and Franklin County Legal
19 Services.

20 In 1988, I was hired to be the Executive Director of PULP, a statewide legal aid project
21 dedicated to protecting the rights of low income utility customers. At PULP, I represented low
22 income individuals with utility and energy concerns and supported organizations advocating for

1 low income households in utility and energy matters. As the Executive Director, I consulted and
2 co-counseled on a wide variety of individual utility consumer cases, and I participated in task
3 forces, work groups and advisory panels, including serving as chair of the Department of Human
4 Services' Low-Income Home Energy Assistance Program (LIHEAP) Advisory Committee and the
5 Pennsylvania Public Utility Commissions' Consumer Advisory Committee. I frequently trained
6 communities, legal aid staff, and advocacy groups across Pennsylvania about the various utility
7 and energy matters affecting Pennsylvania's low income population. I retired from PULP on June
8 30, 2015. Since that time, I have continued to provide consulting services for PULP and its clients,
9 as well as other organizations serving the low income community.

10 In sum, I have almost 50 years' experience working on behalf of households in poverty,
11 including the past 30 years focusing specifically on utility and energy issues affecting low income
12 consumers. My resume is attached as Appendix A.

13 **Q. Please describe the focus of your work over the past fifty years, including relevant**
14 **work experience on issues of low income families' ability to afford essential services such as**
15 **utilities?**

16 A: I have represented low income individuals and organizations serving low income
17 populations in a wide variety of legal matters, including family law, public benefits,
18 unemployment compensation, utility shut-offs, debtor/creditor, and housing-related disputes. Over
19 the past 30 years, my focus has been to ensure that low income households can connect to, afford,
20 and maintain utility and energy services.

21 In all these legal matters, I worked almost exclusively on behalf of individuals and
22 households that subsist on incomes at or below 150% of the Federal Poverty Level (FPL). Through
23 this work, I have had a close view of the daily lives of countless of our poorest citizens. I have

1 spent hundreds, if not thousands, of hours assisting clients, combing through their budgets to see
2 whether it is even possible to make ends meet. Over the years, I have consistently seen the near
3 total absence of the ability of low income families to afford the most basic monthly necessities
4 with the incomes they have, even assuming heroic self-control and conscientious budgeting and
5 spending. Almost every month, my clients faced the stark reality of having to choose which bills
6 they can forgo with the least drastic consequences.

7 In addition to my deep understanding of the daily monetary struggles facing poor families,
8 I have an extensive knowledge of the array of programs designed to allow low income individuals
9 to afford electric service. While at PULP, I was involved in hundreds of proceedings evaluating
10 the effectiveness of programs intended to reduce low income households' energy burdens and help
11 them conserve energy through efficiency and weatherization. I have spent thousands of hours
12 identifying the problems in Universal Service programs and making recommendations for changes
13 to these programs to better serve low income consumers. This advocacy ultimately led to the
14 recognition of the need to develop integrated programs for low income consumers. Furthermore, I
15 played an instrumental role in the development, oversight, and monitoring of the initial pilot and
16 then the statutorily required low income Universal Service Programs, each of which provides a
17 different form of assistance to low income customers to enable those customers to afford and
18 maintain basic service.

19 For example, the Customer Assistance Program (CAP) provides alternatives to traditional
20 collection methods for low income, payment troubled utility customers, allowing participants to
21 receive a more affordable bill and earn forgiveness on arrears in exchange for making in-full
22 payments on their discounted bill. In turn, the Low Income Usage Reduction Program (LIURP) is
23 a targeted weatherization program designed to assist low income households with the highest

1 energy consumption, payment problems, and arrearages to reduce their overall energy
2 consumption. CAP and LIURP work in tandem to assist low income households in maintaining
3 affordable utility services and safe living environments while reducing utility collection, thereby
4 benefitting other ratepayers and the communities in which they live and work.

5 **Q. For whom are you testifying in this proceeding?**

6 A. I am testifying on behalf of the Coalition for Affordable Utility Services and Energy
7 Efficiency in Pennsylvania (CAUSE-PA).

8 **Q: What is the purpose of your testimony?**

9 A: CAUSE-PA intervened in this proceeding to ensure that the proposed rate increase, rate
10 design, and tariff changes will not adversely affect the ability of low income customers of Peoples
11 Natural Gas Company, LLC (Peoples or the Company) to connect to, maintain, and afford natural
12 gas service, which is essential for heating, cooking, and hot water – all critical components to a
13 safe and healthy home.

14 **Q: How is your testimony organized?**

15 A: My testimony is divided into five sections. First, I will discuss the impact of Peoples’
16 proposed rate increase on Peoples’ low income customers. As I explain, an estimated one quarter
17 (27%) of Peoples’ residential customer class are low income – meaning their total gross household
18 income is at or below 150% FPL.¹ These households already struggle to pay for basic life
19 necessities. Increasing the cost of natural gas service, essential to cooking and heating, will worsen
20 the affordability gap for thousands of Peoples’ consumers. It is both unjust and unreasonable to
21 charge rates which could force families to do without a service that is essential to meet basic human

¹ See Pa. PUC, BCS, [2017 Report on Universal Service Programs and Collections Performance](http://www.puc.state.pa.us/filing_resources/universal_service_reports.aspx), at 8 (2018), http://www.puc.state.pa.us/filing_resources/universal_service_reports.aspx (hereinafter 2017 Universal Service Report).

1 needs. As I discuss in detail, while some help is available to assist vulnerable households, current
2 universal service program structure and funding are insufficient to close the affordability gap for
3 Peoples' low income customers. Consequently, before any rate increase is approved, more must
4 be done to improve available rate relief for low income households.

5 In section II, I discuss Peoples' proposed rate design, which seeks to recover an increased
6 portion of the residential cost of service through a fixed monthly customer charge. Recovery of
7 customer costs through a fixed charge undermines energy efficiency efforts, and deprives
8 households of the ability to gain economic savings through adoption of energy efficient products
9 and practices. To the extent that any of the proposed rate increase is found to be just and
10 reasonable, I believe that the entirety of any resulting rate increase should be added to the
11 volumetric charge, and not the fixed charge portion of the bill.

12 In section III, I assess the effectiveness of Peoples' Universal Service and Energy
13 Conservation programming to determine whether the programs are adequately designed, funded,
14 and administered to offset the impact of increased rates on Peoples' low income customer
15 population. As I conclude therein, critical changes are necessary to Peoples' CAP and LIURP
16 programs to adequately shield vulnerable consumers from the financial impact of any approved
17 rate increase.

18 In section IV, I will briefly discuss several of Peoples' policies which impact quality of
19 service. Specifically, I will address Peoples' medical certificate and security deposit policies. I
20 will also address Peoples' proposal to include third party payment processing fees in cost of service
21 and its proposed High Bill Investigation fee.

22 Finally, in section V, I will summarize the recommendations and proposals which I
23 provided throughout my direct testimony.

1 **I. THE IMPACT OF PEOPLES' RATE INCREASE ON RATE AFFORDABILITY**

2 **Q: Please summarize Peoples' requested rate increase as it applies to residential**
3 **customers.**

4 A: Peoples' proposed changes in rates, rules, and regulations are calculated to produce
5 additional fully-projected future test year revenues of \$94.9 million per year, amounting to a 14.2%
6 increase.² Of that amount, the Company proposes to generate approximately \$79.9 million in
7 additional revenue from the residential customer class through a 16.7% increase in residential
8 rates.³ The increase to residential rates will constitutes 84.2% of the company's total proposed rate
9 increase.⁴

10 The rate increase to individual customers depends heavily on each customer's level of
11 usage. However, most of the impact of Peoples' proposed rate increase for residential customers
12 comes from a large increase to the fixed monthly service charge. Thus, homes using the least
13 amount of gas will face the highest percentage increases, while homes using more gas will see a
14 lower percentage increase. The bill for a residential customer served by Peoples Division who
15 purchases 86 Mcf of gas – the mean amount – from Peoples per year would increase by \$10.49 per
16 month – or 14.1% – from \$74.24 to \$84.73.⁵ The monthly bill for a residential customer in
17 Equitable Division who purchases 86 Mcf of gas from Peoples per year would increase by \$13.93
18 – or 19.7% – from \$70.79 to \$84.73.⁶

² Peoples Natural Gas Company, LLC. Standard Data Request, Cost of Service, Ex. 17, COS-8 at 3 (hereinafter “Cost of Service Study”).

³ Standard Data Request, Cost of Service, Ex. 17, COS-8 at 3.

⁴ Id.

⁵ Residential Monthly Bill Comparisons, Ex. RAF-6 at 1.

⁶ Id. at 2.

1 **Q: Briefly describe Peoples proposed residential rate increase and rate design.**

2 A: Peoples has proposed to standardize residential rates among its two rate divisions: Peoples
3 Division and Equitable Division. Currently, residential customers in Peoples Division pay a fixed
4 monthly service charge of \$13.95 and a volumetric usage charge of \$8.4076 per Mcf, while
5 residential customers in Equitable Division pay a fixed monthly service charge of \$13.25 and a
6 volumetric usage charge of \$8.0697 per Mcf.⁷ Under the proposed rate structure, residential
7 customers in both divisions would pay a fixed monthly service charge of \$20.00 per month and a
8 volumetric usage charge of \$9.0309 per Mcf.⁸ Because rates in the Equitable Division are currently
9 lower, customers in this division will see a larger rate increase than customers in the Peoples
10 Division. If the rate design and rate increase is approved as proposed, the increase for customers
11 in the Peoples Division would be 43.4% fixed charge increase and 7.4% volumetric charge
12 increase, and the increase for Equitable Division customers would be a 50.1% fixed charge
13 increase and 11.9% volumetric charge increase.

14 **Q: How many low income customers does Peoples have?**

15 A: There are several ways to measure how many low income customers live in a utility service
16 territory. While the results vary depending on the measure, each reflects that Peoples has a
17 substantial number of low income customers across its two rate divisions.

18 First, according to the Commission's most recent Universal Service Report, an estimated
19 154,473 residential customers— approximately 27% of Peoples' residential customer base – are
20 low income customers, meaning their total household income is at or below 150% FPL.⁹ This

⁷ Cost of Service Study, Ex. 11, Sched. 8 at 2.

⁸ Id.

⁹ 2017 Universal Service Report at 8.

1 number is derived from Federal Census data, and is proportional to the number of customers
2 Peoples serves in a given geographic area.¹⁰

3 In addition to estimated low income numbers, Peoples also measures tracks the total
4 number of “confirmed low income” customers – which it defines as those who are actively
5 participating in its CAP or who have received a LIHEAP grant within the last two years.¹¹
6 According to Peoples, as of January 1, 2019, there were 49,267 confirmed low income customers
7 across both Peoples and Equitable Divisions.¹² This represents 8.4% of Peoples’ combined
8 customer base in that month of 585,058.¹³ But Peoples’ internal confirmed low income customer
9 count is significantly lower than the confirmed low income customer count that Peoples reports to
10 the Commission, and which appears in the annual Report on Universal Service Programs and
11 Collections Performance. Suffice to say here, in 2017, Peoples reported 104,704 confirmed low
12 income customers – or 18% of Peoples’ average residential customer base in that same year.¹⁴

13 I believe the estimated low income customer count presents the most accurate depiction of
14 Peoples’ low income population. Again, the confirmed low income customer count – whether you
15 look to Peoples’ or the Commission’s definition – only includes those who are participating or
16 recently participated in an assistance program. In other words, the confirmed low income customer
17 count provides a circular assessment of the low income population – relying on those who have
18 recently sought out and obtained assistance to assess who may also be eligible for, and in need of,
19 assistance programs. The estimated low income customer count, however, uses verified census

¹⁰ 2017 Universal Service Report at 6; see also 52 Pa. Code § 69.262. (defining low income customers as having income which is at or below 150% FPL).

¹¹ See CAUSE-PA to Peoples I-10 (Peoples’ definition of “confirmed low income” is different than the Commissions definition of “confirmed low income.”); compare CAUSE-PA to Peoples I-10 and 52 Pa. Code § 62.2. ***Note: All cited discovery responses are attached hereto as Appendix B.***

¹² CAUSE-PA to Peoples I-8

¹³ OCA to Peoples III-10 (residential customer count as of January 2019); CAUSE-PA to Peoples III-2 (confirmed low income customer count as of January 2019).

¹⁴ 2017 Universal Service Report at 6, 7.

1 data and Peoples’ customer data to arrive at a more holistic picture of Peoples’ low income
2 population, consistent with the poverty rates of the geographic area.

3 Ultimately, by any measure, there are a substantial number of low income customers in
4 Peoples’ service territory – between an absolute minimum of 8.4% of the residential population to
5 an estimated 27%, or one in every four residential customers.

6 **Q: How much income must a household earn each month to be considered low income?**

7 A: For purposes of most (though not all) utility assistance programs, households cannot have
8 income that is greater than 150% of the FPL. The FPL is a measure of poverty based upon income
9 and the size of the household. It does not consider the composition of the household, i.e., whether
10 the household consists of adults or children, or geographic cost of living differences. As a baseline,
11 a family of four at 150% FPL has an income of \$38,625.¹⁵ This is not very much money, and is
12 substantially less than a household requires in order to meet basic needs in any of the counties in
13 Peoples’ service territory.¹⁶

14 A benchmark often used to assess how much income a household needs to live without
15 assistance in Pennsylvania is called the Self Sufficiency Standard. This is a tool that measures the
16 income that a family must earn to meet their basic needs and consists of the combined cost of 6
17 basic needs – housing, child care, food, health care, transportation, and taxes – without the help of
18 public subsidies.¹⁷ Unlike the federal poverty level, which does not change based on geographic
19 location or family composition, the Self Sufficiency Standard accounts for the varied costs of these
20 six basic needs in different geographical areas and for differently aged household members.¹⁸ The

¹⁵ 2019 U.S. Federal Poverty Guidelines, <https://aspe.hhs.gov/2019-poverty-guidelines> (click “chart with percentages”).

¹⁶ Self Sufficiency Standard, <http://www.selfsufficiencystandard.org/Pennsylvania>.

¹⁷ 2018 Pennsylvania Sufficiency Standard, available at: <http://www.selfsufficiencystandard.org/Pennsylvania>.

¹⁸ See PathWays PA, *Overlooked and Undercounted, How the Great Recession Impacted Household Self-Sufficiency in Pennsylvania*, <http://www.selfsufficiencystandard.org/sites/default/files/selfsuff/docs/PA2012.pdf>. (Unlike the federal poverty level, the Self Sufficiency Standard accounts for geographical area and varies according

1 average Self Sufficiency Standard for Peoples’ service territory for a family of four (two adults,
 2 one preschool age child, and one school-age child) is \$56,991 per year.¹⁹

3 Thus, there is an almost \$20,000 difference between how much income a household of four
 4 needs to live at a basic level without support (\$56,991) and the *maximum* income a household can
 5 earn (\$38,625) and still qualify for most utility assistance programs. Any increase in the cost of
 6 necessities, including the rates for natural gas for heating, cooking, and hot water, will result in
 7 increased unaffordability and will likely result in a corresponding increased rate of service
 8 termination.

9 Of course, most of Peoples’ confirmed low income customers do not have income that is
 10 even close to 150% of FPL. Based on Peoples response to discovery, as of January 1, 2019, the
 11 average annual income for all confirmed low income customers, and CAP customers specifically,
 12 is as follows:

13 **TABLE 1: Average Annual Income of Peoples’ Low Income Customers²⁰**

	Average Annual Income (Confirmed Low Income Customers)	Average Annual Income (CAP Customers)
Peoples Division	\$15,298	\$15,506
Equitable Division	\$13,963	\$14,118

14 These figures are in line with the average income of universal service participants across the state.²¹

15 This data makes clear that low income customers in Peoples’ service territory have income levels

to the cost generated by children at various ages. The federal poverty level does not account for these important variances, and thus does not produce an accurate picture of the expenses families face in meeting their basic and essential needs.)

¹⁹(Average of all counties served by Peoples) 2018 Pennsylvania Sufficiency Standard, available at:

<http://www.selfsufficiencystandard.org/Pennsylvania>.

²⁰ CAUSE-PA to Peoples III-2.

²¹ 2017 Universal Service Report at 44.

1 that are well below the amount needed for households to be self-sufficient and to live without
2 financial assistance.

3 **Q: How would the proposed rate increase impact low income households?**

4 A: The simple reality for all low income households is that they struggle to make ends meet
5 each month. Any increase in costs for essential services, like natural gas, cause low income
6 households to juggle expenses, trim expenditures, and forego necessities. The proposed average
7 monthly increase of \$10.91 for Peoples Division and \$13.93 for Equitable Division is a substantial
8 monthly increase even for moderate income households. However, for low income households
9 who already struggle to afford their monthly bills, the effects of the increase would significantly
10 impact their ability to connect, maintain, and afford Peoples' natural gas service.

11 Low income households often must choose between competing needs: feeding and clothing
12 their families, paying rent, paying for utilities, buying medicine, or paying for transportation.
13 Every month, low income families must prioritize which bills they must pay immediately versus
14 which bills can wait. This balancing of priorities and consequences is difficult under the best of
15 circumstances, and when such balancing is not feasible, the results can be catastrophic and can
16 include utility termination, eviction, and/or removal of children from the home. Because of the
17 proposed rate increase, many economically vulnerable households are likely to incur increased
18 debts and, ultimately, increased rates of termination. Households with the economic means to pay
19 for natural gas service will do so, considering the severity of the consequences of termination;
20 however, those without budget elasticity will likely be simply unable to maintain service.

21 A key component in determining if a proposed rate is just and reasonable is to measure its
22 effect on rate affordability. To assess rate affordability, it is helpful to look at the percentage of
23 income which a household must spend on energy bills including electric, heating, cooking, and hot

1 water service, otherwise known as a household’s energy burden. The federal Department of
 2 Housing and Urban Development estimates that a household’s total housing costs should account
 3 for no more than 30% of the household’s total income.²² But across Pennsylvania, many low
 4 income households spend 30% of their income on energy costs alone.²³ In 2018, 10,035 of Peoples
 5 CAP customers had an annual energy burden of 10% or more.²⁴ The energy burdens of low income
 6 households in Peoples service territory are particularly high for CAP Group A, those with income
 7 that is at or below 50% FPL. In 2018, CAP Group A households had an average energy burden
 8 *exceeding 35%*.²⁵ Again, this is for natural gas costs alone, before the household paid for
 9 electricity, water, rent, food, and other basic needs. In comparison, BCS estimates that residential
 10 non-CAP customers have an average annual energy burden of 4%, regardless of heating or non-
 11 heating status and energy type.²⁶ This means that - even with CAP assistance - Peoples’ *lowest*
 12 *income* CAP customers still face energy burdens that are almost ten times more than the energy
 13 burden of higher income households.

14 The overwhelming energy burden on low income households makes it difficult to pay for
 15 other basic necessities, has substantial and long-term impacts on mental and physical health, and
 16 creates serious risks to the household and the larger community.²⁷ According to the US Energy

²² US Dep’t of Housing & Urban Development, Affordable Housing, https://www.hud.gov/program_offices/comm_planning/affordablehousing (“Families who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care.”).

²³ See Fisher, Sheehan & Colton, The Home Energy Affordability Gap: Pennsylvania (April 2017), http://www.homeenergyaffordabilitygap.com/03a_affordabilityData.html.

²⁴ CAUSE-PA to Peoples I-22.

²⁵ Id.

²⁶ Energy Affordability for Low Income Customers, Docket No. M-2017-2587711, Order, at 6 (Jan. 17, 2019); see also Diana Hernandez, Energy Insecurity: A Framework for Understanding Energy, the Built Environment, and Health Among Vulnerable Populations in the Context of Climate Change, 103(4) Am. J. Pub. Health (2013), available at <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3673265/#bib20>.

²⁷ See US EIA, Residential Energy Consumption Survey (2015), <https://www.eia.gov/consumption/residential/reports/2015/energybills/>; see also NEADA, 2018 National Energy Assistance Survey, at 17, 20 (Dec. 2018), <http://neada.org/wp-content/uploads/2015/03/liheapsurvey2018.pdf> (hereinafter NEADA Survey).

1 Information Administration, roughly 1 in 5 households report that they reduce or forego other
 2 critical necessities like food and medicine to afford their home energy costs, and 1 in 10 report
 3 keeping their home at an unsafe or unhealthy temperature.²⁸ Even with financial assistance, low
 4 income households are still unable to afford the cost of energy: According to a 2018 Survey
 5 conducted by the National Energy Assistance Directors' Association, 72% of LIHEAP recipients
 6 report that they forego other necessities to afford energy, and 26% report keeping their home at
 7 unsafe or unhealthy temperatures.²⁹ Indeed, as recent research and data has continually showed,
 8 families with low income simply cannot afford the cost of energy services.

9 Ultimately, an increase in rates for natural gas service, such as the increase proposed here
 10 will necessarily result in increased unaffordability for low income consumers, and is likely to result
 11 in a corresponding increase in involuntary termination – which can and does have a deep and
 12 lasting impact on the health and wellbeing of those in the household and the entire community.”

13 **Q: Is there any other evidence that low income customers do not have enough income to**
 14 **pay for home energy costs, and therefore cannot afford to absorb the additional rate increase**
 15 **proposed by Peoples?**

16 Yes. A disproportionately high percentage of Peoples' payment troubled residential
 17 customers are low income customers. In 2017, 45.4% of payment troubled customers in Peoples
 18 Division and 46.9% in Equitable Division were confirmed low income.³⁰ Additionally, confirmed
 19 low income customers accounted for 48.6% of Peoples Division payment arrangements and 52.1%
 20 of Equitable Division payment arrangements.³¹ Yet, as noted above, an estimated 27% of Peoples'

²⁸ US EIA, *Residential Energy Consumption Survey* (2015),
<https://www.eia.gov/consumption/residential/reports/2015/energybills/>.

²⁹ NEADA Survey at 17, 20.

³⁰ 2017 Universal Service Report at 9.

³¹ *Id.* at 10.

1 residential customers are low income customers.³² In other words, Peoples low income customers
2 are more than twice as likely to be payment troubled than residential customers as a class.

3 **Q: Do you believe that there is an increased threat of termination for low income**
4 **customers because of the proposed rate increase?**

5 A: Yes. Compared to other natural gas utilities, Peoples has been relatively proactive at
6 limiting the number of terminations of low income customers. The 2017 residential termination
7 rates for Peoples Division and Equitable division were in line with those reported by other utilities
8 at 2.9% and 3.1%, respectively; however, Peoples' confirmed low income termination rate was
9 markedly better than other natural gas utilities at 4.2% for Peoples Division and 3.1% for Equitable
10 Division.³³ Peoples' confirmed low income termination rate is significantly lower than other gas
11 utilities. I believe this reduced low income termination rate is one of the many benefits of Peoples'
12 universal service programming structure and staff. However, even considering Peoples' proactive
13 approach to universal service programs, low income customers are still at a greater risk for
14 termination. In 2017, Peoples reported that confirmed low income customers made up 18% of
15 residential customers in Peoples Division, but accounted for 26% of terminations.³⁴ If the cost of
16 gas service rises because of the proposed rate increase, so will the threat of termination for low
17 income customers.

18 **Q: How does the loss of natural gas service impact a household?**

19 A: The most immediate and severe consequence of loss of heating service is, of course, the
20 risk of freezing to death in one's own home.³⁵ Beyond that, loss of natural gas service has a deep

³² Id. at 8.

³³ Id. at 12, 13.

³⁴ Id. at 7, 11.

³⁵ See Cleveland Clinic, Hypothermia Can Happen to You Indoors — and Other Surprising Facts, available at: <https://health.clevelandclinic.org/hypothermia-can-happen-indoors-surprising-facts/>.

1 and lasting impact on the health and wellbeing of an entire household and can be detrimental to
2 the entire community. When a family is unable to use a primary heating system, they often resort
3 to dangerous, high usage / high cost heating methods – such as electric space-heaters, electric
4 stoves, and/or portable generators – which increases the risk of carbon monoxide poisoning and
5 house fires.³⁶ The Commission has consistently documented this in its annual Cold Weather
6 Survey. In 2018, Peoples reported that it knew of at least 1,807 households in its service territory
7 that were without a central heating source, in wintertime, due to termination of utility service.³⁷
8 Peoples further reported 140 of these homes were using potentially unsafe heating sources as an
9 alternative.³⁸ It is important to note that the annual Cold Weather Survey does not track customers
10 who were terminated in years' past who were unable to restore service – it only tracks customers
11 which were terminated in the year the survey is conducted. Thus, the number of individuals
12 without an operational central heating system could very well be significantly higher.

13 Loss of utility services can also impact a parent's custodial rights, which can cause long-
14 term impacts on child development and adds significantly to the cost of providing family and social
15 services. Furthermore, loss of heating service a can lead to eviction from private and public
16 housing and is a common catalyst to homelessness,³⁹ which ultimately causes communities to
17 expend an even greater level of resources to adequately address homelessness and protect the
18 safety of its community members. The simple reality is that those who are most at risk of

³⁶ See Nat'l Fire Protection Ass'n, Fire Analysis & Research Division, *Home Fires Involving Heating Equipment*, at 1 (Dec. 2018) (finding that space heaters cause 44% of all home heating related fires, and 86% of deaths caused by home heating related fires).

³⁷ (975 in Peoples Division, 832 in Equitable Division). See Pa. PUC, 2018 Cold Weather Survey Results – Gas: http://www.puc.pa.gov/General/publications_reports/pdf/Cold_Weather_Results_2018.pdf

³⁸ (69 in Peoples Division, 71 in Equitable Division). See Pa. PUC, 2018 Cold Weather Survey Results – Gas: http://www.puc.pa.gov/General/publications_reports/pdf/Cold_Weather_Results_2018.pdf

³⁹ See Joint State Government Commission, General Assembly of the Commonwealth of Pennsylvania, *Homelessness in Pennsylvania: Causes, Impacts, and Solutions: A Task Force and Advisory Committee Report* (2016), <http://jsg.legis.state.pa.us/resources/documents/ftp/documents/HR550%201%20page%20summary%204-6-2016.pdf>.

1 termination – both in terms of frequency and duration – are those who are financially unable to
2 pay for service.

3 **Q: Does Peoples’ more modest termination rate among low income customers mean that**
4 **its service is affordable for low income customers?**

5 A: Not necessarily. Not all low income households have service terminated for nonpayment,
6 but that does not mean that service is affordable for low income households. Even where low
7 income households can come up with enough money to avoid termination of service, the increased
8 costs for natural gas service will cause more economically vulnerable households to forego critical
9 necessities – rent, food, medicine – to pay for increased rates. Paying for basic expenses is a zero
10 sum game for economically vulnerable consumers. Without adequate income to pay for housing,
11 utilities, rent, food, medicine, child care, and – of course – *heat*, families must make the difficult
12 choice to go without one or more of these basic needs to afford another.⁴⁰ Many low and moderate
13 income families already make these difficult choices every day. In the most recent *Hunger in*
14 *America Food Bank Report*, 62% of households seeking assistance from the Greater Pittsburgh
15 Food Bank reported that they had to choose either paying for food or paying for utilities in the past
16 year, and 26% reported that they faced this choice every month.⁴¹ Peoples’ proposed increase to
17 the cost of natural gas service will most likely force even more families to make this choice.

18 **Q: Will Peoples’ CAP adequately shield its low income customers from the financial**
19 **impact of the rate increase?**

20 A: No.

21 **Q: Please explain.**

⁴⁰ See *Id.*

⁴¹ Feeding America, *Hunger in America 2014 Report for Greater Pittsburgh Community Food Bank*, at 54 (2014), http://help.feedingamerica.org/HungerInAmerica/FB48_PA_Duquesne_report.pdf.

1 A: There are several reasons why Peoples' CAP will not adequately shield low income
2 customers from the financial impact of the rate increase.

3 First, some CAP customers will have to pay the same increase as non-CAP customers
4 because their monthly payment is tied directly to the amount of their average monthly bill. As I
5 will explain in greater detail in section III, which specifically addresses Peoples' Universal Service
6 Programs, Peoples' CAP rates are based on the lesser of either the customer's average monthly
7 bill or a percentage of the household's monthly income, subject to a \$25.00 minimum bill.⁴² While
8 CAP customers whose payment is based on a percentage of their income and those who pay the
9 CAP minimum payment will not see an increase to their bill, CAP customers with payments based
10 on their average bill will not be so fortunate. Those CAP customers with payment based on their
11 average bill will see the same increase as other residential customers, subject to a ceiling amount
12 that may not exceed the amount they would pay as a percentage of income payment.⁴³
13 Additionally, it is likely that some CAP customers who currently pay their average monthly bill
14 will more frequently pay a percentage of income payment because the average monthly bill will
15 no longer be the lesser amount. Thus, while enrollment in CAP will protect some customers from
16 the effects of the proposed increase, CAP customers with payments based on their average monthly
17 bill will not enjoy the same protection.

18 Second, not all low income customers enroll in CAP. Peoples reports that in February
19 2019, approximately 33,128 of Peoples' 44,490 "confirmed low income" customers (or 74.5%)
20 were enrolled in CAP.⁴⁴ But these numbers are not an accurate reflection of Peoples' CAP

⁴² See Peoples Natural Gas Company, Universal Service and Energy Conservation Plan for 2015-2018, Docket M-2014-2432515, Amended July 13, 2018 (hereinafter "Peoples Current USECP") Available at: <http://www.puc.state.pa.us/pdocs/1578118.pdf>

⁴³ CAUSE-PA to Peoples I-11.

⁴⁴ OCA to Peoples III-10.

1 enrollment versus the actual need within its service territory. As I mentioned above, Peoples’
2 definition of “confirmed low income”⁴⁵ only includes customers who are currently enrolled in
3 CAP or recently received assistance through LIHEAP over the past two years, which presents a
4 circular assessment of the eligible population for these programs.⁴⁶ According to the 2017
5 Universal Service Report (which relies on the Commission’s standard for “confirmed low income
6 customers” and, thus, a more accurate assessment of enrollment levels), just 29% of Peoples’
7 confirmed low income customers were enrolled in CAP.⁴⁷ Thus, in 2017, **at least 71%** of
8 households who are income eligible for CAP **did not receive CAP assistance**. Ultimately,
9 regardless of the measure used, this data highlights the fact that a substantial number of low income
10 households in Peoples’ service territory are not enrolled in CAP.

11 Third, Peoples’ CAP enrollment has dropped substantially in the past few years, despite
12 growing need. From 2014 to 2017, Peoples and Equitable Divisions’ combined increase in low
13 income customers outpaced growth in its residential customer class as a whole; however, during
14 this same period, combined CAP enrollment dropped significantly.⁴⁸ Table 2 shows the increasing
15 number of low income customers in Peoples’ service territory versus its declining CAP enrollment:

⁴⁵ CAUSE-PA to Peoples I-10 (Peoples defines “Confirmed Low Income” as those who either are actively enrolled in CAP or received LIHEAP, which is inconsistent with the Commission’s definition of confirmed low income customers).

⁴⁶ Peoples’ definitions of “confirmed low income”⁴⁶ and “estimated low income”⁴⁶ do not conform with the definitions used by the Commission and other utilities, which has substantially affected the way it reports the number of low income households in its service territory, and the corresponding ability for Peoples, the Commission, and the public to appropriately estimate program eligibility and need.

⁴⁷ 2017 Universal Service Report at 51.

⁴⁸ See 2014-2017 Universal Service Reports.

1 **TABLE 2: 2014-2017 Changes in Customer Count and CAP Enrollment**⁴⁹

2 **Peoples & Equitable Divisions (Combined)**

	2014	2015	2016	2017	# Change	% Change
Residential Customers	574,069	577,517	575,185	581,691	+7,622	+1.3%
CAP Enrollment	34,467	33,390	32,622	30,486	-3,981	-11.6%
Confirmed Low Income	102,595	103,881	103,534	104,704	+2,109	+2.1%
Estimated Low Income	146,821	153,750	160,382	154,473	+7,652	+5.2%

3 Over a four-year period, Peoples’ residential customer class grew by 1.3%, while confirmed and
 4 estimated low income customers increased by 2.1% and 5.2% respectively.⁵⁰ During that same
 5 period, CAP enrollment dropped by nearly 4,000 customers – *or 11.6%*.⁵¹ Indeed, CAP enrollment
 6 has not kept pace with demonstrated need: As Peoples’ low income population continues to rise,
 7 CAP enrollment continues to fall. I outline recommendations in section III below concerning how
 8 Peoples can seek to increase their CAP outreach and enrollment.

9 Fourth, as I will explain in section III, some income eligible households are not enrolled in
 10 CAP because they do not meet the eligibility guidelines for the program. Peoples’ CAP program
 11 requires that customers be low income - below 200% of federal poverty - and “payment troubled,”
 12 which Peoples defines as households with: (1) a broken payment arrangement; (2) a termination
 13 notice; (3) housing and utility costs exceeding 45% of the household’s total income; (4) \$100 or
 14 less disposable income; or (5) an arrearage.⁵² However, many low income households in need of
 15 rate relief may not meet this definition of payment troubled because they forego other basic
 16 necessities, including food, medication, child care, and transportation, to keep their utility account
 17 current.⁵³

⁴⁹ See Id.

⁵⁰ See Id.

⁵¹ See Id.

⁵² Peoples Natural Gas Co. and Peoples Gas Co., LLC., Universal Service and Energy Conservation Plan: 2019-2021, Docket No. M-2018-3003177, at 6 (hereinafter 2019-2021 USECP).

⁵³ NEADA Survey at 17, 20.

1 Fifth, low income households face several barriers to CAP enrollment. Many are unaware
2 of, or uninformed about, the benefits available through CAP and/or are not referred to CAP in a
3 manner that allows the customer to understand the benefits of the program or the process to enroll.
4 Illustrative of this is the fact that in 2017, 15,345 of Peoples' confirmed low income customers
5 were in debt to Peoples, and therefore categorically met the payment troubled and income
6 eligibility requirements, but had not enrolled in CAP to receive the rate discount and debt
7 forgiveness available to them through the program.⁵⁴

8 Finally, it is critical to recall that many who are enrolled in CAP still cannot afford natural
9 gas service. As established above, average non-CAP residential customers have an energy burden
10 of roughly 4% of their household income for both heat and electric service combined.⁵⁵ In
11 comparison, the Commission's CAP Policy Statement provides that, generally, CAP should
12 produce a gas heating energy burden of no more than 8% for households at 0-50% FPL and 10%
13 for households at 51-150% FPL.⁵⁶ In practice, thousands of Peoples' current CAP customers
14 exceed the Commission's energy burden thresholds. In 2018, 10,035 of its CAP customers had an
15 energy burden of 10% or more.⁵⁷ A large majority of CAP customers with excessive energy
16 burdens are Peoples' poorest customers – those in CAP Group A, with income that is at or below
17 50% of the federal poverty level. A whopping **81%** of CAP Group A customers have energy
18 burdens of at least 8%, many exceeding 20% and some as high as **35%**.⁵⁸

⁵⁴ 2017 Universal Service Report at 18.

⁵⁵ Energy Affordability for Low Income Customers, Docket No. M-201702587711, Order, at 8 (Jan. 17, 2019); see also Diana Hernandez, Energy Insecurity: A Framework for Understanding Energy, the Built Environment, and Health Among Vulnerable Populations in the Context of Climate Change, 103(4) Am. J. Pub. Health (2013), available at <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3673265/#bib20>.

⁵⁶ See 52 Pa. Code § 69.265 (The threshold for combined gas and electric energy burden is permitted to go as high as 17%.); See also Id.

⁵⁷ CAUSE-PA to Peoples I-22.

⁵⁸ Id.

1 **Q: Does LIHEAP mitigate the harm of the proposed rate increase on low income**
2 **households?**

3 A: For some households, LIHEAP grants will help to reduce the financial impact of the rate
4 increase, but not all Peoples' low income customers receive LIHEAP assistance. LIHEAP is a
5 federal program that helps low income households supplement the cost of their utility bills through
6 cash grants available to all heating customers with household income at or below 150% FPL; and
7 with crisis grants, available to households who have had service terminated or face imminent threat
8 of termination. In Pennsylvania, it also helps people make sure their homes are more energy
9 efficient by paying for certain home improvements and services, known generally as
10 weatherization. In the 2017-2018 LIHEAP program year, 41,378 of Peoples' customers received
11 a LIHEAP Cash and/or Crisis grant.⁵⁹ This accounts for approximately 40% of Peoples' confirmed
12 low income customers and approximately 27% of Peoples' estimated low income customers as
13 reported in the 2017 Universal Service Report.⁶⁰ While LIHEAP is a critically important program
14 and provides life-sustaining assistance to those in need, the cash grant is intended to provide only
15 supplemental assistance, and is not enough to mitigate the financial harm of a rate increase.
16 Furthermore, many Peoples' customers must designate their LIHEAP grant to their electric
17 provider as a secondary or supplemental heating source.

18 As I noted above, a residential customer served by Peoples Division using 86 Mcf of gas
19 per year would face an increase of approximately \$126 per year and a similarly situated Equitable
20 Division customer will see an increase of approximately \$167 per year.⁶¹ As of April 22, 2019 the

⁵⁹ OCA to Peoples III-4.

⁶⁰ 2017 Universal Service Report at 7,8.

⁶¹ Residential Bill Comparison, Ex. RAF-6 at 1,2.

1 average natural gas LIHEAP cash grant in Pennsylvania's 2018-2019 LIHEAP season was \$267.⁶²
2 In other words, the proposed increase alone would consume approximately 40% of the average
3 Peoples Division LIHEAP grant, and for Equitable Division customers it would consume more
4 than half of the household's LIHEAP grant – leaving little left over to address existing
5 unaffordability. Thus, the proposed increase would substantially impair a customer's current
6 ability to offset annual heating costs through LIHEAP and reduce the effectiveness of the LIHEAP
7 grant's critical beneficial purpose.

8 **Q: Do you have any proposals that could help remediate the financial impact of Peoples'**
9 **proposed rate increase on low income consumers?**

10 A: Yes. To the extent that the Commission approves any rate increase, I have several
11 recommendations to offset the significant financial impact on low income consumers. I will
12 describe my recommendations more fully in sections II through IV, and will summarize in section
13 V. In short, to the extent that there is any rate increase, I recommend that Peoples recover the
14 increase exclusively through the volumetric charge. As I discuss below, increasing the fixed
15 customer charge undercuts the ability of ratepayers to offset costs through the adoption of energy
16 efficiency and usage reduction efforts and the effectiveness of the Low Income Usage Reduction
17 Program (LIURP). I also recommend several critical changes to Peoples' CAP, and LIURP to
18 ensure that the programs are more widely available, adequately funded, and prudently designed to
19 serve all those in need of assistance. Finally, I recommend that the Commission reject Peoples'
20 proposed high bill investigation fee. As a whole, I believe the recommendations I make below will
21 significantly reduce the financial harm of the proposed increase on low income households.

⁶² Pa. Dep't of Human Services, Energy Assistance Summary (EASUM), at 68 (report generated 4/22/2019)
(Attached hereto as Appendix C).

1 **II. RATE DESIGN**

2 **Q: Please describe Peoples' residential rate design proposal.**

3 A: In relevant part, Peoples proposes to increase its fixed monthly service charge (currently
4 \$13.95 in Peoples Division and \$13.25 in Equitable Division) to \$20.00 per month for both
5 Divisions.⁶³ This would make Peoples' fixed charge the highest among Pennsylvania's large
6 natural gas distribution companies.⁶⁴

7 **Q: Will CAP customers pay this increased Residential Customer Charge?**

8 A: Yes. CAP customers whose monthly payment is based on their average bill will suffer the
9 same increase as non-CAP residential customers, up to and until their average bill becomes more
10 expensive than the payment would be if it were based on a percentage of their income.⁶⁵

11 **Q: How would Peoples' proposal to substantially increase the fixed customer charge**
12 **impact low income households?**

13 A: Increased fixed charges are uniquely harmful to low income customers. Again, these
14 customers already struggle to pay their bills, most without the assistance of CAP. Increasing the
15 costs recovered through a fixed charge – as opposed to a volumetric based charge – undermines
16 the ability for customers to reduce bills through conservation and consumption reduction. This is
17 particularly problematic for low income customers, given that low income households have
18 significantly less budget elasticity than non-low income households. By increasing the fixed

⁶³ Residential Bill Comparison, Ex. RAF-6 at 1, 2.

⁶⁴ NFG has a customer charge of \$12.00 (Supplement 204-Gas-Pa. PUC No. 9, at 36);
PECO Gas has a customer charge of \$11.75 (Supplement 16-Gas- Pa. PUC No. 3, at 54);
Columbia Gas of PA has a customer charge of \$16.75 (Supplement No. 288, Tariff Gas – Pa. PUC No. 9, at 16);
PGW has a customer charge of \$13.75 (Supplement 118-Gas-Pa. PUC No. 2, at 83);
UGI North (PNG) has a customer charge of \$13.25 (UGI PNG Gas, Pa. PUC No. 9, at 69);
UGI Central has a customer charge of \$14.60 (Supplement 13- CPG Gas – Pa. PUC No. 4, at 57); and
UGI South has a customer charge of \$11.75 (UGI Gas-Pa. PUC No. 6, at 65).

⁶⁵ CAUSE-PA to Peoples I-11.

1 charge that a residential customer must pay, without any link to customer's usage, Peoples
2 undermines the goals of the LIURP, which is designed to lower consumption and increase energy
3 affordability for low income customers.

4 The Commission's LIURP regulations provide that the program is specifically intended to
5 help low income customers to reduce their bills and, in turn, to "decrease the incidence and risk of
6 customer payment delinquencies and the attendant utility costs associated with uncollectible
7 accounts expense, collection costs and arrearage carrying costs."⁶⁶ This explicit goal of the
8 program will be more difficult to achieve as the fixed portion of the bill is increased. According
9 to a 2017 Universal Service Report, LIURP produces positive results, achieving meaningful
10 average bill savings of \$254 per year or \$21 per month in 2015, the last year for which full data is
11 available.⁶⁷ The ability to save money through energy efficiency is tied directly to a bill structure
12 that bases costs on throughput. But as more of the residential customer costs are shifted to the
13 fixed charge, the achievable bill savings – and the corresponding impact on bill payment behavior
14 – will erode.

15 Given that low income households are inherently payment troubled, it is critical that they
16 continue to have access to effective conservation tools capable of producing meaningful and
17 lasting bill reductions. But high fixed charges undermine available conservation tools, contribute
18 to persistent rate unaffordability for low income customers, and erodes the effect of every
19 residential ratepayer dollar which currently supports LIURP.

⁶⁶ 52 Pa. Code § 58.1 (LIURP is "intended to assist low income customers conserve energy and reduce residential energy bills. The reduction in energy bills should decrease the incidence and risk of customer payment delinquencies and the attendant utility costs associated with uncollectible accounts expense, collection costs and arrearage carrying costs.")

⁶⁷ 2017 Universal Service Report at 50.

1 **Q: Proponents of a higher fixed charge argue that the pricing structure is beneficial to**
2 **customers because the rates are easier to understand and provide enhanced predictability.**

3 **How do you respond?**

4 A: It may be the case that shifting cost recovery from a variable, volumetric-based rate to a
5 fixed charge will produce a more predictable bill that is perhaps easier to understand because there
6 is no calculation required to assess a fixed charge. Even if one accepts the underlying premise, a
7 simpler, more predictable bill only provides low income customers with a meaningful benefit if it
8 also produces an affordable bill. For CAP customers, with bills structured and intended to be fixed
9 at an affordable level, stability and predictability is a meaningful budgeting tool. However, for
10 low income non-CAP customers, stability of an already unaffordable bill will not, through stability
11 alone, provide a benefit to the customer.

12 A shift to a higher fixed customer charge will significantly reduce customers' appreciable
13 bill savings through careful conservation and adoption of energy efficiency measures. For poor
14 households, every dollar of bill savings is critical. As I described above, poor households struggle
15 monthly attempting to pay their bills, often choosing to forego food or medicine in favor of utility
16 service. Further, the lack of ability to offset costs through reduced usage hinders the effectiveness
17 of LIURP at reducing energy costs and reducing uncollectible expenses, and undermines the
18 program's ability to deliver meaningful savings.

19 **Q: To the extent a rate increase is approved, do you have any recommendations that**
20 **could help mitigate the effect of the proposed rate design on low income households?**

21 A: Yes. For the reasons explained above, I recommend that if the Commission allows Peoples
22 to increase its residential rate, any increase should be applied to the volumetric charge. Peoples
23 fixed residential customer charge should not increase above its current level.

1 **III. UNIVERSAL SERVICE PROGRAMS**

2 **Q: Please explain how this section of your testimony is organized.**

3 A: I will assess and offer recommendations to offset the impact of the rate increase on low
4 income populations for each of Peoples' Universal Service Programs. As explained above, rates
5 are not just or reasonable when they exacerbate unaffordability for more than an estimated one
6 quarter of the residential population. Thus, to the extent any rate increase is approved, changes to
7 Peoples' universal service programs must be made to ensure that universal service programming
8 is sufficiently robust to handle increased need because of a rate increase.

9 **Q: What low income programming does Peoples currently offer?**

10 A: Peoples offers all low income programing that the Commission requires of large natural
11 gas utilities, including a CAP, a LIURP, a hardship fund, and a customer assistance and referral
12 evaluation program (CARES).

13 **Low Income Usage Reduction Plan**

14 **Q: Please briefly describe Peoples' Low Income Usage Reduction Program**

15 A: Peoples' LIURP program is designed to reduce energy consumption for high use, low
16 income customers and achieve bill reductions through energy savings.⁶⁸ Eligibility for this program
17 is limited to gas heating households with annual consumption greater than 140 Mcf, and income
18 less than 150% of the federal poverty level with the exception that up to 20% of the annual program
19 budget may be allocated to households with income between 151% - 200% of the federal poverty
20 level.⁶⁹ For eligible households, an energy auditor visits the customer's home and conducts a
21 comprehensive energy audit and home inspections and proceeds to install energy savings measures

⁶⁸ Peoples Natural Gas Company, Universal Service and Energy Conservation Plan for 2015-2018, Docket M-2014-2432515, Amended July 13, 2018 (hereinafter "Peoples Current USECP") at 19.

Available at: <http://www.puc.state.pa.us/pcdocs/1578118.pdf>.

⁶⁹ Id. at 20.

1 based on an established payback criteria. These measures include heating system improvements
2 and replacements, attic, and sidewall insulation, caulking and weather-stripping, air sealing, hot
3 water treatments including tank improvements, wrapping and replacements, and minor repairs that
4 relate to weatherization.⁷⁰ In addition, households receive energy education that is designed to
5 encourage ongoing conservation.

6 Peoples' annual LIURP budget for 2015-2018 was \$2,050,000.⁷¹ At an average cost per
7 job of approximately \$6,400, Peoples' total LIURP budget should accommodate approximately
8 320 jobs; however, in 2018, Peoples only performed 268 jobs.⁷² For 2019, Peoples' LIURP budget,
9 including carryover from 2018, is \$2,114,154,⁷³ and Peoples anticipates performing 271 jobs.⁷⁴
10 However, as of March 26, 2019, Peoples had not completed any jobs nor accepted any
11 applications.⁷⁵ I understand that Peoples has recently changed LIURP contractors which may be
12 the reason for the delayed start in 2019; however, I remain concerned about this three-month delay.

13 LIURP creates significant savings for Pennsylvania consumers and helps promote energy
14 efficiency which benefits everyone. As mentioned above, LIURP produced energy savings of
15 15.1% and estimated annual bill reductions of \$254 for natural gas utilities statewide in 2015.⁷⁶
16 Peoples' LIURP has kept pace with the statewide utilities and produced energy savings of

⁷⁰ Id.

⁷¹ Applied Public Policy Research Institute for Study and Evaluation, Peoples Natural Gas 2017 Universal Service Program Evaluation, Final Report, at 27 (August 2017) (hereinafter "2017 Apprise Report"), available at: https://www.puc.state.pa.us/General/pdf/USP_Evaluation-Peoples.pdf.

⁷² CAUSE-PA to Peoples III-5, Attachment (\$6301 Peoples Division, \$6486 Equitable Division).

⁷³ CAUSE-PA to Peoples I-42.

⁷⁴ CAUSE-PA to Peoples III-5, Attachment (169 Peoples Division, 102 Equitable Division).

⁷⁵ CAUSE-PA to Peoples I-35, I-40(a).

⁷⁶ 2017 Universal Service Report at 50 (2015 was the last year that a full data set was available to allow for the calculation of average energy savings.).

1 approximately 15% in 2015, 16% in 2016, and 18% in 2017.⁷⁷ Unfortunately, Peoples is unable to
 2 state the amount of bill reduction resulting from these energy savings.⁷⁸

3 In addition to traditional LIURP, Peoples has implemented an Emergency Furnace and
 4 Service Line Repair Program that has an annual budget of \$675,000 across both rate divisions.⁷⁹
 5 This program provides emergency furnace repairs, replacements, or service line repairs and
 6 replacements for low income homeowners with income less than 200% of the federal poverty level.
 7 This program operates in conjunction with other available assistance to make sure that low income
 8 homeowners do not face heating emergencies caused by inoperable heating systems or broken gas
 9 service lines. The program serves an average of 258 households per year, with an average cost of
 10 \$2,850 per household.⁸⁰

11 **Q: Is Peoples' current LIURP funding sufficient to address the need throughout its**
 12 **service territory?**

13 A: No. Peoples' low income customers are clearly in need of increased LIURP funding. In
 14 order to qualify for LIURP, a customer must have income at or below 200% FPL and yearly usage
 15 of 140 Mcf.⁸¹ Peoples estimates that 23,923 customers – 13.3% of those who are income eligible
 16 – meet this threshold.⁸² With current LIURP funding, Peoples estimates that it is able to serve 410

⁷⁷ See CAUSE-PA to Peoples I-33; see also 2017 Universal Service Report at 50 (LIURP energy savings are determined by calculating the difference in a customer's usage during the 12 months following installation of LIURP measures from the usage during the 12 months preceding the installation of LIURP measures and then weather normalized.).

⁷⁸ CAUSE-PA to Peoples I-34.

⁷⁹ See Peoples USECP 2019-2021 at 21; see also Petition of Peoples Natural Gas Company LLC to Modify the Budget for the Equitable Division Emergency Furnace/ Service Line Repair Program contained within Peoples' current Universal Service and Energy Conservation Plan, Docket No. M-2014-2432515 (Peoples has proposed to increase funding in Equitable Division to \$400,000 which would bring the total to \$800,000 across both divisions. The Commission has not yet approved this proposal.).

⁸⁰ Id.

⁸¹ Peoples Current USECP at 19-20.

⁸² Peoples Current USECP, Attachment A.

1 households per year,⁸³ but only actually served 268 households in 2018.⁸⁴ For 2019, Peoples only
2 projects to serve 271 households,⁸⁵ and has yet to perform any jobs.⁸⁶ While it is currently in the
3 process of transitioning to a new contractor, I am concerned that services have stalled – resulting
4 in another year of underperformance.⁸⁷

5 Even if Peoples served all 410 households projected in its USECP plan, it would take **58**
6 **years** for Peoples to serve all eligible households and, at its current pace of approximately 270 jobs
7 per year, it would take **more than a century**. While reasonable people may disagree about the
8 appropriate level of LIURP finding necessary within a utility’s service territory, it strains credulity
9 to assume that this is anywhere close to a reasonable timeline. This is particularly true given other
10 Natural Gas Distribution Companies (NGDCs) with smaller customer bases have significantly
11 higher LIURP budgets and continue to produce high levels of savings for customers. For example,
12 Columbia Gas has 393,410 residential customers,⁸⁸ and estimates that it has 18,647 low income
13 customers meeting its LIURP eligibility, yet its LIURP budget is \$4,750,000 in 2019 and will
14 increase to \$4,875,000 in 2020-2021.⁸⁹ With this funding, Columbia estimates that it will be able
15 to serve 525 customers in 2019 and 540 customers in both 2020 and 2021.⁹⁰ Similarly, PGW has
16 474,960 residential customers,⁹¹ and estimates that 84,630 customers are potentially eligible for

⁸³ Peoples Current USECP at 21.

⁸⁴ CAUSE-PA to Peoples III-5, Attachment.

⁸⁵ Id.

⁸⁶ CAUSE-PA to Peoples I-35.

⁸⁷ CAUSE-PA to Peoples I-40(a).

⁸⁸ 2017 Universal Service Report at 6.

⁸⁹ Columbia Gas of Pennsylvania, Inc. Universal Service and Energy Conservation Plan for 2019-2021, Docket No. M-2018-2645401, Tentative Order, at 35 (March 14, 2019).

⁹⁰ Id.

⁹¹ 2017 Universal Service Report at 6.

1 LIURP.⁹² PGW’s annual LIURP budget is \$7,988,818, which PGW projects will serve 3,293
 2 households per year.⁹³

3 Thus, based on an assessment of need within Peoples’ service territories and in comparison,
 4 to other NGDCs, Peoples’ LIURP program lacks adequate funding. I recommend increasing
 5 Peoples’ annual LIURP budget by \$1,050,000, divided proportionately between Peoples and
 6 Equitable Divisions as follows:⁹⁴

7 **Table 3: Increased LIURP Funding Allocation**

	Peoples Division	Equitable Division	Total
Current Annual Funding	\$1,300,000	\$800,000	\$2,100,000
<i>Increased Annual Funding</i>	<i>\$650,000</i>	<i>\$400,000</i>	<i>\$1,050,000</i>
Total Annual Funding as of January 1, 2020	\$1,950,000	\$1,200,000	\$3,150,000

8 While this amount is surely not enough to meet the full identified need, it is a step towards
 9 ensuring that LIURP will be adequately funded within Peoples’ service territory, and brings
 10 Peoples to closer parity with similar NGDCs. This proposed increase will help mitigate the impact
 11 of the increase because it will help conserve energy and reduce bills, which is particularly
 12 important for low income non-CAP customers.

13 **Customer Assistance Program**

14 **Q: Please briefly describe Peoples’ CAP program.**

15 A: Peoples’ CAP program offers a special payment plan for low income customers through
 16 which CAP participants pay the lesser of their monthly budget bill or a fixed percentage of their

⁹² PGW Universal Service Plan for 2017-2020 submitted in compliance with 52 Pa Code § 62.4, Docket No. M-2016-2542415, at 15, available at <http://www.puc.state.pa.us/pcdocs/1535412.pdf>

⁹³ *Id.* at 26.

⁹⁴ The question of who pays for this increase will be subject to determination in the merger proceeding at Docket Nos. A-2018-3006061, A-2018-3006062, A-2018-3006063.

1 income, subject to a minimum bill.⁹⁵ In addition to payment assistance, CAP customers with
 2 arrears at the time they enter the program are eligible, by making full payments, to have those
 3 arrears forgiven over a period of 36 months. Once enrolled, any arrearages are frozen, the
 4 Company assigns customers a monthly payment calculated either as a percentage of their monthly
 5 income or their average bill, whichever is lower. However, no monthly CAP bill can be lower
 6 than the CAP minimum payment, which is \$25.00 per month. For each monthly payment made in
 7 full by the customer, the Company forgives 1/36th of the frozen arrearage. In addition to the
 8 assessed CAP payment, Peoples charges all CAP customers a “CAP Plus” payment of \$5.00 per
 9 month, and also charges CAP customers with frozen arrearages an “arrears forgiveness copay.”
 10 Although Peoples indicates in its tariff that it only charges \$2.00 per month for traditional CAP
 11 and \$5.00 per month for E-CAP, the Company has indicated in response to discovery that it charges
 12 all CAP customers \$5.00 per month.⁹⁶

13 The following charts shows the percentage of income charged by Peoples’ relative to the
 14 CAP customers income level and the income thresholds needed to qualify for each CAP Group:

15 **TABLE 4: Peoples’ CAP Payment Structure⁹⁷**

Percentage of Federal Poverty Level	Percentage of Income Paid for Service
Group A: 0-50%	8%
Group B: 51-100%	9%
Group C: 101-150%	10%
E-CAP: 151-200%	11%
Minimum payment	\$25.00

16

⁹⁵ See Peoples Natural Gas Company, Universal Service and Energy Conservation Plan for 2015-2018, Docket M-2014-2432515, Amended July 13, 2018 (hereinafter “Peoples Current USECP”) Available at: <http://www.puc.state.pa.us/pdocs/1578118.pdf>

⁹⁶ See CAUSE-PA to Peoples III-7; See also Ex. CAS-2 at Original Page 38, 39A; but see CAUSE-PA to Peoples I-16; 2017 Apprise Report at Executive Summary p. iii; see also Peoples’ Supplemental Information Submittal to the Commission’s Energy Burden Study, Docket No. M-2017-258771 (April 8, 2019).

⁹⁷ See Redlined Proposed Tariff, Ex. CAS-2 at Original Page 37-38.

TABLE 5: Federal Poverty Level – Monthly Income⁹⁸

Household Size	Group A 50% FPL	Group B 100% FPL	Group C 150% FPL	Group D (E-CAP) 200% FPL
1	\$520.50	\$1,041	\$1,561	\$2,082
2	\$704.50	\$1,409	\$2,114	\$2,818
3	\$889	\$1,778	\$2,666	\$3,555
4	\$1,073	\$2,146	\$3,219	\$4,292
5	\$1,257	\$2,514	\$3,771	\$5,028
6	\$1,441.50	\$2,883	\$4,324	\$5,765

As of January 1 2019, Peoples had 33,957 customers enrolled in CAP, with average income of \$1,176 to \$1,292 per month.⁹⁹

As I explained earlier in my testimony, there is a drastic difference between how much income these consumers have and how much they need to support themselves. Thus, any increase to these customers' energy burden negatively impacts their ability to afford other necessities and increases their likelihood of service termination.

Q: Is Peoples' CAP adequately designed and implemented to remediate the impact of the proposed rate increase on low income households?

A: No, Peoples' CAP suffers from design flaws that limit its ability to remediate the financial impact of the proposed rate increase. Specifically, its CAP minimum payment, CAP-Plus fee, and arrearage forgiveness copay each hinder CAP customers' ability to afford service by adding flat costs that may push customers' energy burdens beyond affordability. The harmful effect is compounded by the fact that one, two, or all three of these payments may be required. Furthermore, each of these components disproportionately affects Peoples' poorest CAP customers. For example, Peoples' CAP minimum payment is the lowest amount that Peoples charges its lowest

⁹⁸ U.S. Dept. of Health and Human Services, Office of Assistant Secretary for Planning and Evaluation, HHS Poverty Guidelines for 2019, available at: <https://aspe.hhs.gov/poverty-guidelines> .

⁹⁹ CAUSE-PA to Peoples III-2.

1 income CAP customers. It applies regardless of the income level of the household or the energy
2 burden it imposes upon customers. Additionally, Peoples' CAP Plus fee and arrearage forgiveness
3 copay are flat monthly fees levied on CAP customers regardless of income. They are therefore
4 regressive in that they burden the lowest income CAP customers more, relative to their income.
5 The Company imposes these fees without consideration of whether the requested monthly payment
6 exceeds the Commission's established targets of affordability.

7 The excessive energy burden created by these design flaws is likely a contributing factor
8 as to why CAP enrollment has decreased in recent years even though Peoples' low income
9 customers have increased over that same time. Most, if not all, low income customers enroll in
10 CAP primarily to obtain a more affordable bill. Thus, if enrollment in the program does not provide
11 the customer an affordable bill, they will perceive the program as less beneficial and be less likely
12 to enroll. As I explained earlier in my testimony, Peoples' increase in low income customers has
13 outpaced growth in its residential customer class generally, but at the same time CAP enrollment
14 dropped substantially.¹⁰⁰ From 2014-2017, Peoples estimated low income customers increased
15 by 5.2% but CAP enrollment dropped by 11.6%.¹⁰¹ As Peoples' low income population continues
16 to rise and CAP enrollment continues to fall, Peoples must make necessary changes to ensure that
17 CAP is able to address the increased need for access to stable and affordable utility service.
18 Specifically, to ensure that CAP is accessible and able to absorb the increased need which is likely
19 to result from its proposed rate increase, Peoples must address the design flaws in its CAP program
20 and enhance its policies and procedures related to enrollment and retention.

¹⁰⁰ See Table 2, supra; see also 2014-2017 Universal Service Reports.

¹⁰¹ See 2014-2017 Universal Service Reports.

1 **Q: Why do you say that the minimum CAP payment disproportionately affects**
 2 **customers in CAP Group A (0-50%FPL)?**

3 A: Because CAP Group A is the only subset of customers who must pay the minimum CAP
 4 payment.¹⁰² The minimum CAP payment is the amount Peoples charges its very poorest CAP
 5 customers, and it is currently set at \$25.00 per month.¹⁰³ In 2018, 3,577 CAP customers were
 6 charged the minimum CAP payment, all of whom had confirmed income at or below 50% of the
 7 federal poverty level.¹⁰⁴ This subgroup of customers suffers under the highest energy burdens of
 8 all CAP customers, and 538 had energy burdens exceeding 20% (*some as high as 35%*).¹⁰⁵

9 A CAP customer will only be charged a minimum bill if the customer's monthly income
 10 is so low that the percentage of income CAP rate is less than \$25.00.¹⁰⁶ Thus, all minimum CAP
 11 payment customers have income which is at or below \$ 312.50 per month.¹⁰⁷ As I explained at
 12 length above, \$312.50 per month (or less) is far below what is necessary to meet essential human
 13 needs. Thus, given the extreme vulnerability of this group, I recommend that Peoples reduce its
 14 minimum CAP charge to be no higher than the current fixed monthly charge assessed to residential
 15 customers, which is representative of the fixed costs to serve these customers. While this will not
 16 dramatically improve the affordability of monthly payments for these customers, it would be a
 17 positive step in the right direction.

18 **Q: Are there other charges that disproportionately affect this subclass of customers?**

19 A: Yes, Peoples' CAP Plus fee and arrearage forgiveness copay add an additional \$10 to the
 20 customer's bill (\$5.00 for CAP Plus and \$5.00 for arrearage copay). While these additional fees

¹⁰² CAUSE-PA to Peoples I-20.

¹⁰³ Ex. CAS-2 at Original Page 38.

¹⁰⁴ CAUSE-PA to Peoples I-20.

¹⁰⁵ CAUSE-PA to Peoples I-22.

¹⁰⁶ Exhibit CAS-2 at Original Page 38.

¹⁰⁷ 8% of \$312.50 = \$25.00.

1 may seem trivial to customers with higher income levels, to low income customers who are already
 2 struggling to pay their bill, these fees add significantly to the customers' energy burdens and to
 3 the already difficult challenge of securing necessities.

4 This unfortunate reality is especially true for customers in Peoples' CAP Group A. In 2018,
 5 the average monthly income for customers in Group A was just \$645.00 per month.¹⁰⁸ Because
 6 these customers have such low income, the addition of the CAP Plus fee and the arrearage
 7 forgiveness copay pushes their already high energy burden even higher, from an average of 11%
 8 to an average of 13%.¹⁰⁹ The effect of these fees is even more pronounced for CAP minimum
 9 payment customers, pushing their energy burdens as high as 35%.¹¹⁰ For comparison, the highest
 10 energy burdens for CAP customers outside Group A, including CAP plus and arrearage copays,
 11 range from 19-21%.¹¹¹

12 **Q: Do you have any recommendations how to address the unaffordability for CAP**
 13 **Group A?**

14 **A:** Yes. I recommend that Peoples stop charging Group A the CAP Plus fee and arrearage
 15 forgiveness copay.¹¹² This subclass of customers already has an unmanageable energy burden even
 16 including CAP assistance. One of the main purposes of CAP is to create an affordable bill for
 17 vulnerable customers. Since service is already unaffordable at the CAP rate, it does not make sense
 18 to pile fees onto their bill, further exacerbating its unaffordability. The following table shows the
 19 dire financial position of customers in CAP Group A, as compared to other CAP customers:

¹⁰⁸ CAUSE-PA to Peoples I-18.

¹⁰⁹ CAUSE-PA to Peoples I-19, I-21.

¹¹⁰ CAUSE-PA to Peoples I-22.

¹¹¹ Id.

¹¹² As explain later in my testimony, I recommend that Peoples' completely do away with the arrearage copay for customers at or below 150% FPL.

1 **TABLE 6: Average Income of CAP Customers by CAP Group/Income Tier**¹¹³

CAP Group: Income Tier	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>Average</u>
Group A: 0-50%	\$657	\$666	\$645	\$656
Group B: 51-100% FPL	\$1,090	\$1,126	\$1,142	\$1,119
Group C: 101-150%	\$1,690	\$1,739	\$1,758	\$1,729
Group D (E-CAP): 151-200%	\$2,733	\$2,708	\$2,602	\$2,681

2 As the above table shows, CAP Group A customers' average monthly income is slightly
3 more than half that of CAP group B, slightly more than a third of CAP Group C, and **less than**
4 **one quarter** that of E-CAP customers. With an average income of \$656.00 per month, this
5 subclass of customers cannot even afford housing and utilities,¹¹⁴ let alone other necessary
6 expenses such as food and medicine. It is simply unfair and unjustifiable to burden the most
7 economically vulnerable consumers – who are among the most vulnerable segment of our society
8 – with the highest CAP energy burdens. Thus, it is my recommendation that Peoples eliminate the
9 CAP Plus fee and arrearage forgiveness copay for Group A CAP customer.

10 **Q: Is it just CAP Group A that should not be charged the arrearage forgiveness copay?**

11 **A:** No. I recommend that Peoples eliminate its arrearage forgiveness copay for all CAP
12 customers except its Extended CAP customers.¹¹⁵ The arrearage forgiveness copay is
13 counterproductive to both the customers' ability to afford their bill and to their ability to earn

¹¹³ CAUSE-PA to Peoples I-18.

¹¹⁴ 82.4% of rental units in Pennsylvania cost \$500.00 or more per month. U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates, Pennsylvania, Financial Characteristics, available at: <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF> .

¹¹⁵ While I believe that the CAP-Plus fee also poses a significant hardship for all CAP customers, because of a complicated legal history concerning the imposition of this fee due to changes in the application of LIHEAP grants to CAP accounts, I am not recommending elimination of this fee for CAP groups B through D.

1 arrearage forgiveness. This additional fee – which is not limited by the natural gas burden levels
 2 established in Peoples CAP program, runs against the general purpose of the CAP program because
 3 it is charged irrespective of income — undercutting a household’s ability to obtain affordable rates.
 4 Elimination of the arrearage forgiveness copay would, in my view, improve CAP affordability,
 5 and assist in mitigating the impact of Peoples proposed rate increase.

6 **Q: Have you calculated the cost of waiving the CAP arrearage co-pay for all CAP**
 7 **customers in groups A-C?**

8 A: Yes. In response to discovery, Peoples provided the number of CAP customers with
 9 preprogram arrears at any time during the years 2016-2018. These numbers are reflected in the
 10 following table:

11 **TABLE 7: Number of CAP Customers Assessed a Co-Pay, 2016-2018¹¹⁶**

	2016	2017	2018	Average 2016-2018
CAP Group A	3,788	3,975	3,959	3,907
CAP Group B	6,399	6,357	6,199	6,318
CAP Group C	4,420	3,929	4,123	4,157
Total	14,607	14,261	14,281	14,383

12
 13 From 2016 through 2018, the average number of CAP customers with pre-program arrears was
 14 14,382. If we assume that Peoples charges each of these customers \$5.00 per month, elimination
 15 of the arrearage forgiveness copay would cost \$71,910 per month – or \$862,920 per year. In my
 16 view, the benefit to Peoples’ CAP customers, especially those at the lowest income tiers, would
 17 be well worth the cost.

¹¹⁶ CAUSE-PA to Peoples III-8.

1 **Q: Do you have recommendations about how Peoples can improve its CAP enrollment**
 2 **and retention policies?**

3 A: Yes. Peoples should improve its outreach, education, and referral processes. Specifically,

4 I recommend that Peoples take the following affirmative steps to bolster CAP enrollment:

5 • *Actively Recruit Customers with Existing Debt to Enroll in CAP*
 6 Peoples should proactively reach out to customers with existing debt to inform them about
 7 CAP and actively encourage them to enroll in the program to help reduce energy costs and
 8 address arrearages in a manner that does not further exacerbate the household's payment
 9 issues.

10

11 • *Implement a Warm-Transfer Referral Process to Peoples' CAP Administrator*
 12 It is often difficult – especially for low income households – to make calls to their utility
 13 during business hours. Low wage employers often prohibit employees from making calls
 14 during work hours. Also, low income households often lack access to stable
 15 telecommunication services with which to make calls to their utility. Providing a warm-
 16 transfer to the CAP administrator (the Dollar Energy Fund (DEF)) when a customer
 17 indicates they are low income would be an efficient enrollment step for the utility & help
 18 condense the time, energy, and frustration that low income families often experience when
 19 trying to address or resolve debt to their utility provider.

20

21 • *Make LIHEAP Recipients Automatically Eligible for CAP*
 22 Approximately 26% of Peoples' confirmed low income customers received LIHEAP
 23 assistance but are not enrolled in CAP.¹¹⁷ More must be done to enroll LIHEAP recipients
 24 into CAP. LIHEAP recipients have already had their income prescreened by a verifiable
 25 source. Allowing them to use LIHEAP receipt as an indicator of their low income status
 26 will simplify the application process and, in turn, encourage more recipients to enroll in
 27 CAP.

28 Second, Peoples should be required to make improvements to its recertification process to

29 prevent CAP customers from being unnecessarily removed from CAP. Currently, Peoples solicits

30 recertification by sending a letter 60 days prior to the CAP recertification date.¹¹⁸ Peoples also

31 sends a second 30 days later.¹¹⁹ If the customer does not respond within the 60 day period, the

32 customer is removed from the program.¹²⁰ I recommend that Peoples be required to make the

¹¹⁷ OCA to Peoples III-10.

¹¹⁸ 2017 Apprise Report at 12.

¹¹⁹ Id.

¹²⁰ Id.

1 following changes to its recertification process to better ensure that CAP customers are not
 2 prematurely removed from the program while they are still in need of assistance:

- 3 • *Allow for Electronic Recertification*
 4 Peoples only accepts recertification by mail or by fax. While these remain important
 5 methods of communication, many families are more accustomed to communicating
 6 electronically and administrators may find it expedient. Allowing for electronic submission
 7 to be added as a voluntary alternate method of recertifying income would help ensure that
 8 administrative functions are expediting and not creating a barrier to program participation.
 9
- 10 • *Require DEF to Conduct Routine Reminder Calls*
 11 Peoples should take this step to improve its CAP retention. Specifically, Peoples should
 12 provide DEF with real time information electronically on CAP customers due for
 13 recertification. Include reminder phone calls 30 days prior to the due date to DEF's
 14 recertification workflow and establish recertification improvement goals.
 15
- 16 • *Send a Postage-Paid Envelope with Recertification Forms*
 17 Sending a postage-paid envelope may seem like a trivial detail. But for many low income
 18 households, particularly elderly, disabled, and homebound populations, receiving a pre-
 19 postage paid envelope to mail in a recertification form can be a significant aid in reducing
 20 time and frustration to the recertification process.

21 **IV. OTHER ISSUES AFFECTING PEOPLES' QUALITY OF SERVICE**

22 **Security Deposits**

23 **Q: Do you have any other concerns about Peoples' current practices and policies**
 24 **regarding security deposits?**

25 **A:** Yes. In response to discovery, Peoples confirmed that as of April 4, 2019, it was holding
 26 95 deposits, totaling \$9,297.25 for confirmed low income customers.¹²¹ It is my understanding that
 27 all households confirmed to be eligible for CAP should not have a security deposit imposed.¹²² It
 28 is my further understanding that all of Peoples' confirmed low income customers either received
 29 LIHEAP – *meaning their income is at or below 150% of the federal poverty level* - or are **actively**

¹²¹ CAUSE-PA to Peoples II-19.

¹²² 66 Pa. C.S. § 1404(a.1)(a) (“[N]o public utility may require a customer or applicant that is confirmed to be eligible for a customer assistance program to provide a cash deposit.”)

1 **participating** in Peoples’ CAP.¹²³ Thus, all confirmed low income customers are eligible for a
2 customer assistance program, and therefore, all of these security deposits must be returned.

3 In its final form Chapter 56 rulemaking to implement the 2014 revisions to Chapter 14
4 (including the low income security deposit prohibition in section 1404(a.1)), the Commission
5 approved a new regulation that will require utilities to waive a security deposit if a customer
6 verifies their income – even if they do not wish to also enroll in CAP. In relevant part, subsection
7 (e) was added to section 56.32, and provides:

8 (e) Notwithstanding subsection (a), a public utility may not require a cash deposit
9 from an applicant who is, based upon household income, confirmed to be eligible
10 for a customer assistance program. An applicant is confirmed to be eligible for a
11 customer assistance program by the public utility if the applicant provides income
12 documents or other information attesting to his or her eligibility for state benefits
13 based on household income eligibility requirements that are consistent with those
14 of the public utility’s customer assistance programs.

15 In approving this language, the Commission explained that “[T]he customer only has to be
16 ‘eligible’ and not actually enrolled in CAP to be exempt from a deposit request.”¹²⁴

17 With very limited exceptions, all confirmed low income customers are eligible for Peoples’
18 CAP, so it is likely that the majority of these security deposits that are currently being held should
19 be refunded to customers. I recommend that all deposits being held for CAP-eligible households
20 be refunded to customers by no later than 30 days from of the effective date of rates in this
21 proceeding and prior to that point if at all possible.

¹²³ CAUSE-PA to Peoples I-10 (“The Company defines “confirmed low income” for reporting purposes as a customer who is actively participating in CAP and/or has received a LIHEAP grant within the past two calendar years.”).

¹²⁴ Rulemaking to Amend the Provisions of 52 Pa. Code, Chapter 56 to Comply with the Amended Provisions of 66 Pa. C.S. Chapter 14, Docket No. L-2015-2508421, Final Order, Appendix A at 48, 145 (February 28, 2019).

1 **Medical Certificates**

2 **Q: Do you have any concerns about Peoples' current practices and policies regarding its**
3 **treatment of medically vulnerable households?**

4 A: Yes. Although Peoples has indicated that its policy is to allow customers indefinite
5 renewals if they pay their current or budget bills,¹²⁵ I am concerned that the Company's training
6 materials do not reflect this policy and, due to this omission, uninformed staff may deny renewals
7 to qualifying medically vulnerable customers. In response to discovery, Peoples provided all its
8 call scripts, written policies and procedures, internal memoranda, and other directives regarding
9 the processing and/or handling of medical certificates.¹²⁶ Nowhere in any of this documentation is
10 there even a mention of the possibility of a fourth medical certificate renewal, let alone an
11 explanation of the criteria for qualification. In fact, in the training materials, on a page titled "Med
12 Certs Whether to Say No," staff is specifically instructed, "Say No, if: Account Balance has not
13 been paid to Zero AND 3 Med Certs have been provided."¹²⁷ There is no indication anywhere on
14 the page or elsewhere in the training materials that a fourth medical certificate is available if the
15 customer pays the current ongoing charges. Furthermore, the following page titled "Paying" states:
16 "Whenever service is reconnected or termination is postponed under the medical emergency
17 procedures, the customer shall retain a duty to make payment on all current undisputed bills or
18 budget billing amount. . ." ¹²⁸ However, any mention of the requirement that customers who satisfy
19 this duty are entitled to additional medical certificates is – *again* – conspicuously absent. It is my
20 recommendation that Peoples be required to update its training materials and its standard medical

¹²⁵ CAUSE-PA to Peoples II-29.

¹²⁶ CAUSE PA to Peoples II-27, Attachments A-E.

¹²⁷ CAUSE-PA to Peoples II-27, Attachment A at 2.

¹²⁸ Id. at 3.

1 certificate forms to inform customers that indefinite medical certificate renewals are available to
2 customers who satisfy their duty to pay their undisputed ongoing charges.

3 **Fees**

4 **Q: Do you support the Company's proposal to include third party payment fees in the**
5 **cost of service?¹²⁹**

6 A: Yes. I support any proposal that will help take some of the burden off low income
7 customers. Even though these fees of \$1.50 to \$2.00 appear nominal, they are charged every time
8 a customer makes a payment toward a bill, meaning *at least* every month. These fees
9 disproportionately impact low income customers because they take up a larger percentage of a
10 customer's monthly income and therefore disproportionately add to the household's energy
11 burden. For example, a customer paying the \$25.00 CAP minimum payment necessarily has
12 monthly income less than \$312.50 per month. This means that the \$1.95 credit, debit, and ACH
13 fees¹³⁰ add about 8% to the customer's bill and require about 0.6% of the customer's monthly
14 income every time they must be paid. This is especially significant when one considers that low
15 income customers are more likely to make partial payments and, therefore, may pay these fees
16 multiple times per month. Thus, I support the inclusion of these fees in the cost of service and I
17 recommend that the Commission allow Peoples to recover them through rates.

18 **Q: Do you have concerns about any other fees that Peoples is seeking to assess in this**
19 **proceeding?**

20 A: Yes, Peoples currently charges a \$75.00 High Bill Investigation Fee to Equitable Division
21 customers who requests the Company to come to their home to investigate the usage measured and

¹²⁹ See Peoples St. 3 at 25-28; see also Ex. 4 Sched. 1 p. 26 (Payment Processing Fee Absorption Expense).

¹³⁰ CAUSE-PA to Peoples II-35.

1 billed to the Customer for service.¹³¹ The Company has proposed to extend this fee to Peoples
 2 Division.¹³² The High Bill Investigation Fee is charged whenever a customer requests an
 3 investigation, but the fee will be waived if the company finds an error in the measurement of gas
 4 used.¹³³

5 Peoples has indicated that it intends to charge this fee to customers requesting a foreign
 6 load investigation.¹³⁴ I am concerned that this proposed fee will disproportionately affect low
 7 income tenants and will create a chilling effect on tenants who suspect that their unit's meter is
 8 improperly being charged for usage from another unit or common area – commonly known as a
 9 “foreign load.”¹³⁵ In such a case, the law requires that the entire bill becomes the responsibility of
 10 the landlord until the landlord corrects the metering issue.¹³⁶ The statute states that “an affected
 11 public utility shall list the account for the premises in question in the name of the owner, and the
 12 owner shall be responsible for the payment for utility services to the premises.”¹³⁷ However, the
 13 only way for a utility to know if there is a foreign load is to send someone out to investigate.

14 It is my understanding that Peoples is not proposing to begin taking tenants at their word
 15 when they suspect a foreign load, and even if they did, in many cases, a customer may not even
 16 know for sure without an investigation. It is unfair to charge these customers a fee just because
 17 they are concerned that they are being taken advantage by their landlord and are seeking to exercise
 18 their rights, especially when the customer has no way of knowing if they are being unjustly charged
 19 for a foreign load without an investigation. Charging \$75.00 for a foreign load investigation will

¹³¹ CAUSE-PA to Peoples II-16(a); see also Ex. CAS-2, Original Page 35.

¹³² Id.

¹³³ Id.

¹³⁴ CAUSE-PA to Peoples II-16(h).

¹³⁵ 66 Pa. C.S. 1529.1 (b) (requires the owner of a residential rental multi-dwelling building or mobile home park to be responsible for utility service when the units are "not individually metered").

¹³⁶ Id.

¹³⁷ Id.

1 discourage low income customers from exercising their rights under the law. I recommend that
2 Peoples cease charging any fee for a foreign load investigation and that it waives all High Bill
3 Investigation Fees for customers at or below 150% of the federal poverty level.

4 **Q: What do you think about Peoples proposal to increase its reconnection fee?**

5 A: I am concerned that Peoples has proposed to increase its reconnection fee from \$50 to
6 \$60.¹³⁸ This will disproportionately affect low income customers. As I explained earlier in my
7 testimony, while Peoples low income customer termination rates are relatively low compared to
8 other NGSs, low income customers are still more likely to suffer utility termination and still less
9 likely to be able to be able to afford the reconnection fee. Thus, I recommend that Peoples'
10 reconnection fee remain at its current level and that the Company the waive reconnection fee for
11 all customers with income at or below 150% of the poverty level.

12 **V. CONCLUSION**

13 **Q: Please summarize your recommendations.**

14 A: I have made several recommendations throughout my testimony, each with the goal of
15 ensuring that Peoples' low income customers can continue to afford service in the face of the
16 proposed rate increase. To ensure that Peoples' low income customers can absorb the proposed
17 increase, Peoples should be required to take steps including but not limited to the following
18 recommendations:

- 19
- 20 • Any rate increase should be applied to the volumetric charge and Peoples fixed
21 residential customer charge remain at its current level.
 - 22 • Peoples should increase its annual LIURP budget by \$1,050,000, divided proportionately
23 between Peoples and Equitable Divisions as set forth in Table 3.

¹³⁸ Ex. CAS-2 at Original Page 21.

- 1 • The minimum CAP charge should be no higher than the current fixed monthly charge
2 assessed to residential customers, which is representative of the fixed costs to serve these
3 customers.
- 4 • Peoples should stop charging Group A the CAP Plus fee and arrearage forgiveness copay
- 5 • Peoples should eliminate its arrearage forgiveness copay for all CAP customers at or
6 below 150% FPL
- 7 • I recommend that Peoples take the following affirmative steps to bolster CAP enrollment:
 - 8 ○ *Actively Recruit Customers with Existing Debt to Enroll in CAP*
 - 9 ○ *Implement a Warm-Transfer Referral Process to Peoples' CAP Administrator*
 - 10 ○ *Make LIHEAP Recipients Automatically Eligible for CAP*
- 11 • Peoples should be required to make the following changes to its recertification process to
12 better ensure that CAP customers are not prematurely removed from the program while
13 they are still in need of assistance:
 - 14 ○ *Allow for voluntary Electronic Recertification*
 - 15 ○ *Require DEF to Conduct Routine Reminder Calls*
 - 16 ○ *Send a Postage-Paid Envelope with Recertification Forms*
- 17 • Peoples must return all deposits being held for CAP-eligible households by no later than
18 30 days from of the effective date of rates in this proceeding.
- 19 • It is my recommendation that Peoples be required to update its training materials and its
20 standard medical certificate forms to inform customers that indefinite medical certificate
21 renewals are available to customers who satisfy their duty to pay their undisputed
22 ongoing charges.

- 1 • I recommend that Peoples be allowed to include third party payment processing fees in it
- 2 cost of service.
- 3 • Peoples should cease charging any fee for a foreign load investigation and that it waives
- 4 all High Bill Investigation Fees for customers at or below 150% FPL.
- 5 • I recommend that Peoples waive reconnection fees for all customers with income at or
- 6 below 150% of the poverty level.
- 7 • I recommend that Peoples' reconnection fee remain at its current level.
- 8 • Peoples should waive the reconnection fee for all customers with income at or below 150%
- 9 of the poverty level.

10 **Q: Does that conclude your direct testimony?**

11 A: Yes.

TABLE OF APPENDICES

Appendix A Harry Geller Resume

Appendix B Discovery Responses

Interrogatories of the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania, Directed to Peoples Natural Gas Company, LLC:

- CAUSE-PA to Peoples I-8
- CAUSE-PA to Peoples I-9
- CAUSE-PA to Peoples I-10
- CAUSE-PA to Peoples I-11
- CAUSE-PA to Peoples I-18
- CAUSE-PA to Peoples I-19
- CAUSE-PA to Peoples I-20
- CAUSE-PA to Peoples I-21
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- CAUSE-PA to Peoples I-33
- CAUSE-PA to Peoples I-34
- CAUSE-PA to Peoples I-35
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- CAUSE-PA to Peoples I-42
- CAUSE-PA to Peoples II-16
- CAUSE-PA to Peoples II-19
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- CAUSE-PA to Peoples II-29
- CAUSE-PA to Peoples II-35
- CAUSE-PA to Peoples III-2
- CAUSE-PA to Peoples III-5, Attachment
- CAUSE-PA to Peoples III-8

Interrogatories of the Office of Consumer Advocate, Directed to Peoples Natural Gas, LLC:

- OCA to Peoples III-10

Appendix C April 22, 2019, Pennsylvania Department of Human Services, Energy Assistance Summary p. 68

Appendix A

Harry Geller Resume

RESUME OF HARRY S. GELLER

EDUCATIONAL BACKGROUND:

Harpur College, State University of New York at Binghamton, B.A. 1966

Washington College of Law, American University, J.D. 1969

New York University Law School, courses in Urban Affairs and Poverty Law, as part of
Volunteers in Service to America (VISTA) Program 1969-1971

EMPLOYMENT:

1988 – 2015 Executive Director, Pennsylvania Utility Law Project (PULP), a project of the civil non-profit Pennsylvania Legal Aid Network. PULP is dedicated to providing technical support, information sharing, and representation to low-income individuals and organizations, assisting and advocating for the low income in utility and energy matters. Responsibilities include project oversight, case consultation, co-counseling, and participation on task forces, work groups and advisory panels, community education and training in utility and energy matters affecting the low-income.

While at PULP, served in the following capacities:

- Chairman, Low-Income Home Energy Assistance Program (LIHEAP) Advisory Committee to the Secretary, Pennsylvania Department of Human Services
- Member, Pennsylvania Public Utility Commission, Consumer Advisory Council
- Coordinator, Pennsylvania Legal Services Utility/Energy Work Groups
- Member, Weatherization Policy Advisory Committee to the Department of Community and Economic Development
- Member, PECO Universal Service Advisory Committee and LIURP Subcommittee

1974-1987 Staff Attorney, Managing Attorney and ultimately, Executive Director of Legal Services, Incorporated (LSI), a civil legal services program serving Adams, Cumberland, Franklin and Fulton Counties. Through a restructuring with other legal services programs, LSI became part of what is now known as MidPenn Legal Services and Franklin County Legal Services.

1971-1972 Staff Attorney, New York City Legal Aid Society, Criminal Court and Supreme Court Branches, New York County.

1969-1971 Volunteer in Service to America (VISTA) assigned to the New York University Law School Project on Urban Affairs and Poverty Law.

BAR ADMISSIONS

New York State

Commonwealth of Pennsylvania

United States District Court, Middle District of Pennsylvania

Appendix B

Discovery Responses

Docket No. R-2018-3006818
Peoples Natural Gas Company LLC
Data Requests

Respondent: Rita Black

CAUSE-PA-I-8: As of March 1, 2019, how many estimated low-income customers reside within Peoples' service territory? Please explain how the company arrived at its estimated figures, and include citation and/or copies of any and all work papers used to perform the estimation.

Response: The Company's billing system tracks customers who have reported income at or below 150% of Federal Poverty Levels. Those with confirmed low income are counted as well as those who have verbally provided information to the Company at any touchpoint in the customer's service with the Company. Such touchpoints include application for service, establishment of a payment agreement, query regarding Universal Service programs or other discussions in which income is a consideration. Using this information, the estimated number of low income customers as of 3/1/2019 is 111,333.

Docket No. R-2018-3006818
Peoples Natural Gas Company LLC
Data Requests

Respondent: Rita Black

CAUSE-PA-I-9: Please provide a copy of the reports or, if not in report form, the data submitted to the PUC Bureau of Consumer Services in compliance with Universal Services reporting requirements of 52 Pa Code § 62.5 for 2016, 2017, and 2018.

Response: Please refer to Attachment CAUSE-PA-I-9 for reported data for calendar years 2016 and 2017. Please note that 2018 data is not reportable to the Commission until April 1, 2019 and is currently being compiled, and, therefore, is unavailable at this time.

Docket No. R-2018-3006818
Peoples Natural Gas Company LLC
Data Requests

Respondent: Rita Black

CAUSE-PA-I-10: How does the Company define the term “confirmed low income customer”? Please describe how a customer is designated as a confirmed low income customer, the proof (if any) required for a customer to be designated as “confirmed low income,” and how long that designation is applied before new proof is required.

Response: The Company defines “confirmed low income” for reporting purposes as a customer who is actively participating in CAP and/or has received a LIHEAP grant within the past two calendar years. The billing system does not have a designation for “confirmed low income”, therefore there is no expiration.

Docket No. R-2018-3006818
Peoples Natural Gas Company LLC
Data Requests

Respondent: Rita Black

CAUSE-PA-I-11: Please identify the financial impact of the proposed rate increase on CAP customers by income tier. If you are unable to identify the financial impact, or assert that there will be no impact, please explain.

Response: CAP customers are enrolled in CAP at the lower of the average bill amount (i.e. budget) or percentage of income payment amount. The system does not identify which of these methods was used to derive the current CAP payment, therefore the Company cannot isolate those who are currently paying the average bill amount for their service address to determine the possible increase from this proceeding. It should be noted that if a customer is currently paying the average bill amount for their CAP payment, any increase from this or any other ratemaking proceeding will not exceed the percentage of income payment. On a monthly basis, accounts are reviewed during the billing process and if it is determined that either the average bill or percentage of income payment is lower than the current CAP payment, the CAP payment will be adjusted accordingly when the next bill is issued.

Docket No. R-2018-3006818
Peoples Natural Gas Company LLC
Data Requests

Respondent: Rita Black

CAUSE-PA-I-18: What was the average income of CAP customers in 2016, 2017, and 2018 disaggregated by income tier?

Response:

The CAP income groups as defined as follows:

Group A 0 to 50% FPL
Group B 51 to 100% FPL
Group C 101 to 150% FPL
Group D 151 to 200% FPL

	2016	2017	2018
Group A	\$657	\$666	\$645
Group B	\$1,090	\$1,126	\$1,142
Group C	\$1,690	\$1,739	\$1,758
Group D	\$2,733	\$2,708	\$2,602

Docket No. R-2018-3006818
Peoples Natural Gas Company LLC
Data Requests

Respondent: Rita Black

CAUSE-PA-I-19: For calendar years 2016, 2017, and 2018, what was the average energy burden of CAP customers, including CAP Plus and arrearage forgiveness co-pay charges, disaggregated by year and income level (0-50%, 51-100%,101-150%, and 151-200% of the federal poverty level)?

Response: The CAP income groups as defined as follows:

Group A 0 to 50% FPL
Group B 51 to 100% FPL
Group C 101 to 150% FPL
Group D 151 to 200% FPL

	2016	2017	2018
Group A	10%	10%	13%
Group B	7%	7%	8%
Group C	5%	5%	7%
Group D	3%	3%	5%

Docket No. R-2018-3006818
Peoples Natural Gas Company LLC
Data Requests

Respondent: Rita Black

CAUSE-PA-I-20: For calendar years 2016, 2017, and 2018 how many CAP customers were issued the minimum bill payment disaggregated by income tier?

Response: All customers receiving the minimum bill amount are within CAP Group A, which is defined as having income between 0 and 50% FPL.

2016	3,549
2017	3,669
2018	3,577

Docket No. R-2018-3006818
Peoples Natural Gas Company LLC
Data Requests

Respondent: Rita Black

CAUSE-PA-I-21: For calendar years 2016, 2017, and 2018, what was the average energy burden of CAP customers, excluding CAP Plus and arrearage forgiveness co-pay charges, disaggregated by year, income level, and payment plan type?

Response: The CAP income groups as defined as follows:

Group A 0 to 50% FPL
Group B 51 to 100% FPL
Group C 101 to 150% FPL
Group D 151 to 200% FPL

	2016	2017	2018
Group A	10%	9%	11%
Group B	6%	6%	7%
Group C	5%	5%	6%
Group D	3%	4%	5%

Docket No. R-2018-3006818
Peoples Natural Gas Company LLC
Data Requests

Respondent: Rita Black

CAUSE-PA-I-22: For calendar years 2016, 2017, and 2018, please separately identify the number of CAP customers with a total energy burden (including CAP Plus and arrearage forgiveness co-pay) of 3%, 4%, 5%, 6%, 7%, 8%, 9%, 10%, 11%, 12%, 13%, 14%, 15%, 16%, 17%, 18%, 19%, and 20%+, disaggregated by year, income level, and payment plan type. To the extent there are any CAP customers in the 20%+ category, please identify the highest energy burden within that category for each of the three years.

Response:

2016	Group A	Group B	Group C	Group D
3%	402	1,791	2,633	362
4%	471	2,393	2,425	194
5%	577	2,510	1,869	92
6%	759	2,380	1,268	36
7%	891	2,110	784	25
8%	3,657	2,654	605	16
9%	1,303	4,230	534	3
10%	598	1,753	545	4
11%	242	80	73	1
12%	146	40	22	0
13%	272	23	15	1
14%	142	23	7	0
15%	94	15	4	0
16%	67	4	2	0
17%	119	6	3	0
18%	60	7	3	1
19%	35	13	5	0
20%+	529*	16**	1***	0

*The highest energy burden is 33%. All customers in the over 20% category are paying the CAP minimum payment.

**The highest energy burden is 36%.

***The highest energy burden is 26%

2017	Group A	Group B	Group C	Group D
3%	421	1,342	2,343	531
4%	429	1,957	2,437	341
5%	499	2,293	1,801	210

Docket No. R-2018-3006818
Peoples Natural Gas Company LLC
Data Requests

Respondent: Rita Black

CAUSE-PA-I-33: Please provide the energy savings (as a percentage of consumption) saved post-LIURP for each of the past three years for which this information is available.

Response: The following are the energy savings based on completions with complete Pre and Post data.

<u>Year</u>	<u>Peoples Division</u>	<u>Peoples Equitable Division</u>
2015	15.53%	14.51%
2016	16.17%	16.30%
2017	17.92%	18.01%

Docket No. R-2018-3006818
Peoples Natural Gas Company LLC
Data Requests

Respondent: Rita Black

CAUSE-PA-I-34: Please provide the estimated annual bill reduction post LIURP for each of the past three years for which this information is available.

Response: The Company maintains data on LIURP based on normalized usage reduction. Normalized usage is the best indicator of LIURP performance in reduction of energy usage. Annual bill amounts are not used because weather and/or CAP participation may affect comparisons. Therefore, the Company does not retain data regarding annual bill reductions as measured in dollars.

Docket No. R-2018-3006818
Peoples Natural Gas Company LLC
Data Requests

Respondent: Rita Black

CAUSE-PA-I-35: How many LIURP jobs were completed by Peoples for calendar years 2016, 2017, 2018, and to date in 2019, disaggregated by year and division?

Response: Please refer to the data provided below. Because the LIURP administration role is transitioning from one administrator to another, 2019 projects have only recently begun. There are projects currently in progress, but until they are invoiced to the Company, they are not reflected in the completed jobs reported.

<u>Year</u>	<u>Peoples Division</u>	<u>Peoples Equitable Division</u>
2016	215	140
2017	195	135
2018	168	100
2019	0	0

Docket No. R-2018-3006818
Peoples Natural Gas Company LLC
Data Requests

Respondent: Rita Black

CAUSE-PA-I-40: Please provide the following LIURP data for the years 2017, 2018 and to date in 2019:

- a. How many LIURP applications were made?
- b. How many LIURP applications were rejected, disaggregated by the reason for rejection?
- c. How many LIURP jobs were approved but are pending completion?
- d. Of the pending jobs, how many does Peoples anticipate it will complete by the end of 2019?

Response:

- a. The below figures for 2017 and 2018 reflect the number of completed applications received. Due to the transition to a new LIURP administrator, and the number of pending jobs from 2018 that are in currently in progress, no new LIURP applications have been completed to date.

	2017	2018	2019
Peoples Division	592	585	0
Equitable Division	585	435	0

- b. The below figures represent rejected applications as reported by the Company's former LIURP administrator for 2017 and 2018. That administrator did not track rejections by reason for rejection.

	2017	2018	2019
Peoples Division	55	50	0
Equitable Division	13	41	0

- c. Conservation Consultants reported at the end of the 2018 program year, 46 pending jobs pending under the Peoples Division plus 40 jobs pending under the Equitable Division for the total of 86 jobs.
- d. The Company plans to complete all pending jobs by the end of 2019.

Docket No. R-2018-3006818
Peoples Natural Gas Company LLC
Data Requests

Respondent: Rita Black

CAUSE-PA-I-42: For each rate division, what is Peoples projected LIURP spending for 2019?

Response: Below are 2019 budgets which include carryover dollars from 2018.

Peoples Division	\$1,305,231.40
Equitable Division	\$808,923.13

Docket No. R-2018-3006818
Peoples Natural Gas Company LLC
Data Requests

Respondent: Carol Scanlon

- CAUSE-PA-II-16:** See Peoples proposed tariff at OP. 35. Regarding the “High Bill Investigation Fee”:
- a. Explain why Peoples is proposing this fee.
 - b. How did Peoples determine that the fee should be \$75?
 - c. How will the fee be imposed?
 - d. If a fee is imposed, but not paid, will Peoples seek to terminate service for non-payment?
 - e. If a fee is imposed, but not paid, will Peoples impose late fees for failure to pay the High Bill Investigation Fee?
 - f. How many high bill investigations did Peoples conduct in years 2016, 2017, and 2018?
 - g. Of the high bill investigations conducted for 2016, 2017, and 2018, how many of them would have met the criteria for waiver of this fee if the fee were in place at the time of the investigation?
 - h. Will this fee apply when a customer requests investigation of a possible foreign load?
 - i. Are there circumstances, other than an error in measurement, where a customer can have this fee waived? If yes, please describe.

Response:

- a. This fee is currently applicable for Equitable Division customers and is part of the approved Equitable Division tariff. Since both Peoples and Equitable divisions now have Encoder Receiver Transmitters (ERTs) on the meters, the Company is proposing that the high bill investigation fee apply to all customers served by Peoples Natural Gas. The ERT meters result in monthly meter readings, as opposed to the bi-monthly readings previously obtained on the historic Peoples Division. The monthly meter reads provide a more consistent usage picture and high usage events that may have, in the past, been associated with bi-monthly estimated reads will no longer occur.
- b. Peoples used the hourly rate for a customer service person’s labor and truck to determine the \$75 fee.
- c. The fee will be added to the customer’s bill.
- d. No.
- e. No, Peoples will not impose late fees for failure to pay the High Bill Investigation Fee.

- f. The following represents the number of high bill investigations for both divisions.

	Number of High Bill Investigations
2016	502
2017	522
2018	482

- g. The Company does not track this information for Peoples Division. For Equitable Division, two high bill investigations were charged and paid in 2016. Any others during this time period were waived, but the reasons for the waivers are not readily available.
- h. Yes, this fee will apply when a customer requests investigation of a foreign load. If a foreign load is found, the customer will be reimbursed for the fee amount.
- i. The Company will evaluate on a case-by-case basis if the circumstances warrant the fee being waived.

Docket No. R-2018-3006818
Peoples Natural Gas Company LLC
Data Requests

Respondent: Heather Doyle-Conley

CAUSE-PA-II-19: Is Peoples currently holding any security deposits for any confirmed low income customers? Please identify the number of customers for whom this applies and the dollar amount of security deposits collected.

Response: The Company is currently holding 95 security deposits, totaling \$9,297.25, for confirmed low-income customers.

Docket No. R-2018-3006818
Peoples Natural Gas Company LLC
Data Requests

Respondent: Heather Doyle-Conley

CAUSE-PA-II-27: What is Peoples' policy and procedure for handling medical certification requests and/or renewals? Please explain and provide supporting documentation, including all call scripts, written policies and procedures, internal memoranda, or other directives regarding the processing and/or handling of medical certificates.

Response: See Attachments A-E.

A customer is eligible for a medical certificate when the customer's service is in threat of termination and a licensed physician, nurse practitioner, or physician's assistant certifies that the customer has a medical need for gas service to be continued. The customer is allowed one initial medical hold and two subsequent renewals on the same overdue balance. Each medical hold is a maximum of 30 days.

MED CERT PROCEDURE

ALL THAT APPEARS HERE APPLIES TO BOTH APPLICANTS & CUSTOMERS,
UNLESS NOTED.

MED CERT FORM

Supported by [Chapter 1403 \(2\) Definitions](#)

A Valid Med Cert Form must be *signed and returned* to the utility by one of the following individuals within 7 days:

- Licensed Physician*
- Nurse Practitioner
- Physician's Assistant

*May include Psychologist, Psychiatrist and Dentist.

The written form must contain the following completed info:

1. The name and address of the customer or applicant in whose name the account is registered.
2. The name and address of the afflicted person and relationship to the customer or applicant.
3. The anticipated length of the affliction.
4. The name, office address, and telephone number of the licensed physician, nurse practitioner, or physician's assistant.
5. The signature of the licensed physician, nurse practitioner, or physician's assistant.

MED CERTS

WHETHER TO SAY NO

Summary

Say No, if: Account Balance has not been paid to zero AND
3 Med Certs have been provided.

Supported by: 56.114 Length of postponement; renewals.

- A customer in termination can have three (initial, 1st renewal, 2nd renewal) 30 day medical holds on the account balance.
- Customer payments, all sources of fuel grant dollars, and 3rd party payments apply to pay the account balance to zero.
- Documentation of each medical hold is critical and necessary in order to defend if we must say no to a 4th medical hold.

Timing to Reconnect Service

(See page 4 – Applicant must make payment in addition to Med Cert)

Supported by: 56.191 (1) Customers (2) Applicants

3 days – from April 1 to November 30

1 day – from December 1 to March 31

24 Hours – Year round and:

When erroneous terminations are made. This would be when payment is made that satisfies termination amount prior to actual shut off.

When signed Med Cert form received, same day reconnection if:

- Before Noon
- It's a Friday
- If it's the day before a Holiday

Otherwise, reconnect is scheduled for the next business day.

Med Cert Procedure for Credit Reps

Created: 05.02.16

Revised: 05.24.18

Paying

Encourage all callers to pay because it will benefit them if they must seek PUC help later. Not paying, and not paying often, is not approved by the PUC.

Supported by: **56.116. Duty of customer to pay bills.**

Whenever service is reconnected or termination is postponed under the medical emergency procedures, the customer shall retain a duty to make payment on all current undisputed bills or budget billing amount as determined under § 56.12(7) (relating to meter reading; estimated billing; customer readings).

Using soft skills, it is fair and right to advise customers of this.

As always, do create IR with your information.

- ***Quote Duty to Pay – “Although we have placed a hold on the account to allow you time to submit a Medical Certificate, you are still responsible for payment of current undisputed charges.”***

MED CERT DIFFERENCES AND WHERE THEY APPLY

CUSTOMERS – No Payment necessary

If gas is not off yet, a valid signed medical certificate alone will stop termination.

Re-read **Paying** above when talking with customers.

Ask if income has changed since current payment plan.

Refer to attached change in income chart to be sure change in income is considered. Provide a new PAR if applicable with no upfront payment.

Documentation is critical to defending what the company did or didn't do if the customer seeks PUC help. If you refuse another PAR, document why.

APPLICANTS – Payment necessary

An applicant is considered a new customer OR former customer who's final bill due date has passed.

Because applicants are not customers, payment/lease/ID *is required* in conjunction with a valid and signed medical certificate.

Supported by: **56.191 (b) Timing**

(2) **Applicants** –when applicant has met all applicable conditions aka payment with a medical certificate:

(i)*the public utility is not required to modify or eliminate the payment required to restore service if a medical certificate is presented.*

Documented details are critical & help defend what the company did or didn't do if the customer seeks PUC help.

Quick Reference Guide



Credit – Medical Certificate

Overview: Applicable to customer with a termination notice who is not able to pay the overdue amount and is not eligible for another payment arrangement (PAR).

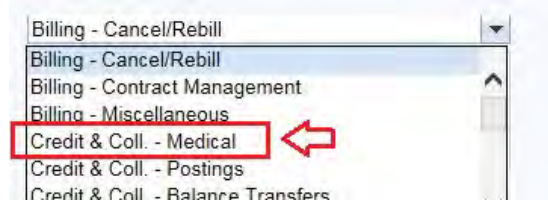
General Guidelines:

Check work orders!!

- If an active work order has a status of: Dispatched, En Route or On-site, call Dispatch (x 3273) to see if gas is **ON** or **OFF**.
- Cancel any pending DNP work order!

Select Credit & Coll – Medical Exception Case

- Medical Certificate requests must receive top priority; therefore, it is critical that the correct exception case is completed. (See location of **Medical** exception case below.)



Gas is **ON**:

- Obtain the **name, phone# and fax#** of doctor as well as the **daytime phone#, name of affected person and relationship to customer**

NOTE: If the customer cannot provide this contact information (minimum: name and fax# of doctor), the Medical Certificate will be **mailed to the customer**. Complete a **Credit & Coll – Medical** exception case to ensure it is sent.

- **Quote Rights (QR)** – see below

Medical Gas On - Quoting Rights Script

“At this time you have 7 days to have your doctor certify the medical or to pay the overdue amount of (\$\$). A 7 day hold has been placed on the pending termination. If you are not satisfied, you have the right to contact the [PA] PUC at 800-692-7380 [KY] PSC at 800-772-4636

WV: Quoting Rights is NOT required. If asked, give the PSC phone number: 1-800-344-5113

- Advise term will continue if Medical is not returned or the past due amount is not paid.
- Explain the customer will be notified by phone IF the Medical request is denied.
NOTE: If we are not able to reach the customer by phone to notify them of a denial, a letter will be sent.
- **Quote Duty to Pay** – “Although we have placed a hold on the account to allow you time to submit a Medical Certificate, you are still responsible for payment of current undisputed charges.”

- Complete **Credit & Coll – Medical** exception case
- Add “Pending Medical Lock”

Gas is **OFF: Customer** (Not past final bill due date)

- Quote restoration amount
- **PA Only** - Complete denial letter
- Add “Pending Medical Lock” (For PUC/PSC reporting purposes instead of preventing term)
- Complete **Credit & Coll – Medical** exception case and start w/“Gas Off” note
- **Quote Duty to Pay** – “You are still responsible for payment of current undisputed charges.”
- Explain the customer will be contacted to schedule reconnection if the medical certificate is approved.

Gas is **OFF: Applicant** (After final bill due date)

- Quote restoration amount
- **PA Only** - Complete denial letter
- Advise applicant to pay the restoration amount in order to activate the Medical Certificate.
- If not satisfied, **Quote Rights (QR)** – see below
Medical Gas Off - Quoting Rights Script
“If you are not satisfied, you have the right to contact the contact the [PA] PUC at 800-692-7380 [KY] PSC at 800-772-4636

WV – Quoting Rights is NOT required. If asked, you can give the PSC phone number - 1-800-344-5113



MEDICAL EMERGENCY CERTIFICATION FORM
ALL Fields are required information and must be completed.

CUSTOMER NAME:

ACCOUNT NO:

SERVICE ADDRESS:

PHONE NO:

CITY, STATE, ZIP:

GAS SERVICE MAY BE SHUTOFF AT YOUR HOME UNLESS THIS FORM IS COMPLETED & SIGNED BY A MEDICAL PRACTITIONER AND RETURNED TO PEOPLES BEFORE THE DATE ON THE TERMINATION NOTICE. IF YOU ARE INELIGIBLE FOR A MEDICAL CERTIFICATE, RETURNING THIS FORM WILL NOT PREVENT THE TERMINATION.

TO BE COMPLETED BY CUSTOMER

Afflicted Individual: _____ Relationship to Customer: _____

Permanent Address of Afflicted: _____

TO BE COMPLETED BY A LICENSED PHYSICIAN/ PHYSICIAN ASSISTANT/ NURSE PRACTITIONER

I certify that in my professional opinion, the following person is seriously ill or has been diagnosed with a medical condition which requires the continuation of natural gas service to treat the medical condition. I understand that I may be contacted to verify the statements contained herein.

Name of Individual: _____

Nature of Illness: _____ Date of Last Examination: _____

Specific Reason for which natural gas service is required: _____

Anticipated Duration of Illness/Medical Condition:* _____

Are you a Physician, Physician's Assistant, or Nurse Practitioner? _____

Name: _____ License Number: _____

Office Address & Phone Number: _____

Medical Practitioner Signature: _____ Date: _____

*** This certificate is in effect for the anticipated length of the illness up to a maximum of 30 days. The customer still has the responsibility to make payment arrangements for bills owed to Peoples.**

Return this notice by fax to (855) 269-0090, by e-mail to CustomerCarePeoples@peoples-gas.com, or by mail to PO Box 535323, Pittsburgh, PA 15253-5323. If you have any questions, please call us at (800) 764-0111, Monday through Friday, 7:00 a.m. – 5:00 p.m.

Peoples Natural Gas use ONLY:

Date Received _____ Received By _____ Date Verified/Entered _____

Payment Arrangements Made (Y/N) _____ Expiration Date _____

Initial or Renewal _____

**SUMMARY OF GUIDANCE PROVIDED IN FINAL ORDER
CHAPTER 14 IMPLEMENTATION DOCKET M-2014-2448824**

**MEDICAL CERTIFICATES AND YEARLY REPORTING REQUIREMENTS FOR HIGH
ARREARAGE RESIDENTIAL ACCOUNTS**

Note – The guidance provided in the Order remains applicable until these matters can be more fully addressed in a Chapter 56 rulemaking that will conclude with new, codified regulations.

I. MEDICAL CERTIFICATES

Form of Medical Certificates

- Medical Certificates must be written and signed. No oral certificates are permitted.
- Utilities may develop a form and encourage its use – but its use cannot be mandatory (thus, Doctors can use their own forms).
- A written letter or note is permissible as long as it includes all of the required content (see below for content).
- Utilities that develop their own form are encouraged to make these readily available to medical professionals and customers, including placement on the utility’s website.
- Electronic signatures, by medical professionals, are valid.
- Medical certificates that are electronically transmitted (i.e. faxed, emailed, etc.) are valid.
- Medical Certificates may be completed by a physician, nurse practitioner, or physician’s assistant

Content of Medical Certificates (For Customers who do NOT have a PFA)

- Note – these new guidelines supersede the regulations at 52 Pa. Code § 56.113(1) - (5).
- All certifications must be written. The initial oral medical certification with 7-day window to verify in writing is no longer valid.
- A certificate must contain:
 1. The name and address of the customer or applicant in whose name the account is registered.
 2. The name and address of the afflicted person and relationship to the customer or applicant.
 3. The anticipated length of the affliction.

4. The name, office address, and telephone number of the certifying physician, nurse practitioner, or physician's assistant.
5. The signature of the certifying physician, nurse practitioner, or physician's assistant.

Content of Medical Certificates (For Customers who DO HAVE a PFA)

- Note – these new guidelines supersede the regulations at 52 Pa. Code § 56.353(1) - (5):
 1. The name and address of the customer or applicant in whose name the account is registered.
 2. The name and address of the afflicted person and relationship to the customer or applicant.
 3. The anticipated length of the affliction.
 4. The name, office address, and telephone number of the certifying physician, nurse practitioner, or physician's assistant.
- Note the difference here – the Med Cert for a customer with a PFA does not have to be signed.

Yearly Reporting of Medical Certificates

- Report due annually on April 1st to align with the collection reporting requirements found in 52 Pa. Code §§ 54.75 and 56.231.
- Report shall be as of the end of the prior calendar year and shall set forth the number of:
 1. Medical certificates and renewals that have been submitted by customers for the previous 12 months; and
 2. Medical certificates and renewals that have been accepted by the utility for the previous 12 months.
- This data shall be filed at Docket No. M-2014-22448824, with an electronic copy sent to the Director of the Commission's Bureau of Consumer Services
- The data shall be formatted per a specific spreadsheet format provided by Commission staff. Commission staff will provide this format by September 1, 2015.
- Reporting shall begin, under these interim guidelines, with calendar year 2015 – with the first annual report due to the Commission by April 1, 2016.

II. REPORTING REQUIREMENTS RE. ACCOUNTS EXCEEDING \$10,000 IN ARREARAGES

- Report due annually on April 1st to align with the collection reporting requirements found in 52 Pa. Code §§ 54.75 and 56.231.
- Report shall be as of the end of the prior calendar year and shall set forth:

- The active (i.e. accounts not final billed) residential accounts with an arrearage at or exceeding \$10,000 as of 12/31.
 - The only excluded active accounts are those accounts where someone has presented a Protection From Abuse (PFA) order, or a court order which provides clear evidence of domestic violence, to the utility.
- The information concerning each of the accounts shall include the following:
 1. Unique account identifier;
 - The utility must be able to match to the account in question to the unique identifier. AND the same unique identifier for each account shall be used in any subsequent reporting year to identify that same account.
 2. The account balance as of 12/31;
 3. The date the account was established;
 4. The average monthly bill amount for the previous 12 months;
 5. The number of Commission informal or formal complaints;
 6. The number of company payment arrangements;
 7. The number of times the customer's service was terminated for non-payment.
- Customer names, addresses, account numbers, phone numbers, email addresses, Social Security numbers or any other information that could be used to identify the customer shall not be included
- Reporting shall begin, under these interim guidelines, with calendar year 2015 – with the first annual report due to the Commission by April 1, 2016.
- The Commission may request more detailed follow-up information on specific accounts.
- Reports shall be filed at Docket No. M-2014-2448824, with an electronic copy sent to the Director of the Commission's Bureau of Consumer Services.
- Reports shall be formatted per a specific electronic spreadsheet format provided by Commission staff. The Commission will provide this electronic format by September 1, 2015.

III. ADDITIONAL ISSUES

Expansion of Domestic Violence Definition

- TURN and CAUSE recommended interim guidelines in an upcoming proceeding that requires the utilities to update current exemption policies and to fix incorrect interpretations of Section 1417, which expanded the domestic violence exemption to include victims with either a PFA or a “court order... which provides clear evidence of domestic violence against the applicant or customer”.

CAUSE noted that these Orders may include a broad range of civil and criminal orders, such as divorce, custody, child protection, criminal convictions and sentencing orders.

- The Commission agrees this is an important matter and provided the following guidance/commentary:
 - CAUSE provides a helpful listing of possible civil and criminal court orders that may contain “clear evidence of domestic violence” – divorce, custody, child protection, criminal convictions, and sentencing.
 - We urge all utilities to make sure that they have revised their procedures to take into account this expansion of Section 1417 exemptions.
 - As CAUSE notes, these matters may be beyond the usual expertise of the utilities and the Commission.
 - Accordingly, the Commission advises utilities, when encountering questions and difficulties with the new requirements of Section 1417, to carefully consult their in-house counsel and, if needed, to consult with outside experts.
 - The Commission encourages the utilities to engage in a dialogue with the community organizations that deal with domestic violence issues, especially if they have questions or problems with implementing Section 1417.

Docket No. R-2018-3006818
Peoples Natural Gas Company LLC
Data Requests

Respondent: Heather Doyle-Conley

CAUSE-PA-II-29: Under what circumstances does Peoples grant a fourth request for a medical certificate?

Response: If a customer pays all of their current or budget bills (if budget customer) by the customer's due dates going forward (after use of the initial medical certificate) they may use an indefinite number of renewals. If the customer does not pay his or her current bills timely, the customer must pay his or her entire arrearage (bring the delinquent account balance to \$0) in order to be eligible for another medical certificate.

Docket No. R-2018-3006818
Peoples Natural Gas Company LLC
Data Requests

Respondent: Andrew Wachter

- CAUSE-PA-II-35:** See Peoples St. 3 at 25-28; see also Ex. 4 Sched. 1 p. 26. regarding the Company’s proposal to include third party payment fees in the cost of service. Please list all payment processing fees that Peoples customers are charged for the various channels available for making payments and specify (see attached chart as reference):
- The amount of the fee
 - Whether the fee is charged by the Company or a third party
 - Whether the fee is currently included in base rates
 - Whether the Company is proposing to include the fee in base rates
 - The total number of fees assessed to residential customers in 2018
 - The total amount of fees assessed to residential customers in 2018
 - The total number of fees assessed to CAP customers in 2018
 - The total amount of fees assessed to CAP customers in 2018
 - The total number of fees assessed to non-CAP confirmed low income (“non-CAP CLI”) customers in 2018
 - The total amount of fees assessed to non-CAP confirmed low income (“non-CAP CLI”) customers in 2018

Response:

Fee	a. <u>Amount of fee</u>	b. <u>Charged by:</u> <i>Peoples/ 3rd party</i>	c. <u>Currently included in rates?</u> <i>Y/N</i>	d. <u>Proposed to include in rates?</u> <i>Y/N</i>	e. <u>Number of fees charged to all Residential</u>	f. <u>Amount of fees charged to Residential</u>	g. <u>Number of fees charged to CAP</u>	h. <u>Amount of fees charged to CAP</u>	i. <u>Number of fees charged to non-CAP CLI</u>	j. <u>Amount of fees charged to non-CAP CLI</u>
Credit card	\$1.95	3 rd party	N	Y (b)	(c)	(c)	(c)	(c)	(c)	(c)
Debit card	\$1.95	3 rd Party	N	Y (b)	(c)	(c)	(c)	(c)	(c)	(c)
ACH(a)	\$1.95	3 rd Party	N	Y (b)	(c)	(c)	(c)	(c)	(c)	(c)
Walk In	\$1.50	3 rd Party	N	Y (b)	(c)	(c)	(c)	(c)	(c)	(c)

Notes:

- The Company offers a free of charge direct debt ACH. This fee is only charged by the third party if a payment is made through the third party channels such as IVR or web.
- As part of the conversion to company paid fee model this rate will reduce from \$1.95 to \$1.30.
- For responses e. – j. the Company does not currently have this information, as the payment volumes that the Company receives from the third party payment processors are not broken down this way.

Docket No. R-2018-3006818
Peoples Natural Gas Company LLC
Data Requests

Respondent: Rita Black

CAUSE-PA-III-2: In responding to this Interrogatory, please refer to Peoples response to CAUSE-PA I-10 and CAUSE-PA I-18. As of January 1, 2019:

- a. How many confirmed low-income customers reside within Peoples' service territory?
- b. What is the average income of Peoples' confirmed low income customers?
- c. How many customers are enrolled in Peoples' Customer Assistance Program?
- d. What is the average income of Peoples' CAP customers?

Response:

a.

Division	Confirmed Low Income
Peoples	28,655
Equitable	20,612

b.

Division	Average Income
Peoples	\$1,274.86
Equitable	\$1,163.60

c.

Division	CAP Enrolled
Peoples	19,450
Equitable	14,507

d.

Division	Average Income
Peoples	\$1,292.18
Equitable	\$1,176.48

Docket No. R-2018-3006818
Peoples Natural Gas Company LLC
Data Requests

Respondent: Rita Black

CAUSE-PA-III-5: See Peoples response to CAUSE-PA I-9. Peoples indicates that the 2018 data will be reportable to the Commission April 1, 2019.

- a. Please provide the 2018 data.
- b. See 2017 Universal Service Report at 7. Please explain the change in confirmed low income customers from 2017 (60,077 for Peoples Division, 44,627 Equitable Division) to 2018 (approximately 28,000 Peoples Division, approximately 20,000 Equitable Division).

Response:

- a. Refer to Attachment CAUSE-PA-III-5.
- b. This change is the result of classifying customers as confirmed low income. Historically, in its reporting, the Company included any customer who had provided verbal information indicating their low income status as 'confirmed low income'. However, the Company has now clarified the definition of confirmed low income to reflect only those that have confirmed their low income status through the receipt of LIHEAP and/or participation in CAP.

USR = 30 DAY REQ		
PNG USR COLLECTIONS DATA/ DATA ENTRY REQUIREMENTS		2018
	All Residential	Conf Low Income
1. Total Number of Payment Arrangements	24,992	12,450
2. Total Number of Successful Payment Arrangements	35,118	16,560
3. Annual Collection Operating Expenses	\$ 2,225,302.66	\$ 578,578.69
4. Total \$\$ amount of Gross Residential Write Offs	\$ 7,957,830.05	\$ 2,069,035.81
5. Total \$\$ amount of Net Residential Write Offs	\$ 7,084,041.21	\$ 1,982,249.99
6. Total # of Residential Customers by Month		
January	336,012	28,591
February	336,201	28,918
March	336,279	29,291
April	335,889	29,653
May	334,214	29,340
June	333,335	28,732
July	332,911	28,140
August	333,091	26,964
September	332,881	26,578
October	334,528	26,533
November	335,792	27,008
December	336,343	27,588
7A. Total Number of Residential Accounts in Arrears on a Pmt Agree. -		
January	13,569	1,077
February	13,168	1,066
March	11,817	1,076
April	9,328	1,069
May	9,202	1,004
June	10,027	1,061
July	10,802	1,062
August	10,932	970
September	10,827	1,013
October	10,716	1,018
November	10,883	998
December	12,447	1,052
7B. Total Number of Residential Accounts in Arrears NOT on a Pmt Agree. -		
January	20,119	1,241
February	21,208	1,384
March	21,482	1,507
April	13,911	1,465
May	13,681	1,273
June	14,944	1,270
July	15,740	1,086
August	15,490	752
September	17,040	747
October	15,828	721
November	16,552	703

PNG USR COLLECTIONS DATA/ DATA ENTRY REQUIREMENTS		2018	
	December	22,596	929
8A. Total \$\$ of Residential Accounts in Arrears on a Pmt Agree. -			
	January	\$ 4,852,895.31	\$ 387,277.20
	February	\$ 5,172,387.05	\$ 417,942.62
	March	\$ 4,865,936.53	\$ 440,966.15
	April	\$ 3,150,459.03	\$ 406,389.90
	May	\$ 2,508,540.88	\$ 296,585.15
	June	\$ 2,440,428.66	\$ 263,803.57
	July	\$ 2,544,057.51	\$ 212,911.73
	August	\$ 2,612,228.37	\$ 208,299.62
	September	\$ 2,777,272.33	\$ 227,722.66
	October	\$ 3,081,741.63	\$ 257,762.55
	November	\$ 3,444,982.20	\$ 305,099.80
	December	\$ 4,459,087.33	\$ 373,660.57
8B. Total \$\$ of Residential Accounts in Arrears NOT on a Pmt Agree. -			
	January	\$ 9,463,374.76	\$ 751,969.82
	February	\$ 11,608,239.02	\$ 922,859.57
	March	\$ 12,201,798.34	\$ 1,025,353.35
	April	\$ 7,580,277.63	\$ 1,022,941.06
	May	\$ 5,995,190.98	\$ 762,351.66
	June	\$ 5,201,039.01	\$ 614,208.04
	July	\$ 4,600,876.78	\$ 457,649.58
	August	\$ 3,722,986.28	\$ 280,933.78
	September	\$ 3,542,983.07	\$ 250,658.95
	October	\$ 3,479,217.96	\$ 253,487.56
	November	\$ 4,141,496.95	\$ 263,289.15
	December	\$ 6,826,640.65	\$ 369,670.86
9. Total Number of Residential Customers who are payment troubled -			
	January	14,685	6,689
	February	14,463	6,528
	March	10,196	4,344
	April	9,457	4,678
	May	10,126	5,013
	June	10,587	5,342
	July	11,277	5,679
	August	11,609	5,794
	September	11,249	5,628
	October	11,739	6,039
	November	11,940	6,100
	December	10,908	5,505
10. Total Number of Terminations			
	January	0	0
	February	0	0
	March	0	0
	April	1,553	198

PNG USR COLLECTIONS DATA/ DATA ENTRY REQUIREMENTS		2018	
May	2,171	305	
June	1,592	233	
July	1,115	277	
August	1,100	228	
September	833	155	
October	489	96	
November	247	62	
December	0	0	
11. Total Number of Reconnections - TOSS			
January	62	1	
February	17	0	
March	12	0	
April	695	124	
May	1,150	196	
June	814	153	
July	752	158	
August	648	172	
September	678	121	
October	1,024	121	
November	642	89	
December	164	10	
12A Total Number of Low Income Households -		77,002	
12B Annual Residential Revenues -		\$ 315,638,062.98	\$ 26,829,235.35

USR = 30 DAY REQ	All Residential	Conf Low Income
EGCP USR COLLECTIONS DATA/ DATA ENTRY REQUIREMENTS		
	2018	
1. Total Number of Payment Arrangements	18,539	8,720
2. Total Number of Successful Payment Arrangements	22,056	10,342
3. Annual Collection Operating Expenses	\$ 1,631,758.86	\$ 293,716.59
4. Total \$\$ amount of Gross Residential Write Offs	\$ 5,143,393.98	\$ 925,810.92
5. Total \$\$ amount of Net Residential Write Offs	\$ 4,631,104.40	\$ 1,189,175.30
6. Total # of Residential Customers by Month		
January	249,681	20,539
February	249,776	20,811
March	249,782	21,102
April	249,422	21,469
May	247,977	21,431
June	247,268	20,960
July	246,901	20,554
August	246,885	19,712
September	246,695	19,453
October	247,968	19,381
November	249,067	19,589
December	249,475	19,861
7A. Total Number of Residential Accounts in Arrears on a Pmt Agree. -		
January	8,268	696
February	8,067	733
March	7,280	734
April	5,509	703
May	5,659	664
June	6,565	680
July	7,203	691
August	7,352	673
September	7,298	706
October	7,182	683
November	7,267	637
December	8,673	696
7B. Total Number of Residential Accounts in Arrears NOT on a Pmt Agree. -		
January	16,549	934
February	17,079	1,083
March	17,011	1,150
April	10,635	1,105
May	10,107	932
June	11,771	920
July	12,051	789
August	12,387	527
September	14,037	545
October	13,248	545
November	13,928	541
December	18,984	692
8A. Total \$\$ of Residential Accounts in Arrears on a Pmt Agree. -		
January	\$ 2,949,460.23	\$ 233,520.67
February	\$ 3,201,098.41	\$ 272,656.66
March	\$ 3,031,130.77	\$ 275,036.82
April	\$ 1,814,170.79	\$ 220,219.14

USR = 30 DAY REQ	All Residential	Conf Low Income
EGCP USR COLLECTIONS DATA/ DATA ENTRY REQUIREMENTS		
	2018	
May	\$ 1,327,253.46	\$ 174,000.65
June	\$ 1,354,847.63	\$ 132,665.46
July	\$ 1,480,606.73	\$ 114,856.95
August	\$ 1,603,637.79	\$ 114,553.03
September	\$ 1,759,008.53	\$ 141,799.33
October	\$ 2,047,683.17	\$ 164,012.87
November	\$ 2,285,796.88	\$ 193,058.28
December	\$ 3,133,295.82	\$ 249,483.75
8B. Total \$\$ of Residential Accounts in Arrears NOT on a Pmt Agree. -		
January	\$ 7,102,324.27	\$ 437,191.83
February	\$ 8,704,942.32	\$ 599,966.53
March	\$ 8,854,826.66	\$ 677,113.76
April	\$ 5,082,736.43	\$ 664,589.16
May	\$ 3,720,097.13	\$ 476,153.37
June	\$ 3,202,162.56	\$ 358,726.56
July	\$ 2,640,326.00	\$ 228,978.34
August	\$ 2,256,675.44	\$ 151,522.81
September	\$ 2,203,988.82	\$ 133,022.33
October	\$ 2,184,449.75	\$ 136,055.69
November	\$ 2,748,810.33	\$ 163,501.00
December	\$ 4,885,722.36	\$ 239,207.30
9. Total Number of Residential Customers who are payment troubled -		
January	9,342	4,440
February	9,230	4,325
March	6,945	3,124
April	6,742	3,547
May	7,256	3,666
June	7,331	3,768
July	8,307	4,276
August	8,545	4,350
September	8,145	4,147
October	8,498	4,402
November	8,446	4,431
December	8,311	4,332
10. Total Number of Terminations - TOSS		
January	0	0
February	0	0
March	0	0
April	1,318	153
May	2,021	278
June	1,459	236
July	1,142	286
August	895	236
September	778	182
October	499	117
November	369	114
December	0	0
11. Total Number of Reconnections - TOSS		
January	69	5

USR = 30 DAY REQ	All Residential	Conf Low Income
EGCP USR COLLECTIONS DATA/ DATA ENTRY REQUIREMENTS		
	2018	
February	13	0
March	10	1
April	503	90
May	977	183
June	902	179
July	709	158
August	587	180
September	600	124
October	905	133
November	640	123
December	140	5
12A Total Number of Low Income Households -	54,650	
12B Annual Residential Revenues -	\$ 230,033,115.37	\$ 19,092,748.58



Pennsylvania Public Utility Commission

Universal Service Reporting Version 2.5

LIURP Reporting - Peoples

Year 2018 ▾

LIURP data successfully saved

Report Year: 2018

LIURP

Bottom

Sections

Description

Value

Collection

13. Program Costs (\$)/Actual Spending for the Year Just Completed

\$1,294,769.00

LIURP

14. Number of Household Members Under Age 18

1.27

CAP

15. Number of Household Members Over Age 62

0.35

CARES

16. Household Size

3.04

Hardship Funds

17. Income (\$)

\$16,578.00

18. Source of Income

Employment

61.00

Public Assistance

5.00

Pension/Retirement

39.00

Unemployment Compensation

1.00

Disability

55.00

Other (includes Missing Data)

7.00

19. Participation Levels By Month (#) - Reporting Year

Heating Jobs

January

24.00

February

11.00

March

17.00

April

10.00

May

14.00

June

8.00

July

8.00

August

18.00

September

13.00

October

9.00

November

16.00

December

20.00

Water Heating Jobs

January

0.00

February

0.00

March

0.00

April

0.00

Contact BCS

Sign Off

	May	0.00
	June	0.00
	July	0.00
	August	0.00
	September	0.00
	October	0.00
	November	0.00
	December	0.00
	Baseload Jobs	
	January	0.00
	February	0.00
	March	0.00
	April	0.00
	May	0.00
	June	0.00
	July	0.00
	August	0.00
	September	0.00
	October	0.00
	November	0.00
	December	0.00
20. Projected Spending for Current Year - (\$)		\$1,305,231.00
21. Projected Annual Production Number (#) - Current Year		
	Heating Jobs	169.00
	Water Heating Jobs	0.00
	Baseload Jobs	0.00
22. Average Job Costs (\$)		
	Heating Jobs	\$6,301.00
	Water Heating Jobs	\$0.00
	Baseload Jobs	\$0.00
22.A. Source of Intake		
	Distribution Company	148.00
	Community-Based Organization	19.00
	Other	1.00
22.B. Participants in Multiple Programs		
	LIURP and CAP	161.00
	LIURP and CARES	0.00
	LIURP and Hardship Fund	1.00
	LIURP, CAP and CARES	0.00
	LIURP, CAP and Hardship Fund	6.00
	LIURP, CARES and Hardship Fund	0.00

SAVE



Pennsylvania Public Utility Commission

Universal Service Reporting Version 2.5

LIURP Reporting - Peoples-Equitable

Year 2018 ▾

LIURP data successfully saved

Sections

Report Year: 2018

LIURP

Bottom

Collection

LIURP

CAP

CARES

Hardship Funds

Contact BCS

Sign Off

Value

Description	Value
13. Program Costs (\$)/Actual Spending for the Year Just Completed	\$791,077.00
14. Number of Household Members Under Age 18	1.27
15. Number of Household Members Over Age 62	.34
16. Household Size	2.98
17. Income (\$)	\$16,063.00
18. Source of Income	
Employment	38.00
Public Assistance	6.00
Pension/Retirement	31.00
Unemployment Compensation	1.00
Disability	17.00
Other (includes Missing Data)	7.00
19. Participation Levels By Month (#) - Reporting Year	
Heating Jobs	
January	7.00
February	9.00
March	4.00
April	11.00
May	14.00
June	9.00
July	3.00
August	5.00
September	6.00
October	10.00
November	10.00
December	12.00
Water Heating Jobs	
January	.00
February	.00
March	.00
April	.00

	May	.00
	June	.00
	July	.00
	August	.00
	September	.00
	October	.00
	November	.00
	December	.00
	Baseload Jobs	
	January	.00
	February	.00
	March	.00
	April	.00
	May	.00
	June	.00
	July	.00
	August	.00
	September	.00
	October	.00
	November	.00
	December	.00
20. Projected Spending for Current Year - (\$)		\$808,923.00
21. Projected Annual Production Number (#) - Current Year		
	Heating Jobs	102.00
	Water Heating Jobs	.00
	Baseload Jobs	.00
22. Average Job Costs (\$)		
	Heating Jobs	\$6,486.00
	Water Heating Jobs	\$.00
	Baseload Jobs	\$.00
22.A. Source of Intake		
	Distribution Company	100.00
	Community-Based Organization	.00
	Other	.00
22.B. Participants in Multiple Programs		
	LIURP and CAP	97.00
	LIURP and CARES	.00
	LIURP and Hardship Fund	.00
	LIURP, CAP and CARES	1.00
	LIURP, CAP and Hardship Fund	2.00
	LIURP, CARES and Hardship Fund	0.00

3/27/2019

CAUSE-PA Statement No. 1

Appendix B

Licrp

CAUSE PA-III-5

LIURP, CAP, CARES and Hardship Fund

.00

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Pennsylvania Public Utility Commission

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Cares Reporting - Peoples

Year **2018** ▼

Cares data successfully saved

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CARES

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Description

Value

Collection

47. Program Costs (\$)

\$128,834.00

LIURP

48. Number of Household Members Under Age 18

1.94

CAP

49. Number of Household Members Over Age 62

1.12

CARES

50. Household Size

2.18

Hardship Funds

51. Income (\$)

\$16,544.00

52. Source of Income

Employment

75.00

Public Assistance

15.00

Pension/Retirement

161.00

Unemployment Compensation

3.00

Disability

47.00

Other (includes Missing Data)

38.00

53. Participation Levels By Month

January

277.00

February

282.00

March

286.00

April

284.00

May

274.00

June

275.00

July

272.00

August

264.00

September

271.00

October

275.00

November

279.00

December

275.00

54. Energy Assistance Benefits (\$) - LIHEAP Cash Grants
(CARES)

\$49,975.00

55. Energy Assistance Benefits (#) - LIHEAP Cash Grants
(CARES)

219.00

56. Energy Assistance Benefits (\$) - LIHEAP Crisis Grants
(CARES)

\$12,066.00

57. Energy Assistance Benefits (#) - LIHEAP Crisis Grants

40.00

Contact BCS

Sign Off

58. Energy Assistance Benefits (\$) - Outreach Efforts - LIHEAP Cash Grants (Total)	\$7,386,366.00
59. Energy Assistance Benefits (#) - Outreach Efforts - LIHEAP Cash Grants (Total)	31,167.00
60. Energy Assistance Benefits (\$) - Outreach Efforts - LIHEAP Crisis Grants (Total)	\$1,390,494.00
61. Energy Assistance Benefits (#) - Outreach Efforts - LIHEAP Crisis Grants (Total)	4,021.00
62. Direct Dollars Applied to CARES Accounts (\$)	\$70,060.00
63. Direct Dollars Applied to CARES Accounts (#)	276.00
64. CARES Benefits (#) - Number of Customers Referred to CARES	148.00
65. CARES Benefits (#) - Number of Customers Accepted into CARES	60.00
65.A. Source of Intake	
Distribution Company	51.00
Community-Based Organization	8.00
Other	1.00
65.B. Participants in Multiple Programs	
CARES and LIURP	0.00
CARES and CAP	237.00
CARES and Hardship Fund	1.00
CARES, LIURP and CAP	5.00
CARES, LIURP and Hardship Fund	0.00
CARES, CAP and Hardship Fund	26.00
CARES, LIURP, CAP and Hardship Fund	0.00

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Pennsylvania Public Utility Commission

Universal Service Reporting Version 2.5

Cares Reporting - Peoples-Equitable

Year 2018 ▾

Cares data successfully saved

Report Year: 2018

CARES

Bottom

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Description

Value

Collection

47. Program Costs (\$)

\$89,543.00

LIURP

48. Number of Household Members Under Age 18

1.96

CAP

49. Number of Household Members Over Age 62

1.06

CARES

50. Household Size

2.50

Hardship Funds

51. Income (\$)

\$15,546.00

52. Source of Income

Employment

33.00

Public Assistance

13.00

Pension/Retirement

40.00

Unemployment Compensation

1.00

Disability

16.00

Other (includes Missing Data)

18.00

53. Participation Levels By Month

January

90.00

February

89.00

March

93.00

April

94.00

May

102.00

June

105.00

July

105.00

August

110.00

September

105.00

October

103.00

November

103.00

December

101.00

54. Energy Assistance Benefits (\$) - LIHEAP Cash Grants
(CARES)

\$17,672.00

55. Energy Assistance Benefits (#) - LIHEAP Cash Grants
(CARES)

78.00

56. Energy Assistance Benefits (\$) - LIHEAP Crisis Grants
(CARES)

\$8,633.00

57. Energy Assistance Benefits (#) - LIHEAP Crisis Grants

25.00

58. Energy Assistance Benefits (\$) - Outreach Efforts - LIHEAP Cash Grants (Total)	\$5,026,415.00
59. Energy Assistance Benefits (#) - Outreach Efforts - LIHEAP Cash Grants (Total)	21,312.00
60. Energy Assistance Benefits (\$) - Outreach Efforts - LIHEAP Crisis Grants (Total)	\$1,191,884.00
61. Energy Assistance Benefits (#) - Outreach Efforts - LIHEAP Crisis Grants (Total)	3,419.00
62. Direct Dollars Applied to CARES Accounts (\$)	\$29,265.00
63. Direct Dollars Applied to CARES Accounts (#)	109.00
64. CARES Benefits (#) - Number of Customers Referred to CARES	110.00
65. CARES Benefits (#) - Number of Customers Accepted into CARES	46.00
65.A. Source of Intake	
Distribution Company	40.00
Community-Based Organization	6.00
Other	0.00
65.B. Participants in Multiple Programs	
CARES and LIURP	0.00
CARES and CAP	242.00
CARES and Hardship Fund	5.00
CARES, LIURP and CAP	1.00
CARES, LIURP and Hardship Fund	0.00
CARES, CAP and Hardship Fund	30.00
CARES, LIURP, CAP and Hardship Fund	0.00

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Universal Service Reporting Version 2.5

CAP Reporting - Peoples

Year **2018** ▼

Report Year: 2018

CAP

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Description

Value

Collection

23. Program Costs - Administration (\$)

\$678,017.00

LIURP

24. Program Costs - CAP Credits (\$)

\$6,079,891.00

CAP

25. Program Costs - Preprogram Arrearage Forgiveness (\$)

\$2,169,613.00

CARES

Program Costs - CAP Accounts in Arrears - (\$)

26.A. Program Costs - CAP Accounts in Arrears - not on a Payment Agreement (\$)

Hardship Funds

26.B. Program Costs - CAP Accounts in Arrears - on a Payment Agreement (\$)

Program Costs - CAP Accounts in Arrears - (#)

Contact BCS

27.A. Program Costs - CAP Accounts in Arrears - not on a Payment Agreement (#)

Sign Off

27.B. Program Costs - CAP Accounts in Arrears - on a Payment Agreement (#)

28. Number of Household Members Under Age 18

2.03

29. Number of Household Members Over Age 62

1.11

30. Household Size

2.49

31. Income (\$)

\$16,003.00

32. Source of Income

Employment

7,387.00

Public Assistance

766.00

Pension/Retirement

8,184.00

Unemployment Compensation

442.00

Disability

3,063.00

Other (includes Missing Data)

3,253.00

Participation Levels By Month

33. Income at or below 50% of Poverty (#)

January

3,853.00

February

3,887.00

March

3,921.00

April

3,938.00

May

3,928.00

June

3,888.00

July

3,805.00

August

3,767.00

	September	3,695.00
	October	3,696.00
	November	3,781.00
	December	3,894.00
34. Income between 51% and 100% of Poverty (#)		
	January	8,251.00
	February	8,335.00
	March	8,306.00
	April	8,264.00
	May	8,166.00
	June	7,967.00
	July	7,759.00
	August	7,631.00
	September	7,545.00
	October	7,483.00
	November	7,632.00
	December	7,870.00
35. Income between 101% and 150% of Poverty (#)		
	January	5,797.00
	February	5,895.00
	March	5,897.00
	April	5,878.00
	May	5,823.00
	June	5,685.00
	July	5,574.00
	August	5,510.00
	September	5,435.00
	October	5,430.00
	November	5,489.00
	December	5,661.00
36. Participation Levels : Default Exits - Income at or below 50% of Poverty (#)		884.00
37. Participation Levels : Default Exits - Income between 51% and 100% of Poverty (#)		1,357.00
38. Participation Levels : Default Exits - Income between 101% and 150% of Poverty (#)		1,917.00
39. Participation Levels : Exits other than Defaults (#)		2,113.00
40. Energy Assistance Benefits (\$)		\$3,826,517.00
41. Energy Assistance Benefits (#)		10,425.00
42. Number of Full CAP Payments by Month		
	January	9,004.00

	February	8,753.00
	March	9,687.00
	April	9,465.00
	May	9,334.00
	June	8,254.00
	July	7,706.00
	August	7,954.00
	September	7,108.00
	October	7,722.00
	November	8,293.00
	December	7,964.00
43. Total Annual CAP Billed Amount - (used to calculate Average CAP Bills) (\$)		\$17,132,314.00
44. Total Number of CAP Bills Rendered by Month (#)		
	January	19,491.00
	February	17,661.00
	March	18,311.00
	April	18,975.00
	May	17,788.00
	June	18,595.00
	July	18,021.00
	August	21,164.00
	September	15,107.00
	October	20,349.00
	November	15,888.00
	December	16,192.00
45. Total Cash Payments by CAP Customers (\$)		\$11,584,604.00
46. Number of Full, On-Time Payments (#)		90,710.00
46.A. Source of Intake		
	Distribution Company	25,182.00
	Community-Based Organization	.00
	Other	.00
46.B. Participants in Multiple Programs		
	CAP and LIURP	161.00
	CAP and CARES	237.00
	CAP and Hardship Fund	1,231.00
	CAP, LIURP and CARES	5.00
	CAP, LIURP and Hardship Fund	11.00
	CAP, CARES and Hardship Fund	26.00
	LIURP, CAP, CARES and Hardship Fund	.00

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Pennsylvania Public Utility Commission

Universal Service Reporting Version 2.5

CAP Reporting - Peoples-Equitable

Year **2018** ▼

CAP data successfully saved

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Collection

Description

Value

LIURP

23. Program Costs - Administration (\$)

\$317,607.00

CAP

24. Program Costs - CAP Credits (\$)

\$5,182,591.00

CARES

25. Program Costs - Preprogram Arrearage Forgiveness (\$)

\$1,203,179.00

Hardship Funds

Program Costs - CAP Accounts in Arrears - (\$)

26.A. Program Costs - CAP Accounts in Arrears - not on a Payment Agreement (\$)

26.B. Program Costs - CAP Accounts in Arrears - on a Payment Agreement (\$)

Program Costs - CAP Accounts in Arrears - (#)

27.A. Program Costs - CAP Accounts in Arrears - not on a Payment Agreement (#)

27.B. Program Costs - CAP Accounts in Arrears - on a Payment Agreement (#)

28. Number of Household Members Under Age 18

2.06

29. Number of Household Members Over Age 62

1.07

30. Household Size

2.43

31. Income (\$)

\$14,409.00

32. Source of Income

Employment

5,147.00

Public Assistance

796.00

Pension/Retirement

5,104.00

Unemployment Compensation

339.00

Disability

2,670.00

Other (Includes Missing Data)

2,495.00

Participation Levels By Month

33. Income at or below 50% of Poverty (#)

January

3,576.00

February

3,591.00

March

3,629.00

April

3,714.00

May

3,724.00

June

3,649.00

July

3,600.00

August

		3,606.00
	September	3,558.00
	October	3,513.00
	November	3,572.00
	December	3,642.00
34. Income between 51% and 100% of Poverty (#)		
	January	6,282.00
	February	6,333.00
	March	6,338.00
	April	6,361.00
	May	6,328.00
	June	6,207.00
	July	6,082.00
	August	6,007.00
	September	5,907.00
	October	5,868.00
	November	5,945.00
	December	6,075.00
35. Income between 101% and 150% of Poverty (#)		
	January	3,346.00
	February	3,405.00
	March	3,442.00
	April	4,503.00
	May	3,544.00
	June	3,451.00
	July	3,394.00
	August	3,345.00
	September	3,303.00
	October	3,318.00
	November	3,381.00
	December	3,477.00
36. Participation Levels : Default Exits - Income at or below 50% of Poverty (#)		838.00
37. Participation Levels : Default Exits - Income between 51% and 100% of Poverty (#)		1,000.00
38. Participation Levels : Default Exits - Income between 101% and 150% of Poverty (#)		1,917.00
39. Participation Levels : Exits other than Defaults (#)		1,333.00
40. Energy Assistance Benefits (\$)		\$2,758,710.00
41. Energy Assistance Benefits (#)		7,271.00
42. Number of Full CAP Payments by Month		

January	5,968.00
February	5,880.00
March	6,513.00
April	6,558.00
May	6,506.00
June	5,697.00
July	5,572.00
August	5,481.00
September	5,066.00
October	5,305.00
November	5,334.00
December	5,653.00

43. Total Annual CAP Billed Amount - (used to calculate Average CAP Bills) (\$) **\$12,362,274.00**

44. Total Number of CAP Bills Rendered by Month (#)

January	14,276.00
February	12,902.00
March	13,790.00
April	13,850.00
May	14,863.00
June	14,069.00
July	13,306.00
August	15,102.00
September	12,458.00
October	14,550.00
November	12,187.00
December	12,609.00

45. Total Cash Payments by CAP Customers (\$) **\$8,124,596.00**

46. Number of Full, On-Time Payments (#) **61,930.00**

46.A. Source of Intake

Distribution Company	20,258.00
Community-Based Organization	0.00
Other	0.00

46.B. Participants in Multiple Programs

CAP and LIURP	97.00
CAP and CARES	242.00
CAP and Hardship Fund	1,048.00
CAP, LIURP and CARES	1.00
CAP, LIURP and Hardship Fund	6.00
CAP, CARES and Hardship Fund	30.00
LIURP, CAP, CARES and Hardship Fund	0.00

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Pennsylvania Public Utility Commission

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Hardship Reporting - Peoples

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Hardship data successfully saved

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Hardship Funds

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LIURP

CAP

CARES

Hardship Funds

Contact BCS

Sign Off

Description

Value

66. Program Costs (Administrative Costs Only)

Administrative Costs from Rate Base (\$) \$0.00

Administrative Costs from Shareholders (\$) \$110,000.00

67. Number of Household Members Under Age 18 1.17

68. Number of Household Members Over Age 62 .26

69. Household Size 2.71

70. Income (\$) \$1,710.00

71. Source of Income

Employment 1,419.00

Public Assistance 38.00

Pension/Retirement 617.00

Unemployment Compensation 69.00

Disability 559.00

Other (Includes Missing Data) 352.00

72. Participation Levels By Month (#)

November 193.00

December 15.00

January 9.00

February 11.00

March 581.00

April 1,188.00

May 34.00

June .00

July .00

August 1.00

September .00

October 1,022.00

73. Ratepayer/Employee Contributions (\$) \$234,752.00

74. Special Contributions (\$)

Citizens Energy Corporation \$0.00

Companies Other Than Utilities

		\$.00
	Settlements and Fines	\$.00
	Other	\$.00
75.	Utility Contributions (\$) - Initial grant (excluding admin. \$ and grants dependent on ratepayer match)	\$550,000.00
76.	Utility Contributions (\$) - (excluding #66 and #75)	\$550,000.00
77.	Utility Contributions (\$) - (dependent upon a match from customer contributions)	\$.00
78.	Outreach Contacts (Name of Agency, Address and Telephone # by County) - This is a seperate list	
	Hardship Fund Benefits	
	79. Cash Benefits (#)	3,054.00
	80. Cash Benefits (\$)	\$1,100,000.00
	80.A. Source of Intake	
	Distribution Company	3,054.00
	Community-Based Organization	.00
	Other	.00
	80.B. Participants in Multiple Programs	
	Hardship Fund and LIURP	1.00
	Hardship Fund and CAP	2,279.00
	Hardship Fund and CARES	6.00
	Hardship Fund, LIURP and CAP	8.00
	Hardship Fund, LIURP and CARES	.00
	Hardship Fund, CARES and CAP	56.00
	Hardship Fund, LIURP, CAP and CARES	.00
		<u>Top</u>

SAVE

USR = 30 DAY REQ		
PNG USR COLLECTIONS DATA/ DATA ENTRY REQUIREMENTS		2018
	All Residential	Conf Low Income
1. Total Number of Payment Arrangements	24,992	12,450
2. Total Number of Successful Payment Arrangements	35,118	16,560
3. Annual Collection Operating Expenses	\$ 2,225,302.66	\$ 578,578.69
4. Total \$\$ amount of Gross Residential Write Offs	\$ 7,957,830.05	\$ 2,069,035.81
5. Total \$\$ amount of Net Residential Write Offs	\$ 7,084,041.21	\$ 1,982,249.99
6. Total # of Residential Customers by Month		
January	336,012	28,591
February	336,201	28,918
March	336,279	29,291
April	335,889	29,653
May	334,214	29,340
June	333,335	28,732
July	332,911	28,140
August	333,091	26,964
September	332,881	26,578
October	334,528	26,533
November	335,792	27,008
December	336,343	27,588
7A. Total Number of Residential Accounts in Arrears on a Pmt Agree. -		
January	13,569	1,077
February	13,168	1,066
March	11,817	1,076
April	9,328	1,069
May	9,202	1,004
June	10,027	1,061
July	10,802	1,062
August	10,932	970
September	10,827	1,013
October	10,716	1,018
November	10,883	998
December	12,447	1,052
7B. Total Number of Residential Accounts in Arrears NOT on a Pmt Agree. -		
January	20,119	1,241
February	21,208	1,384
March	21,482	1,507
April	13,911	1,465
May	13,681	1,273
June	14,944	1,270
July	15,740	1,086
August	15,490	752
September	17,040	747
October	15,828	721
November	16,552	703

PNG USR COLLECTIONS DATA/ DATA ENTRY REQUIREMENTS		2018	
	December	22,596	929
8A. Total \$\$ of Residential Accounts in Arrears on a Pmt Agree. -			
	January	\$ 4,852,895.31	\$ 387,277.20
	February	\$ 5,172,387.05	\$ 417,942.62
	March	\$ 4,865,936.53	\$ 440,966.15
	April	\$ 3,150,459.03	\$ 406,389.90
	May	\$ 2,508,540.88	\$ 296,585.15
	June	\$ 2,440,428.66	\$ 263,803.57
	July	\$ 2,544,057.51	\$ 212,911.73
	August	\$ 2,612,228.37	\$ 208,299.62
	September	\$ 2,777,272.33	\$ 227,722.66
	October	\$ 3,081,741.63	\$ 257,762.55
	November	\$ 3,444,982.20	\$ 305,099.80
	December	\$ 4,459,087.33	\$ 373,660.57
8B. Total \$\$ of Residential Accounts in Arrears NOT on a Pmt Agree. -			
	January	\$ 9,463,374.76	\$ 751,969.82
	February	\$ 11,608,239.02	\$ 922,859.57
	March	\$ 12,201,798.34	\$ 1,025,353.35
	April	\$ 7,580,277.63	\$ 1,022,941.06
	May	\$ 5,995,190.98	\$ 762,351.66
	June	\$ 5,201,039.01	\$ 614,208.04
	July	\$ 4,600,876.78	\$ 457,649.58
	August	\$ 3,722,986.28	\$ 280,933.78
	September	\$ 3,542,983.07	\$ 250,658.95
	October	\$ 3,479,217.96	\$ 253,487.56
	November	\$ 4,141,496.95	\$ 263,289.15
	December	\$ 6,826,640.65	\$ 369,670.86
9. Total Number of Residential Customers who are payment troubled -			
	January	14,685	6,689
	February	14,463	6,528
	March	10,196	4,344
	April	9,457	4,678
	May	10,126	5,013
	June	10,587	5,342
	July	11,277	5,679
	August	11,609	5,794
	September	11,249	5,628
	October	11,739	6,039
	November	11,940	6,100
	December	10,908	5,505
10. Total Number of Terminations			
	January	0	0
	February	0	0
	March	0	0
	April	1,553	198

PNG USR COLLECTIONS DATA/ DATA ENTRY REQUIREMENTS		2018	
	May	2,171	305
	June	1,592	233
	July	1,115	277
	August	1,100	228
	September	833	155
	October	489	96
	November	247	62
	December	0	0
11. Total Number of Reconnections - TOSS			
	January	62	1
	February	17	0
	March	12	0
	April	695	124
	May	1,150	196
	June	814	153
	July	752	158
	August	648	172
	September	678	121
	October	1,024	121
	November	642	89
	December	164	10
12A Total Number of Low Income Households -		77,002	
12B Annual Residential Revenues -		\$ 315,638,062.98	\$ 26,829,235.35

USR = 30 DAY REQ	All Residential	Conf Low Income
EGCP USR COLLECTIONS DATA/ DATA ENTRY REQUIREMENTS		
	2018	
1. Total Number of Payment Arrangements	18,539	8,720
2. Total Number of Successful Payment Arrangements	22,056	10,342
3. Annual Collection Operating Expenses	\$ 1,631,758.86	\$ 293,716.59
4. Total \$\$ amount of Gross Residential Write Offs	\$ 5,143,393.98	\$ 925,810.92
5. Total \$\$ amount of Net Residential Write Offs	\$ 4,631,104.40	\$ 1,189,175.30
6. Total # of Residential Customers by Month		
January	249,681	20,539
February	249,776	20,811
March	249,782	21,102
April	249,422	21,469
May	247,977	21,431
June	247,268	20,960
July	246,901	20,554
August	246,885	19,712
September	246,695	19,453
October	247,968	19,381
November	249,067	19,589
December	249,475	19,861
7A. Total Number of Residential Accounts in Arrears on a Pmt Agree. -		
January	8,268	696
February	8,067	733
March	7,280	734
April	5,509	703
May	5,659	664
June	6,565	680
July	7,203	691
August	7,352	673
September	7,298	706
October	7,182	683
November	7,267	637
December	8,673	696
7B. Total Number of Residential Accounts in Arrears NOT on a Pmt Agree. -		
January	16,549	934
February	17,079	1,083
March	17,011	1,150
April	10,635	1,105
May	10,107	932
June	11,771	920
July	12,051	789
August	12,387	527
September	14,037	545
October	13,248	545
November	13,928	541
December	18,984	692
8A. Total \$\$ of Residential Accounts in Arrears on a Pmt Agree. -		
January	\$ 2,949,460.23	\$ 233,520.67
February	\$ 3,201,098.41	\$ 272,656.66
March	\$ 3,031,130.77	\$ 275,036.82
April	\$ 1,814,170.79	\$ 220,219.14

USR = 30 DAY REQ	All Residential	Conf Low Income
EGCP USR COLLECTIONS DATA/ DATA ENTRY REQUIREMENTS		
	2018	
May	\$ 1,327,253.46	\$ 174,000.65
June	\$ 1,354,847.63	\$ 132,665.46
July	\$ 1,480,606.73	\$ 114,856.95
August	\$ 1,603,637.79	\$ 114,553.03
September	\$ 1,759,008.53	\$ 141,799.33
October	\$ 2,047,683.17	\$ 164,012.87
November	\$ 2,285,796.88	\$ 193,058.28
December	\$ 3,133,295.82	\$ 249,483.75
8B. Total \$\$ of Residential Accounts in Arrears NOT on a Pmt Agree. -		
January	\$ 7,102,324.27	\$ 437,191.83
February	\$ 8,704,942.32	\$ 599,966.53
March	\$ 8,854,826.66	\$ 677,113.76
April	\$ 5,082,736.43	\$ 664,589.16
May	\$ 3,720,097.13	\$ 476,153.37
June	\$ 3,202,162.56	\$ 358,726.56
July	\$ 2,640,326.00	\$ 228,978.34
August	\$ 2,256,675.44	\$ 151,522.81
September	\$ 2,203,988.82	\$ 133,022.33
October	\$ 2,184,449.75	\$ 136,055.69
November	\$ 2,748,810.33	\$ 163,501.00
December	\$ 4,885,722.36	\$ 239,207.30
9. Total Number of Residential Customers who are payment troubled -		
January	9,342	4,440
February	9,230	4,325
March	6,945	3,124
April	6,742	3,547
May	7,256	3,666
June	7,331	3,768
July	8,307	4,276
August	8,545	4,350
September	8,145	4,147
October	8,498	4,402
November	8,446	4,431
December	8,311	4,332
10. Total Number of Terminations - TOSS		
January	0	0
February	0	0
March	0	0
April	1,318	153
May	2,021	278
June	1,459	236
July	1,142	286
August	895	236
September	778	182
October	499	117
November	369	114
December	0	0
11. Total Number of Reconnections - TOSS		
January	69	5

USR = 30 DAY REQ	All Residential	Conf Low Income
EGCP USR COLLECTIONS DATA/ DATA ENTRY REQUIREMENTS		
	2018	
February	13	0
March	10	1
April	503	90
May	977	183
June	902	179
July	709	158
August	587	180
September	600	124
October	905	133
November	640	123
December	140	5
12A Total Number of Low Income Households -	54,650	
12B Annual Residential Revenues -	\$ 230,033,115.37	\$ 19,092,748.58



Pennsylvania Public Utility Commission

Universal Service Reporting Version 2.5

LIURP Reporting - Peoples

Year 2018 ▾

LIURP data successfully saved

Report Year: 2018

LIURP

Bottom

Sections

Description

Value

Collection

13. Program Costs (\$)/Actual Spending for the Year Just Completed

\$1,294,769.00

LIURP

14. Number of Household Members Under Age 18

1.27

CAP

15. Number of Household Members Over Age 62

0.35

CARES

16. Household Size

3.04

Hardship Funds

17. Income (\$)

\$16,578.00

18. Source of Income

Employment

61.00

Public Assistance

5.00

Pension/Retirement

39.00

Unemployment Compensation

1.00

Disability

55.00

Other (includes Missing Data)

7.00

19. Participation Levels By Month (#) - Reporting Year

Heating Jobs

January

24.00

February

11.00

March

17.00

April

10.00

May

14.00

June

8.00

July

8.00

August

18.00

September

13.00

October

9.00

November

16.00

December

20.00

Water Heating Jobs

January

0.00

February

0.00

March

0.00

April

0.00

Contact BCS

Sign Off

	May	0.00
	June	0.00
	July	0.00
	August	0.00
	September	0.00
	October	0.00
	November	0.00
	December	0.00
	Baseload Jobs	
	January	0.00
	February	0.00
	March	0.00
	April	0.00
	May	0.00
	June	0.00
	July	0.00
	August	0.00
	September	0.00
	October	0.00
	November	0.00
	December	0.00
	20. Projected Spending for Current Year - (\$)	\$1,305,231.00
	21. Projected Annual Production Number (#) - Current Year	
	Heating Jobs	169.00
	Water Heating Jobs	0.00
	Baseload Jobs	0.00
	22. Average Job Costs (\$)	
	Heating Jobs	\$6,301.00
	Water Heating Jobs	\$0.00
	Baseload Jobs	\$0.00
	22.A. Source of Intake	
	Distribution Company	148.00
	Community-Based Organization	19.00
	Other	1.00
	22.B. Participants in Multiple Programs	
	LIURP and CAP	161.00
	LIURP and CARES	0.00
	LIURP and Hardship Fund	1.00
	LIURP, CAP and CARES	0.00
	LIURP, CAP and Hardship Fund	6.00
	LIURP, CARES and Hardship Fund	0.00

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Pennsylvania Public Utility Commission

Universal Service Reporting Version 2.5

LIURP Reporting - Peoples-Equitable

Year 2018 ▾

Report Year: 2018

LIURP data successfully saved

Sections

Collection

LIURP

CAP

CARES

Hardship Funds

Contact BCS

Sign Off

Description	LIURP	Bottom Value
13. Program Costs (\$)/Actual Spending for the Year Just Completed		\$791,077.00
14. Number of Household Members Under Age 18		1.27
15. Number of Household Members Over Age 62		.34
16. Household Size		2.98
17. Income (\$)		\$16,063.00
18. Source of Income		
Employment		38.00
Public Assistance		6.00
Pension/Retirement		31.00
Unemployment Compensation		1.00
Disability		17.00
Other (includes Missing Data)		7.00
19. Participation Levels By Month (#) - Reporting Year		
Heating Jobs		
January		7.00
February		9.00
March		4.00
April		11.00
May		14.00
June		9.00
July		3.00
August		5.00
September		6.00
October		10.00
November		10.00
December		12.00
Water Heating Jobs		
January		.00
February		.00
March		.00
April		.00

May	.00
June	.00
July	.00
August	.00
September	.00
October	.00
November	.00
December	.00
Baseload Jobs	
January	.00
February	.00
March	.00
April	.00
May	.00
June	.00
July	.00
August	.00
September	.00
October	.00
November	.00
December	.00
20. Projected Spending for Current Year - (\$)	\$808,923.00
21. Projected Annual Production Number (#) - Current Year	
Heating Jobs	102.00
Water Heating Jobs	.00
Baseload Jobs	.00
22. Average Job Costs (\$)	
Heating Jobs	\$6,486.00
Water Heating Jobs	\$.00
Baseload Jobs	\$.00
22.A. Source of Intake	
Distribution Company	100.00
Community-Based Organization	.00
Other	.00
22.B. Participants in Multiple Programs	
LIURP and CAP	97.00
LIURP and CARES	.00
LIURP and Hardship Fund	.00
LIURP, CAP and CARES	1.00
LIURP, CAP and Hardship Fund	2.00
LIURP, CARES and Hardship Fund	0.00

3/27/2019

CAUSE-PA Statement No. 1

Appendix B

Licrp

CAUSE PA-III-5

LIURP, CAP, CARES and Hardship Fund

.00

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SAVE



Pennsylvania Public Utility Commission

Universal Service Reporting Version 2.5

Cares Reporting - Peoples

Year **2018** ▼

Cares data successfully saved

Report Year: 2018

CARES

Bottom

0 Sections

Description

Value

Collection

47. Program Costs (\$)

\$128,834.00

LIURP

48. Number of Household Members Under Age 18

1.94

CAP

49. Number of Household Members Over Age 62

1.12

CARES

50. Household Size

2.18

Hardship Funds

51. Income (\$)

\$16,544.00

52. Source of Income

Employment

75.00

Public Assistance

15.00

Pension/Retirement

161.00

Unemployment Compensation

3.00

Disability

47.00

Other (includes Missing Data)

38.00

53. Participation Levels By Month

January

277.00

February

282.00

March

286.00

April

284.00

May

274.00

June

275.00

July

272.00

August

264.00

September

271.00

October

275.00

November

279.00

December

275.00

54. Energy Assistance Benefits (\$) - LIHEAP Cash Grants
(CARES)

\$49,975.00

55. Energy Assistance Benefits (#) - LIHEAP Cash Grants
(CARES)

219.00

56. Energy Assistance Benefits (\$) - LIHEAP Crisis Grants
(CARES)

\$12,066.00

57. Energy Assistance Benefits (#) - LIHEAP Crisis Grants

40.00

Contact BCS

Sign Off

58. Energy Assistance Benefits (\$) - Outreach Efforts - LIHEAP Cash Grants (Total)	\$7,386,366.00
59. Energy Assistance Benefits (#) - Outreach Efforts - LIHEAP Cash Grants (Total)	31,167.00
60. Energy Assistance Benefits (\$) - Outreach Efforts - LIHEAP Crisis Grants (Total)	\$1,390,494.00
61. Energy Assistance Benefits (#) - Outreach Efforts - LIHEAP Crisis Grants (Total)	4,021.00
62. Direct Dollars Applied to CARES Accounts (\$)	\$70,060.00
63. Direct Dollars Applied to CARES Accounts (#)	276.00
64. CARES Benefits (#) - Number of Customers Referred to CARES	148.00
65. CARES Benefits (#) - Number of Customers Accepted into CARES	60.00
65.A. Source of Intake	
Distribution Company	51.00
Community-Based Organization	8.00
Other	1.00
65.B. Participants in Multiple Programs	
CARES and LIURP	0.00
CARES and CAP	237.00
CARES and Hardship Fund	1.00
CARES, LIURP and CAP	5.00
CARES, LIURP and Hardship Fund	0.00
CARES, CAP and Hardship Fund	26.00
CARES, LIURP, CAP and Hardship Fund	0.00

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SAVE



Pennsylvania Public Utility Commission

Universal Service Reporting Version 2.5

Cares Reporting - Peoples-Equitable

Year 2018 ▾

Cares data successfully saved

Report Year: 2018

CARES

Bottom

0 Sections

Description

Value

Collection

47. Program Costs (\$)

\$89,543.00

LIURP

48. Number of Household Members Under Age 18

1.96

CAP

49. Number of Household Members Over Age 62

1.06

CARES

50. Household Size

2.50

Hardship Funds

51. Income (\$)

\$15,546.00

52. Source of Income

Employment

33.00

Public Assistance

13.00

Pension/Retirement

40.00

Unemployment Compensation

1.00

Disability

16.00

Other (includes Missing Data)

18.00

53. Participation Levels By Month

January

90.00

February

89.00

March

93.00

April

94.00

May

102.00

June

105.00

July

105.00

August

110.00

September

105.00

October

103.00

November

103.00

December

101.00

54. Energy Assistance Benefits (\$) - LIHEAP Cash Grants (CARES)

\$17,672.00

55. Energy Assistance Benefits (#) - LIHEAP Cash Grants (CARES)

78.00

56. Energy Assistance Benefits (\$) - LIHEAP Crisis Grants (CARES)

\$8,633.00

57. Energy Assistance Benefits (#) - LIHEAP Crisis Grants

25.00

58. Energy Assistance Benefits (\$) - Outreach Efforts - LIHEAP Cash Grants (Total)	\$5,026,415.00
59. Energy Assistance Benefits (#) - Outreach Efforts - LIHEAP Cash Grants (Total)	21,312.00
60. Energy Assistance Benefits (\$) - Outreach Efforts - LIHEAP Crisis Grants (Total)	\$1,191,884.00
61. Energy Assistance Benefits (#) - Outreach Efforts - LIHEAP Crisis Grants (Total)	3,419.00
62. Direct Dollars Applied to CARES Accounts (\$)	\$29,265.00
63. Direct Dollars Applied to CARES Accounts (#)	109.00
64. CARES Benefits (#) - Number of Customers Referred to CARES	110.00
65. CARES Benefits (#) - Number of Customers Accepted into CARES	46.00
65.A. Source of Intake	
Distribution Company	40.00
Community-Based Organization	6.00
Other	0.00
65.B. Participants in Multiple Programs	
CARES and LIURP	0.00
CARES and CAP	242.00
CARES and Hardship Fund	5.00
CARES, LIURP and CAP	1.00
CARES, LIURP and Hardship Fund	0.00
CARES, CAP and Hardship Fund	30.00
CARES, LIURP, CAP and Hardship Fund	0.00

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SAVE



Universal Service Reporting Version 2.5

CAP Reporting - Peoples

Year **2018** ▼

Report Year: 2018

CAP

Bottom

0 Sections

Description

Value

Collection

23. Program Costs - Administration (\$)

\$678,017.00

LIURP

24. Program Costs - CAP Credits (\$)

\$6,079,891.00

CAP

25. Program Costs - Preprogram Arrearage Forgiveness (\$)

\$2,169,613.00

CARES

Program Costs - CAP Accounts in Arrears - (\$)

26.A. Program Costs - CAP Accounts in Arrears - not on a Payment Agreement (\$)

Hardship Funds

26.B. Program Costs - CAP Accounts in Arrears - on a Payment Agreement (\$)

Program Costs - CAP Accounts in Arrears - (#)

Contact BCS

27.A. Program Costs - CAP Accounts in Arrears - not on a Payment Agreement (#)

Sign Off

27.B. Program Costs - CAP Accounts in Arrears - on a Payment Agreement (#)

28. Number of Household Members Under Age 18

2.03

29. Number of Household Members Over Age 62

1.11

30. Household Size

2.49

31. Income (\$)

\$16,003.00

32. Source of Income

Employment

7,387.00

Public Assistance

766.00

Pension/Retirement

8,184.00

Unemployment Compensation

442.00

Disability

3,063.00

Other (includes Missing Data)

3,253.00

Participation Levels By Month

33. Income at or below 50% of Poverty (#)

January

3,853.00

February

3,887.00

March

3,921.00

April

3,938.00

May

3,928.00

June

3,888.00

July

3,805.00

August

3,767.00

	September	3,695.00
	October	3,696.00
	November	3,781.00
	December	3,894.00
34. Income between 51% and 100% of Poverty (#)		
	January	8,251.00
	February	8,335.00
	March	8,306.00
	April	8,264.00
	May	8,166.00
	June	7,967.00
	July	7,759.00
	August	7,631.00
	September	7,545.00
	October	7,483.00
	November	7,632.00
	December	7,870.00
35. Income between 101% and 150% of Poverty (#)		
	January	5,797.00
	February	5,895.00
	March	5,897.00
	April	5,878.00
	May	5,823.00
	June	5,685.00
	July	5,574.00
	August	5,510.00
	September	5,435.00
	October	5,430.00
	November	5,489.00
	December	5,661.00
36. Participation Levels : Default Exits - Income at or below 50% of Poverty (#)		884.00
37. Participation Levels : Default Exits - Income between 51% and 100% of Poverty (#)		1,357.00
38. Participation Levels : Default Exits - Income between 101% and 150% of Poverty (#)		1,917.00
39. Participation Levels : Exits other than Defaults (#)		2,113.00
40. Energy Assistance Benefits (\$)		\$3,826,517.00
41. Energy Assistance Benefits (#)		10,425.00
42. Number of Full CAP Payments by Month		
	January	9,004.00

	February	8,753.00
	March	9,687.00
	April	9,465.00
	May	9,334.00
	June	8,254.00
	July	7,706.00
	August	7,954.00
	September	7,108.00
	October	7,722.00
	November	8,293.00
	December	7,964.00
43. Total Annual CAP Billed Amount - (used to calculate Average CAP Bills) (\$)		\$17,132,314.00
44. Total Number of CAP Bills Rendered by Month (#)		
	January	19,491.00
	February	17,661.00
	March	18,311.00
	April	18,975.00
	May	17,788.00
	June	18,595.00
	July	18,021.00
	August	21,164.00
	September	15,107.00
	October	20,349.00
	November	15,888.00
	December	16,192.00
45. Total Cash Payments by CAP Customers (\$)		\$11,584,604.00
46. Number of Full, On-Time Payments (#)		90,710.00
46.A. Source of Intake		
	Distribution Company	25,182.00
	Community-Based Organization	.00
	Other	.00
46.B. Participants in Multiple Programs		
	CAP and LIURP	161.00
	CAP and CARES	237.00
	CAP and Hardship Fund	1,231.00
	CAP, LIURP and CARES	5.00
	CAP, LIURP and Hardship Fund	11.00
	CAP, CARES and Hardship Fund	26.00
	LIURP, CAP, CARES and Hardship Fund	.00

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Pennsylvania Public Utility Commission

Universal Service Reporting Version 2.5

CAP Reporting - Peoples-Equitable

Year **2018** ▼

CAP data successfully saved

Sections

Report Year: 2018

CAP

Bottom

Value

<u>Collection</u>	Description	Value
	23. Program Costs - Administration (\$)	\$317,607.00
<u>LIURP</u>	24. Program Costs - CAP Credits (\$)	\$5,182,591.00
<u>CAP</u>	25. Program Costs - Preprogram Arrearage Forgiveness (\$)	\$1,203,179.00
<u>CARES</u>	Program Costs - CAP Accounts in Arrears - (\$)	
	26.A. Program Costs - CAP Accounts in Arrears - not on a Payment Agreement (\$)	
<u>Hardship Funds</u>	26.B. Program Costs - CAP Accounts in Arrears - on a Payment Agreement (\$)	
	Program Costs - CAP Accounts in Arrears - (#)	
<u>Contact BCS</u>	27.A. Program Costs - CAP Accounts in Arrears - not on a Payment Agreement (#)	
<u>Sign Off</u>	27.B. Program Costs - CAP Accounts in Arrears - on a Payment Agreement (#)	
	28. Number of Household Members Under Age 18	2.06
	29. Number of Household Members Over Age 62	1.07
	30. Household Size	2.43
	31. Income (\$)	\$14,409.00
	32. Source of Income	
	Employment	5,147.00
	Public Assistance	796.00
	Pension/Retirement	5,104.00
	Unemployment Compensation	339.00
	Disability	2,670.00
	Other (Includes Missing Data)	2,495.00
	Participation Levels By Month	
	33. Income at or below 50% of Poverty (#)	
	January	3,576.00
	February	3,591.00
	March	3,629.00
	April	3,714.00
	May	3,724.00
	June	3,649.00
	July	3,600.00
	August	

		3,606.00
	September	3,558.00
	October	3,513.00
	November	3,572.00
	December	3,642.00
34. Income between 51% and 100% of Poverty (#)		
	January	6,282.00
	February	6,333.00
	March	6,338.00
	April	6,361.00
	May	6,328.00
	June	6,207.00
	July	6,082.00
	August	6,007.00
	September	5,907.00
	October	5,868.00
	November	5,945.00
	December	6,075.00
35. Income between 101% and 150% of Poverty (#)		
	January	3,346.00
	February	3,405.00
	March	3,442.00
	April	4,503.00
	May	3,544.00
	June	3,451.00
	July	3,394.00
	August	3,345.00
	September	3,303.00
	October	3,318.00
	November	3,381.00
	December	3,477.00
36. Participation Levels : Default Exits - Income at or below 50% of Poverty (#)		838.00
37. Participation Levels : Default Exits - Income between 51% and 100% of Poverty (#)		1,000.00
38. Participation Levels : Default Exits - Income between 101% and 150% of Poverty (#)		1,917.00
39. Participation Levels : Exits other than Defaults (#)		1,333.00
40. Energy Assistance Benefits (\$)		\$2,758,710.00
41. Energy Assistance Benefits (#)		7,271.00
42. Number of Full CAP Payments by Month		

January	5,968.00
February	5,880.00
March	6,513.00
April	6,558.00
May	6,506.00
June	5,697.00
July	5,572.00
August	5,481.00
September	5,066.00
October	5,305.00
November	5,334.00
December	5,653.00

43. Total Annual CAP Billed Amount - (used to calculate Average CAP Bills) (\$) **\$12,362,274.00**

44. Total Number of CAP Bills Rendered by Month (#)

January	14,276.00
February	12,902.00
March	13,790.00
April	13,850.00
May	14,863.00
June	14,069.00
July	13,306.00
August	15,102.00
September	12,458.00
October	14,550.00
November	12,187.00
December	12,609.00

45. Total Cash Payments by CAP Customers (\$) **\$8,124,596.00**

46. Number of Full, On-Time Payments (#) **61,930.00**

46.A. Source of Intake

Distribution Company	20,258.00
Community-Based Organization	0.00
Other	0.00

46.B. Participants in Multiple Programs

CAP and LIURP	97.00
CAP and CARES	242.00
CAP and Hardship Fund	1,048.00
CAP, LIURP and CARES	1.00
CAP, LIURP and Hardship Fund	6.00
CAP, CARES and Hardship Fund	30.00
LIURP, CAP, CARES and Hardship Fund	0.00

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Pennsylvania Public Utility Commission

Universal Service Reporting Version 2.5

Hardship Reporting - Peoples

Year **2018** ▼

Hardship data successfully saved

Report Year: 2018

Sections

Hardship Funds

Bottom

Collection

Description

Value

LIURP

66. Program Costs (Administrative Costs Only)

Administrative Costs from Rate Base (\$)

\$.00

CAP

Administrative Costs from Shareholders (\$)

\$110,000.00

CARES

67. Number of Household Members Under Age 18

1.17

68. Number of Household Members Over Age 62

.26

Hardship Funds

69. Household Size

2.71

70. Income (\$)

\$1,710.00

71. Source of Income

Contact BCS

Employment

1,419.00

Sign Off

Public Assistance

38.00

Pension/Retirement

617.00

Unemployment Compensation

69.00

Disability

559.00

Other (Includes Missing Data)

352.00

72. Participation Levels By Month (#)

November

193.00

December

15.00

January

9.00

February

11.00

March

581.00

April

1,188.00

May

34.00

June

.00

July

.00

August

1.00

September

.00

October

1,022.00

73. Ratepayer/Employee Contributions (\$)

\$234,752.00

74. Special Contributions (\$)

Citizens Energy Corporation

\$.00

Companies Other Than Utilities

		\$.00
	Settlements and Fines	\$.00
	Other	\$.00
75.	Utility Contributions (\$) - Initial grant (excluding admin. \$ and grants dependent on ratepayer match)	\$550,000.00
76.	Utility Contributions (\$) - (excluding #66 and #75)	\$550,000.00
77.	Utility Contributions (\$) - (dependent upon a match from customer contributions)	\$.00
78.	Outreach Contacts (Name of Agency, Address and Telephone # by County) - This is a separate list	
	Hardship Fund Benefits	
	79. Cash Benefits (#)	3,054.00
	80. Cash Benefits (\$)	\$1,100,000.00
	80.A. Source of Intake	
	Distribution Company	3,054.00
	Community-Based Organization	.00
	Other	.00
	80.B. Participants in Multiple Programs	
	Hardship Fund and LIURP	1.00
	Hardship Fund and CAP	2,279.00
	Hardship Fund and CARES	6.00
	Hardship Fund, LIURP and CAP	8.00
	Hardship Fund, LIURP and CARES	.00
	Hardship Fund, CARES and CAP	56.00
	Hardship Fund, LIURP, CAP and CARES	.00
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SAVE

Docket No. R-2018-3006818
Peoples Natural Gas Company LLC
Data Requests

Respondent: Rita Black

CAUSE-PA-III-8: See. Peoples response to CAUSE-PA I-25. Please provide the number of CAP customers with preprogram arrears at any time within 2016,2017, and 2018, disaggregated by CAP Group and income tier.

Response:

Please refer to the information below. The CAP groups are defined as follows:

- Group A 0 to 50% FPL
- Group B 51 to 100% FPL
- Group C 101 to 150% FPL
- Group D 151 to 200% FPL

	2016	2017	2018
Group A	3,788	3,975	3,959
Group B	6,399	6,357	6,199
Group C	4,420	3,929	4,123
Group D	1,420	1,176	1,553

Docket No. R-2018-3006818
Peoples Natural Gas Company LLC
Data Requests

Respondent: Carol Scanlon

- OCA-III-10** Please provide in Excel format a monthly usage distribution, by month since October 2017 to present, in usage ranges reasonably available, for:
- All residential customers;
 - All confirmed low-income customers;
 - All CAP customers.

Response:

a.

Month	Division	Customer Count	Billed Volume	Usage Per Customer	Month	Division	Customer Count	Billed Volume	Usage Per Customer
201710	Equitable	245,640	465,854	1.9	201710	Peoples	332,089	749,852	2.3
201711	Equitable	243,901	1,583,072	6.5	201711	Peoples	331,136	2,499,486	7.5
201712	Equitable	247,769	3,041,128	12.3	201712	Peoples	332,028	4,122,258	12.4
201801	Equitable	247,882	5,422,348	21.9	201801	Peoples	332,303	7,221,029	21.7
201802	Equitable	248,061	3,739,909	15.1	201802	Peoples	331,945	4,953,934	14.9
201803	Equitable	248,283	3,026,138	12.2	201803	Peoples	331,455	4,203,556	12.7
201804	Equitable	247,721	2,963,656	12.0	201804	Peoples	333,263	4,021,546	12.1
201805	Equitable	246,572	1,221,894	5.0	201805	Peoples	332,959	1,868,741	5.6
201806	Equitable	245,907	405,594	1.6	201806	Peoples	332,536	731,434	2.2
201807	Equitable	245,437	349,223	1.4	201807	Peoples	331,210	518,426	1.6
201808	Equitable	245,539	346,970	1.4	201808	Peoples	332,553	529,642	1.6
201809	Equitable	245,030	314,473	1.3	201809	Peoples	331,949	437,608	1.3
201810	Equitable	245,476	643,518	2.6	201810	Peoples	333,644	985,194	3.0
201811	Equitable	247,740	1,939,923	7.8	201811	Peoples	336,141	2,816,869	8.4
201812	Equitable	247,767	3,306,293	13.3	201812	Peoples	336,245	4,498,444	13.4
201901	Equitable	248,268	4,110,827	16.6	201901	Peoples	336,790	5,599,307	16.6
201902	Equitable	248,366	4,034,796	16.2	201902	Peoples	336,911	5,525,748	16.4

b.

Month	Division	Customer Count	Billed Volume	Usage Per Customer	Month	Division	Customer Count	Billed Volume	Usage Per Customer
201710	Equitable	19,270	45,997	2.4	201710	Peoples	26,776	77,158	2.9
201711	Equitable	18,891	176,010	9.3	201711	Peoples	25,036	229,074	9.1
201712	Equitable	19,489	309,089	15.9	201712	Peoples	26,884	403,521	15.0
201801	Equitable	20,526	535,307	26.1	201801	Peoples	28,582	696,784	24.4
201802	Equitable	19,566	368,736	18.8	201802	Peoples	27,002	481,746	17.8
201803	Equitable	21,089	322,058	15.3	201803	Peoples	28,402	418,062	14.7
201804	Equitable	21,461	313,193	14.6	201804	Peoples	29,627	416,001	14.0
201805	Equitable	21,419	133,151	6.2	201805	Peoples	29,189	202,963	7.0
201806	Equitable	20,947	38,226	1.8	201806	Peoples	28,616	74,561	2.6
201807	Equitable	20,541	31,641	1.5	201807	Peoples	27,905	46,929	1.7
201808	Equitable	19,692	29,190	1.5	201808	Peoples	26,951	45,198	1.7
201809	Equitable	18,004	27,686	1.5	201809	Peoples	22,506	35,389	1.6
201810	Equitable	19,327	68,235	3.5	201810	Peoples	26,386	99,254	3.8
201811	Equitable	18,012	201,829	11.2	201811	Peoples	24,500	250,377	10.2
201812	Equitable	18,368	323,496	17.6	201812	Peoples	24,450	413,911	16.9
201901	Equitable	20,092	429,234	21.4	201901	Peoples	27,428	554,857	20.2
201902	Equitable	18,919	383,249	20.3	201902	Peoples	25,571	507,778	19.9

CAUSE-PA Statement No. 1
Appendix B

c.

Month	Division	Customer Count	Billed Volume	Usage Per Customer	Month	Division	Customer Count	Billed Volume	Usage Per Customer
201710	Equitable	12,950	35,546	2.7	201710	Peoples	18,079	55,596	3.1
201711	Equitable	12,910	125,245	9.7	201711	Peoples	17,927	158,477	8.8
201712	Equitable	13,297	225,885	17.0	201712	Peoples	18,197	283,181	15.6
201801	Equitable	13,427	385,557	28.7	201801	Peoples	18,421	487,502	26.5
201802	Equitable	13,580	268,251	19.8	201802	Peoples	18,715	348,007	18.6
201803	Equitable	13,593	232,780	17.1	201803	Peoples	18,705	291,177	15.6
201804	Equitable	13,978	222,061	15.9	201804	Peoples	19,001	297,965	15.7
201805	Equitable	14,238	96,621	6.8	201805	Peoples	19,045	145,816	7.7
201806	Equitable	13,910	28,187	2.0	201806	Peoples	18,703	53,857	2.9
201807	Equitable	13,791	22,489	1.6	201807	Peoples	18,346	32,623	1.8
201808	Equitable	13,709	22,654	1.7	201808	Peoples	18,181	33,592	1.8
201809	Equitable	13,432	20,786	1.5	201809	Peoples	17,815	24,307	1.4
201810	Equitable	13,284	52,093	3.9	201810	Peoples	17,629	70,202	4.0
201811	Equitable	13,421	151,404	11.3	201811	Peoples	17,786	172,484	9.7
201812	Equitable	13,824	243,266	17.6	201812	Peoples	18,572	299,004	16.1
201901	Equitable	14,087	327,408	23.2	201901	Peoples	18,935	397,236	21.0
201902	Equitable	14,138	291,730	20.6	201902	Peoples	18,990	376,575	19.8

Appendix C

**April 22, 2019, Pennsylvania Department of Human Services, Energy Assistance Summary
p. 68**

Energy Assistance Summary (EASUM)

9/22/2018 - 4/18/2019

STATE WIDE

Report Generated: 4/22/2019
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Cash Demographic Report (LIH660-R01)

	ITEM	COUNT	AMOUNT	%	AVG		ITEM	COUNT	AMOUNT	%	AVG
HOUSING	Owner	119,209	\$31,526,353	37	\$264	PAYMENT SENT	Electric	92,165	\$25,523,175	29	\$277
	Renter	151,040	\$42,723,771	47	\$283		FuelOil	52,959	\$15,779,385	16	\$298
	RenterWithHeat	4,493	\$616,734	1	\$137		Coal	1,966	\$480,958	1	\$245
	SubsidizedWithHeat	22	\$6,206	0	\$282		NaturalGas	159,010	\$42,397,058	49	\$267
	SubsidizedNoHeat	43,681	\$12,701,877	14	\$291		Kerosene	4,405	\$1,406,202	1	\$319
	Roomer	200	\$38,458	0	\$192		Propane	10,233	\$2,799,439	3	\$274
	Other	4,272	\$1,449,225	1	\$339		WoodOrOther	1,207	\$373,628	0	\$310
							BlendedFuel	972	\$302,779	0	\$312
RACE	AmericanIndian	582	\$175,521	0	\$302	INCOME RANGE	0 - 999	16,963	\$14,557,468	5	\$858
	Other	26,385	\$7,184,966	8	\$272		1000 - 1999	3,239	\$2,577,012	1	\$796
	NativeHawaiian	239	\$76,425	0	\$320		2000 - 2999	3,293	\$2,440,936	1	\$741
	Black	83,000	\$23,321,517	26	\$281		3000 - 3999	4,178	\$2,489,274	1	\$596
	White	204,021	\$55,983,921	63	\$274		4000 - 4999	4,587	\$2,441,296	1	\$532
	Asian	5,584	\$1,424,833	2	\$255		5000 - 5999	4,558	\$1,947,271	1	\$427
	Unknown	3,106	\$895,441	1	\$288		6000 - 6999	5,691	\$2,124,533	2	\$373
							7000 - 7999	6,866	\$2,236,194	2	\$326
DISABLED	YES	153,256	\$34,554,886	47	\$225	8000 - 8999	9,842	\$2,792,939	3	\$284	
	NO	169,661	\$54,507,738	53	\$321	9000 - 9999	54,576	\$13,285,242	17	\$243	
AGE 60 & ABV	YES	123,356	\$28,231,743	38	\$229	10000 - 10999	15,694	\$3,479,540	5	\$222	
	NO	199,561	\$60,830,881	62	\$305	11000 - 11999	17,930	\$3,720,744	6	\$208	
AGE 5 & BLW	YES	61,239	\$17,981,133	19	\$294	12000 - 12999	17,092	\$3,447,379	5	\$202	
	NO	261,678	\$71,081,491	81	\$272	13000 - 13999	19,238	\$3,828,649	6	\$199	
PAY_TYPE	DIRECT	6,189	\$1,303,087	2	\$211	14000 - 14999	17,986	\$3,570,224	6	\$199	
	PROVIDER	396,357	\$95,873,222	98	\$242	15000 - 15999	16,958	\$3,366,406	5	\$199	
REFUNDS						16000 - 16999	14,942	\$2,966,817	5	\$199	
		10,219	\$1,217,045		\$119	17000 - 17999	11,956	\$2,377,965	4	\$199	
						18000 - 18999	11,930	\$2,373,100	4	\$199	
						19000 - 19999	9,080	\$1,804,900	3	\$199	
						> 19999	56,302	\$11,227,696	17	\$199	
						PAYMENT TYPE	Regular	322,917	\$89,062,624		\$276
					Reissue		445	\$60,388		\$136	
					Secondpay		2,049	\$316,910		\$155	
					Underpay	161	\$37,242		\$231		
					Extraordinary	76,974	\$7,699,146		\$100		
					TOTAL PMT	402,546	\$97,176,310		\$241		
					RECOUPMENTS	560	\$92,167		\$165		
					NET PAID		\$97,084,143				
					PMT SUB TYPE	APD	0	\$0		\$0	
						STD	402,546	\$97,176,310		\$241	

AVERAGE HOUSEHOLD SIZE: 2.30

* Counts, Amounts (\$), % and AVG from HOUSING, RACE, DISABLED, OVER-60 and INCOME RANGE category are from Regular payments only

** Counts, Amounts (\$), % and AVG from PAY_TYPE category are from All Payment Types (Regular, Reissue, Secondpay, Underpay and Extraordinary)

*** Counts, Amounts (\$), % and AVG from PAYMENT_SENT category are from All Payment Types (Regular, Reissue, Secondpay, Underpay and Extraordinary)

PREPARED SURREBUTTAL TESTIMONY OF HARRY S. GELLER

1 **Q: Please state your name.**

2 A: Harry S. Geller.

3 **Q: Did you previously submit testimony in this proceeding?**

4 A: Yes, I submitted Direct Testimony that was pre-marked as CAUSE-PA Statement 1.

5 **Q: What is the purpose of your Surrebuttal Testimony?**

6 A: My surrebuttal testimony responds to the Rebuttal Testimony of Peoples Natural Gas
7 Company, LLC (Peoples) witnesses Russell A. Feingold¹, Rita Black², Heather Doyle-Conley,³
8 and Carol A. Scanlon⁴, and I will also briefly address the rebuttal testimony of Peoples Industrial
9 Intervenors' (PII) witness James Crist.⁵ My silence with respect to any other issues raised in the
10 rebuttal testimony of these witnesses or any other witness in this proceeding should not be taken
11 as an endorsement of or agreement with their positions. Rather, I stand by my analysis contained
12 in my direct testimony, and nothing stated in rebuttal has changed or revised my positions as stated
13 therein.

14 **Q: How is your testimony organized?**

15 A: I will begin by responding to Mr. Feingold's rebuttal testimony regarding the effect that
16 Peoples' proposed rate design will have on its low income customers. Next, I will address Ms.
17 Black's rebuttal testimony regarding the effect that Peoples' proposed rate design will have on its
18 low income customers, and her response to my recommendations about Peoples Universal Service
19 and Energy Conservation programming. I will then address Ms. Doyle-Conley's response to my

¹ Peoples St. 11-R.

² Peoples St. 13-R.

³ Peoples St. 12-R.

⁴ Peoples St. 5-R.

⁵ PII St. 1-R.

1 concerns about Peoples’ security deposit and medical certificate policies, and Ms. Scanlon’s
2 rebuttal testimony regarding Peoples’ high use investigation fee and reconnection fee. Finally, I
3 will respond to Mr. Crist’s attempt to differentiate the general public benefits of interclass
4 subsidies for Large General Service (LGS) flex rates versus Customer Assistance Programs
5 (CAPs).

6 **Response to Peoples St. 11-R - Russel Feingold**

7 **Q: Please summarize Mr. Feingold’s rebuttal testimony as it relates to the**
8 **recommendations that you made in your direct testimony.**

9 A: Mr. Feingold disagrees with my recommendation that, to the extent the Commission
10 approves any residential rate increase, the increase should be assigned entirely to the volumetric
11 charge portion of a residential customer’s bill.⁶ He states that my recommendation is based on
12 “faulty economics and an overreaching view of how consumers will respond to any price signals
13 they receive from changes in the structure and level of Peoples’ gas rates.”⁷ He contends that
14 customers will benefit from reducing gas usage regardless of whether a rate increase is assigned
15 to the fixed or volumetric portion of the bill.⁸ Mr. Feingold states that my arguments are based on
16 an “unreasonably narrow definition of conservation” and a faulty premise that “a higher percentage
17 of cost recovery in a fixed monthly charge leads to less conservation.”⁹

⁶ Peoples St. 11-R at 47:22-48:4.

⁷ Id.

⁸ Id. at 49:15-50:3.

⁹ Id. at 50:5-54:20.

1 **Q: How do you respond to Mr. Feingold’s assertion that your arguments are based on**
2 **an “unreasonably narrow definition of the term conservation”?**¹⁰

3 A: While I did not specifically provide a definition for the term “conservation” in my direct
4 testimony, when I refer to “energy conservation” I mean the reduction or management of energy
5 consumption by a consumer and, in the context of my testimony, how energy conservation for low
6 income consumers helps those consumers save money on their bills as a result of those
7 conservation efforts. This definition is not unreasonably narrow, as it aligns with the statutory
8 definition of the term “universal service and energy conservation” as used in the Natural Gas
9 Choice Act.¹¹ The emphasis of this Act in the context of low income programming includes
10 programming that reduces consumption in a manner that is designed to help low income
11 households maintain service – or in other words, reduce the cost of the bill. In his rebuttal
12 testimony Mr. Feingold seeks to expand the definition of energy conservation to include the
13 conservation of a utility’s financial and system resources.¹² I do not believe that Mr. Feingold’s
14 expanded definition is an appropriate response. Specifically, as the term energy conservation
15 relates to the arguments in my direct testimony, it is a direct reference to achieving residential bill
16 affordability through conservation, efficiency, and weatherization efforts, and the ability of low
17 income customers to offset the impact of a potential rate increase by reducing energy consumption
18 through such efforts.

¹⁰ Id. at 50:5.

¹¹ See 66 Pa. C.S. § 2202 (“**Universal service and energy conservation.**”) Policies, practices and services that help residential low-income retail gas customers and other residential retail gas customers experiencing temporary emergencies, as defined by the commission, to maintain natural gas supply and distribution services. The term includes retail gas customer assistance programs, termination of service protections and consumer protection policies and services that help residential low-income customers and other residential customers experiencing temporary emergencies to reduce or manage energy consumption in a cost-effective manner, such as the low-income usage reduction programs and consumer education.

¹² Peoples St. 11-R at 50:20-52:

1 **Q: Is Mr. Feingold’s statement that you believe an increase in the fixed customer charge**
2 **“will diminish customers’ ability to conserve”¹³ an accurate representation of your**
3 **testimony?**

4 A: No. Mr. Feingold seems to have either misread or misunderstood my testimony on this
5 issue. I did not state that a higher fixed charge would diminish a customer’s ability to conserve.
6 What I said was that a higher fixed charge “undermines the ability for customers to reduce bills
7 through conservation and consumption reduction.”¹⁴ A fixed charge is irrelevant – all other things
8 being equal – to a customer’s *ability* to conserve energy. Customers’ ability to conserve energy
9 exists independent of any external price pressures on the household. However, for low income
10 customers with no financial resources to invest in energy efficiency and usage reduction measures,
11 a fixed charge increase will diminish the potential bill reduction that results from conservation,
12 efficiency, and weatherization, and therefore has the effect of diminishing the effectiveness of and
13 reducing support for energy reduction programs that assist low income households.

14 Allocating the rate increase to the volumetric charge, as I have proposed, will help
15 customers who receive weatherization through the Low Income Usage Reduction Program
16 (LIURP) or other programs to realize appreciable bill savings through conservation and efficiency
17 efforts, and – in turn – will help reduce the cost and improve the effectiveness of bill payment
18 assistance programs. On the other hand, allocating the rate increase to the fixed monthly charge
19 provides no additional motivation for the customer to conserve energy, because it creates no
20 additional ability for the customer to save money through conservation or efficiency. While saving
21 money may not be the only motivator for customers as a whole, it is a significant factor for low
22 income customers struggling to pay all of their bills each month. It is also a significant factor in

¹³ *Id.* at 49:4-51:3.

¹⁴ CAUSE PA St. 1 at 23:14-16.

1 controlling CAP program costs. Because CAP customers only pay a portion of their bill, the
2 remainder of that bill is paid for by other residential ratepayers through the universal service rider.
3 When CAP customers participate in LIURP, as they are required to do under the terms of CAP,
4 the reduction in CAP customer usage helps reduce the CAP bill and, in turn, reduces the cost of
5 the CAP program as a whole. This fact should not be overlooked. Where a larger portion of a
6 customer's bill is fixed regardless of customer usage, customers who reduce usage save less money
7 (for themselves and for other ratepayers who pay for assistance programs) than if the same revenue
8 were collected based on usage. So, while rate design does not directly impact the customers' ability
9 to conserve,¹⁵ assessing a rate increase to the volumetric charge rather than the fixed charge
10 increases customers' ability *to save money and achieve greater affordability* through conservation.
11 For low income households, the ability to reduce their bill is a major motivator for engaging in
12 energy efficiency and conservation. I believe it is reasonable to infer that if customers can save
13 *more money* by conserving, they will be *more motivated* to participate in programs that assist them
14 to do so.

15 **Q. Mr. Feingold further asserts that the arguments supporting your recommendations**
16 **are based on “faulty economics and an overarching view of consumer response to price**
17 **signals.”¹⁶ How do you respond?**

18 A. It appears that Mr. Feingold reached this conclusion because he misread or misunderstood
19 my argument. I cannot speak to the validity of the arguments attributed to me by Mr. Feingold
20 because I did not make them. I never said, “an increase in the Company's residential monthly

¹⁵ This is true at least in the short term. In the longer term, rate design may impact a low income customer's ability to conserve because they very programs that they rely on to provide energy assistance – LIURP and the Weatherization Assistance Program (WAP) – are premised on providing bill savings and energy efficiency. As higher fixed charges erode the bill savings that result from energy efficiency it increases the likelihood of reduced public support for these programs thereby jeopardizing the ability of low income customers to access the programs.

¹⁶ Peoples St. 11-R at 47:22-48:4.

1 customer charge will diminish customers' ability to conserve."¹⁷ Nor did I say that residential
2 customers as a whole will stop attempting to conserve energy due to lack of financial incentive.¹⁸

3 Consumer motivation to conserve energy is a complex and multifaceted issue, but my
4 primary focus in this proceeding is the affordability of gas service for low income customers.¹⁹ I
5 stand by my argument that placing the majority of the rate increase on the fixed charge portion of
6 the bill rather than the volumetric charge means that low income customers will not be able to save
7 as much money by conserving energy or participating in energy efficiency programs. Furthermore,
8 as I address above, increasing the monthly fixed charge also erodes the effectiveness of LIURP in
9 reducing CAP costs – both for CAP customers and other residential ratepayers – which in turn
10 undermines the stated purpose of the program.²⁰ Both of these are undesirable public policy
11 impacts that can be avoided simply by keeping the fixed customer charge at its current level. Any
12 external factor – like an increased customer charge – that reduces the ability of low income
13 households to save money as they save energy, negatively affects their ability to connect to and
14 maintain utility service in the face of the proposed rate increase. For these reasons, I oppose
15 Peoples' proposal to increase its fixed charge.

¹⁷ Id. at 49:8-10.

¹⁸ Id.

¹⁹ CAUSE-PA St. 1 at 4:8-13.

²⁰ 52 Pa. Code § 58.1.

1 **Q: How do you respond to Mr. Feingold’s assertion that customers can financially**
2 **benefit from conservation under the Company’s proposal, but that you and Ms. Moore,**
3 **“simply prefer customers to benefit even more financially from a lower monthly customer**
4 **charge (relative to the level proposed by the Company) with little regard to other rate design**
5 **considerations.”²¹**

6 A: I do prefer that low income households receive rates that are most beneficial to maintaining
7 and affording essential utility service. I also prefer rate designs that allow households who reduce
8 usage (through LIURP or otherwise) to save money. The reality, as evidenced by the data I
9 provided in direct testimony, is that low income households simply do not have enough income
10 on which to live each month in a decent and reliable fashion. Poor households, in an attempt to
11 pay their bills, face a monthly struggle - often choosing to forego food or medicine in favor of
12 utility service.²² Every dollar of bill savings is critical and, thus, anything that reasonably can be
13 done to reduce expenses for these households should be done.

14 In my view, rate design need not be antithetical to bill savings. Given the possible
15 alternatives – collecting revenue through a fixed charge that remains the same regardless of how
16 much or little a household uses, versus collecting revenue based on usage – the latter is the
17 preferred approach because it both incentivizes conservation and efficiency *and* allows households
18 to save money. To that end, affordability of residential service should be a paramount rate design
19 consideration.

²¹ Peoples St. 11-R at 49:16-19.

²² CAUSE-PA St. 1 at 25:14-16.

Response to Peoples St. 13-R - Rita Black

Q: Which of your recommendations does Ms. Black address in her rebuttal testimony?

A: Ms. Black responds to (1) my recommendation that any residential rate increase be assessed exclusively to the volumetric charge portion of the bill, (2) my recommendations about Peoples' CAP design, and (3) my recommendation for increased LIURP funding.²³

Q: How does Ms. Black respond to your recommendation that any rate increase be through the volumetric charge?

A: She disagrees with my position and argues that low income consumers would benefit more if the majority of any rate increase is assigned to the fixed charge rather than volumetric charge portion of the bill because these customers are more likely to have inefficient appliances and older, less efficient housing.²⁴ She states that low income consumers are less likely to be homeowners and, therefore, have less control over the energy usage of their residence.²⁵

Q: How do you respond to Ms. Black's assertion that low income consumers would benefit from a higher fixed charge because they are more likely to have inefficient appliances and older less efficient housing, and are more likely renters?²⁶

A: I appreciate the concerns raised by Ms. Black, all of which accurately highlight very real issues affecting the ability of low income customers to afford gas service. However, I disagree that the solution is to have the majority of the proposed rate increase assigned to the fixed charge rather than volumetric charge. I believe that the best way to address Ms. Black's concerns is through increased funding for the Company's LIURP program. This is the structure that the Commission has put in place to address precisely the issues that Ms. Black raises which cause low income

²³ Peoples St. 13-R at 2:8-4:3.

²⁴ Id. at 3:15-18.

²⁵ Id. at 3:18-20.

²⁶ Id. at 3:15-18.

1 households not to be able to save energy. Peoples' LIURP program is designed to reduce energy
 2 consumption for high use, low income customers and achieve bill reductions through energy
 3 savings.²⁷ A recent study found that, while inefficiency is largely to blame for the excess energy
 4 burdens of low income households, for both single-family and multifamily low-income
 5 households, bringing their housing stock up to the efficiency level of the median household would
 6 eliminate 35% of their excess energy burden.²⁸ Furthermore, a whopping **97% of the excess**
 7 **energy burdens** for *renting* households could be eliminated by bringing their homes up to median
 8 efficiency standards.²⁹

9 Thus, the best way to address the inefficiency issues of low income households pointed to
 10 by Ms. Black is through a properly funded and administered LIURP program. By actively working
 11 to increase the efficiency of low income tenant homes through LIURP, Peoples can help these
 12 customers achieve energy efficiency and, in turn, improve affordability. Once energy efficiency is
 13 improved, a structure providing a lower fixed/higher volumetric charge will allow these customers
 14 to enjoy additional bill savings and move in a more positive direction toward better affordability.

15 **Q: How does Ms. Black respond to your recommendation for increased LIURP funding?**

16 A: Notwithstanding the fact that under the current funding paradigm, it would take more than
 17 50 years for Peoples to weatherize all of the homes that it knows are eligible for LIURP,³⁰ and
 18 notwithstanding the fact that Peoples has one of the smallest LIURP budgets despite being one of

²⁷ Peoples Natural Gas Company, Universal Service and Energy Conservation Plan for 2015-2018, Docket M-2014-2432515, Amended July 13, 2018 (hereinafter "Peoples Current USECP") at 19.

Available at: <http://www.puc.state.pa.us/pcdocs/1578118.pdf>.

²⁸ The American Council for an Energy-Efficient Economy (ACEEE), & Energy Efficiency for All (EEFA), Lifting the High Energy Burden in America's Largest Cities: How Energy Efficiency Can Improve Low Income and Underserved Communities, at 19 (February 2018), available at:

https://assets.ctfassets.net/ntcn17sslow9/1UEmqh5I59cFaHMqVwHqMy/1ee1833cbf370839dbbdf6989ef8b8b4/Lifting_the_High_Energy_Burden_0.pdf

²⁹ Id.

³⁰ CAUSE-PA St. 1 at 29:5-7.

1 the largest natural gas utilities, Ms. Black nonetheless opposed any increase to Peoples' LIURP
2 funding. She argues that I did not identify whether the annual budgets of other natural gas utilities
3 that I referred to in my direct testimony were fully utilized, and talks about the risk of snowballing
4 continuous over-funding levels.³¹ She states that the Company's most recent LIURP independent
5 evaluation did not make any recommendations or findings about funding levels, and that Peoples
6 will commit to increasing LIURP funding in the future if a subsequent assessment recommends
7 additional funding.³²

8 **Q: What is your response?**

9 A: I stand by my recommendations and analysis contained in my direct testimony. By
10 Commission regulation, LIURP funding should be based on the number of eligible customers that
11 could be provided cost effective usage reduction services, expected participation levels, the total
12 expense of providing such services, and a plan for providing program services within a reasonable
13 period of time.³³ Of course, these are not the only factors that can or should be considered, given
14 the Choice Act's requirement that universal service programs assist low income households to
15 remain connected to service. When a general rate increase exacerbates unaffordability through
16 rate increases and rate design changes, an increase in assistance for low income households to
17 blunt the impact of these changes is warranted. Taken together, these are the factors that I targeted
18 in my direct testimony, which was developed in response to proposals by Peoples for a rate
19 increase as well as a modification of its rate design to increase its fixed charge. It is in this context,
20 using the aforementioned factors, that I have recommended the increase in LIURP funding. My
21 comparison to other natural gas utilities was meant to demonstrate how significantly underfunded

³¹ Peoples St. 13-R at 12:9-14.

³² Id. at 12:15-23.

³³ 52 Pa. Code § 58.4(c).

1 Peoples' program was relative to other utilities. Ms. Black's contention that other natural gas
2 utilities underspend their LIURP budgets is not supported by evidence in the record. I address this
3 issue in more detail later in my testimony.

4 I believe Ms. Black's contention that a LIURP funding increase is unwarranted because
5 Peoples' third party evaluator did not specifically recommend an increase misses the point because
6 the evaluator did not consider all of the factors mentioned above. Peoples' evaluation was
7 conducted in 2017, using 2015 data. This evaluation did not consider the impact that Peoples'
8 2019 proposed rate increase will have on bill unaffordability or increased CAP program costs. The
9 evaluators simply were not operating in the same factual context. As I have pointed out, the rate
10 increase proposals by the Company will exacerbate affordability concerns. As Ms. Black herself
11 acknowledges, low income consumers are more likely to live in housing that is older and less
12 efficient.³⁴

13 The excessive energy burdens low income customers face are related to these inefficiency
14 issues.³⁵ Through LIURP, Peoples has a chance to assist low income households in remedying this
15 situation by improving household efficiency. Further, LIURP creates benefits that accrue not only
16 to customers but also to the Company. Investing in low-income energy efficiency can help avoid
17 the excess costs of increased energy generation, capacity, and transmission by reducing demand.³⁶
18 The reduction in energy production due to efficiency also reduces environmental pollutants, which
19 helps utilities comply with environmental legislation that limits emissions, and, most critically,
20 reduces the risk of arrearages and the costs of shutoffs for families who have difficulty paying their
21 bills.³⁷

³⁴ Peoples St. 13-R at 3:16-17.

³⁵ ACEEE & EEFA, *supra* at 19.

³⁶ *Id.* at 30.

³⁷ *Id.*

1 **Q: How do you respond to Ms. Black’s concern that increased LIURP spending could**
2 **“snowball into continuous over-funding levels”?**

3 A: I assume Ms. Black is concerned that, if the Company were to fund LIURP at the level I
4 recommend, Peoples would consistently carryover money each year. This concern is speculative
5 and unlikely given the significant, well documented unmet need for LIURP across Peoples’ service
6 territory. Put simply, Ms. Black’s concern is unfounded.³⁸ The solution to this concern is to work
7 with contractors to increase job production. As I pointed out in my direct testimony, Peoples
8 estimates that 23,923 of its low income customers meet its LIURP eligibility requirements.³⁹
9 Peoples estimates that it is able to serve 410 households per year.⁴⁰ At this projected rate, it would
10 take 58 years for Peoples to serve all eligible households.⁴¹ Furthermore, Peoples only actually
11 served 268 households in 2018⁴², and only projects to serve 271 households in 2019.⁴³ Thus, at its
12 present rate, it would take more than a century to remediate all eligible households. This is not an
13 acceptable timeline by any measure. Peoples should increase its job production in order to
14 remediate eligible households within a more reasonable timeframe than the currently projected 58-
15 100 years. For Peoples to do this, it will need to increase its annual budget. Given these facts, it
16 is clear that more funding is needed, along with increased production. Any carry over under these
17 circumstances should be met with skeptical scrutiny about program management rather than a
18 conclusion that the budget is too high.

³⁸ Peoples St. 13-R at 12:14.

³⁹ Peoples Current USECP, Attachment A.

⁴⁰ Peoples Current USECP at 21.

⁴¹ CAUSE-PA St. 1 at 29:5-7.

⁴² CAUSE-PA to Peoples III-5, Attachment.

⁴³ Id.

1 **Q: Were the annual budgets of other NGDC utilities that you referred to in your direct**
 2 **testimony fully utilized?**

3 A: Before delving into the annual budgets of the other natural gas utilities that I referenced in
 4 my direct testimony, it is important to note that the percentage of LIURP budget spent is not
 5 reflective of the effectiveness of the program itself. A properly managed LIURP program can be
 6 scaled up or down throughout the year to hit pre-determined funding targets. Additionally, budgets
 7 can be adjusted year to year to provide for the provision of additional jobs as needed. If the budget
 8 is not expended due to barriers in job production, money can be rolled over to the next year when,
 9 hopefully, a utility will take the necessary steps to remediate any impediments and catch up with
 10 the program’s targeted goals. However, Peoples cannot ramp up the number of jobs it performs if
 11 there is no money available in the budget.

12 The following table shows the annual budgets versus amount spent for Peoples, PGW, and
 13 Columbia for the most recent three years for which data is available.

14 **Table 1 - NGS LIURP SPENDING BY YEAR⁴⁴**

15

	2015		2016		2017	
	Budget	Spent	Budget	Spent	Budget	Spent
Peoples	2,140,299	2,141,695	2,050,085	2,049,565	2,050,520	2,050,520
PGW	6,229,124	7,913,908	6,151,327	7,638,390	5,179,225	5,239,743
Columbia	5,003,968	4,847,387	4,906,581	5,000,477	4,750,000	4,492,304

16 While Peoples has strictly adhered to its budget over this timespan, PGW has consistently
 17 outpaced its projected spending and, while Columbia did not fully expend its budget in 2015 and
 18 2017, it outspent its projected budget in 2016. Neither of the other companies has experienced
 19 any snowballing of overfunding as referred to by Ms. Black.⁴⁵ Furthermore, both of these

⁴⁴ See 2014-2017 Universal Service Reports, available at:
http://www.puc.state.pa.us/filing_resources/universal_service_reports.aspx .

⁴⁵ Peoples St. 13-R at 12:14.

1 companies have significantly higher LIURP budgets and continue to produce high levels of savings
 2 for customers. Columbia estimates that it has 18,647 low income customers meeting its LIURP
 3 eligibility and that it will be able to serve 525 customers in 2019.⁴⁶ Similarly, PGW estimates that
 4 84,630 customers are eligible for LIURP⁴⁷, and it projects will serve 3,293 households⁴⁸. Based
 5 on these projections, both of these utilities will serve all eligible households significantly sooner
 6 than Peoples. Columbia will finish more than twenty years sooner (within 36 years) and PGW will
 7 serve all eligible customers in less than half the time (within 26 years). I continue to believe that
 8 Peoples needs to increase funding and ramp up its job production to keep pace.

9 **Q: How does Ms. Black respond to your recommendations about Peoples' CAP**
 10 **Program?**

11 A: Ms. Black agreed that my recommendation to reduce the CAP minimum payment to an
 12 amount no higher than the current fixed monthly charge for residential customers is reasonable.⁴⁹
 13 She also indicates that Peoples has already taken many of the steps that I recommended to bolster
 14 CAP enrollment, including: (1) active recruitment of customers with existing debt and those who
 15 have received LIHEAP, (2) automatic eligibility and streamlined enrollment for LIHEAP
 16 recipients, and (3) implementation of a warm transfer process by which a call center agent can
 17 send the customer directly to Dollar Energy Fund to enroll by telephone.⁵⁰ She also indicates that
 18 Peoples is already working with Dollar Energy Fund to implement electronic CAP recertification
 19 in May 2019, and that Dollar Energy Fund began providing reminder calls to customers who are

⁴⁶ ⁴⁶ Columbia Gas of Pennsylvania, Inc. Universal Service and Energy Conservation Plan for 2019-2021, Docket No. M-2018-2645401, Tentative Order, at 35 (March 14, 2019).

⁴⁷ PGW Universal Service Plan for 2017-2020 submitted in compliance with 52 Pa Code § 62.4, Docket No. M-2016-2542415, at 15, *available at* <http://www.puc.state.pa.us/pdocs/1535412.pdf>

⁴⁸ Id. at 26.

⁴⁹ Peoples St. 13-R at 10:11-15.

⁵⁰ Id. at 8:16-9:12.

1 due for recertification in December 2018.⁵¹ She explains that the Company will continue to use
2 the reminder calls “when time is available for the agents to make those calls.”⁵² I appreciate
3 clarification of these change and support the approach taken by the Company on these issues.

4 Ms. Black disagrees with my recommendations that Peoples eliminate the CAP Plus
5 payment for customers at or below 50% of the federal poverty level (FPL), and to eliminate the
6 arrearage forgiveness copay for customers at or below 150% FPL. She asserts that these changes
7 would require a major change to CAP functionality in the Company’s billing system and, thus,
8 significant IT resources and expense.⁵³ She expresses reservations about making such changes to
9 its current CAP design because the Commission’s ongoing energy affordability proceeding may
10 result in specific CAP design requirements.⁵⁴

11 **Q: How do you respond to Ms. Black’s assertion that eliminating the CAP Plus payment**
12 **for customers at or below 50% FPL and the arrearage forgiveness copay for customers at or**
13 **below 150% FPL would require significant IT resources and expense?**⁵⁵

14 A: First, Ms. Black’s assertion is vague and undefined. She provides no estimate as to the
15 actual costs associated with this change to allow any assessment as to whether the costs associated
16 with this change are reasonable or not. Ms. Black indicates that the payment percentage levels are
17 the only thing that is different for CAP customers and that all other aspects of CAP are the same.⁵⁶
18 Given that Peoples can differentiate by payment tier, it is not entirely clear to me why it could not
19 be easily accomplished to not charge a CAP-Plus fee for customers if their PIPP payment is 8%
20 (the lowest threshold) or minimum bill. Furthermore, my recommendation for eliminating the

⁵¹ Peoples St. 13-R at 9:3-16.

⁵² Id.

⁵³ Id. at 9:18-23.

⁵⁴ Id.

⁵⁵ Id.

⁵⁶ Id. at 9:23-10:2

1 arrearage co-payment applies to all CAP customers with income below 150% of poverty. Again,
2 it is not clear why Peoples could not create a program to charge an arrearage co-pay fee only for
3 its E-CAP households, given Peoples' system is able to differentiate by payment tier.

4 Second, I assume Peoples routinely makes changes to its IT systems. The fact that the
5 changes I suggest may not be able to be made immediately, and may have to fit within Peoples'
6 IT change cycle, should not prevent the Company from considering the changes. The reality is
7 that both of these fees are regressive and disproportionately impact the lowest income CAP
8 customers. Ms. Black lists purely administrative concerns that could be practically overcome with
9 proper IT planning.

10 Third, I do not believe that Peoples should wait for the Commission's ongoing energy
11 affordability and universal service proceedings to make needed changes now. It is unclear what
12 will come from these proceedings and whether or when any changes will be ordered to occur. As
13 I explained in my direct testimony, the CAP-Plus fee and arrearage forgiveness copay are design
14 flaws that each individually hinder CAP customers' ability to afford service by adding flat costs
15 that push customers' energy burdens beyond accepted levels. This effect is compounded for any
16 customer who must pay both.⁵⁷ These fees disproportionately burden Peoples' poorest CAP
17 customers by adding additional cost to their bill without consideration of their level of income or
18 existing energy burden. Thus, the fees are regressive because they burden the lowest income CAP
19 customers more, relative to their income.

20 As I also indicated in my direct testimony, most, if not all, low income customers enroll in
21 CAP primarily to obtain a more affordable bill.⁵⁸ If enrollment in the program does not provide
22 the customer an affordable bill, they will perceive the program as less beneficial and be less likely

⁵⁷ CAUSE-PA St. 1 at 32:11-15.

⁵⁸ Id. at 33:

1 to enroll. Despite Ms. Black’s characterization of Peoples’ CAP enrollment numbers as “flat”⁵⁹,
2 from 2014-2017 Peoples estimated low income customers increased by 5.2%, while CAP
3 enrollment dropped by 11.6%.⁶⁰ I believe these design flaws have likely contributed to this
4 dynamic.⁶¹ Peoples needs to ensure that CAP is able to address the increased need for access to
5 stable and affordable utility service. I believe that, in addition to enhancing its policies and
6 procedures related to enrollment and retention, Peoples must address these design flaws in its CAP
7 to ensure that CAP is accessible to those who need assistance. Thus, I continue to believe that
8 eliminating these fees will increase affordability and, thus, increase participation and retention of
9 low income customers.

10 **Response to Peoples St. 12-R – Heather Doyle-Conley**

11 **Q: Please summarize Ms. Doyle-Conley’s rebuttal testimony as it relates to the**
12 **recommendations that you made in your direct testimony.**

13 A: In her rebuttal testimony, Ms. Doyle-Conley addresses several of my arguments as they
14 relate to Peoples current policies. For example, she indicates that, as of April 3, 2019, the
15 Company had removed all 95 security deposits that were improperly held on confirmed low
16 income customer accounts, totaling \$9,297.25.⁶² She states that the Company disagrees with my
17 recommendation about Peoples’ medical certificate training material because it would provide
18 “false hope” to the customer.⁶³ She argues that customers have a duty to pay undisputed charges
19 and indicates that the Company “strictly adheres to the regulation set forth by the PUC.”⁶⁴

⁵⁹ Peoples St. 13-R at 6:9.

⁶⁰ See CAUSE-PA St. 1 at p. 19 Table 2, 33:14-15; see also 2014-2017 Universal Service Reports.

⁶¹ Id. at 33:2-9.

⁶² Peoples St. 12-R at 8:6.

⁶³ Id. at 9:16-18.

⁶⁴ Id.

1 **Q: Are you satisfied with Peoples’ treatment of the security deposits that it had collected**
2 **from confirmed low income costumers?**

3 A: Yes, the deposits were returned promptly; however, it is, at this point, unclear how these
4 deposits were errantly retained and what, if any, safeguards the Company has put in place to make
5 sure it does not happen going forward. I believe that the Company should automatically review its
6 accounts at least once every six months to make sure that it is not holding deposits for customers
7 who are confirmed low income.

8 **Q: Do you agree with Ms. Doyle-Conley’s statement that customers who submit a**
9 **medical certification have a duty to pay “undisputed charges”?**⁶⁵

10 A: It is not that simple. The Commission’s regulation states that the customer must pay “all
11 *current* undisputed bills or budget billing amount.”⁶⁶ Thus, the standard is not that customers must
12 pay all undisputed charges, but only those that accrue during the pendency of the medical
13 certification and subsequent renewals. When Ms. Doyle-Conley states that customers have a duty
14 to pay “undisputed charges”, it could be misunderstood as a requirement that the customer pay all
15 undisputed charges on the account, including any arrears, which is not the standard. In my
16 experience, the specific amount that medically vulnerable customers must pay to continue to renew
17 their medical certificates, and the number of renewals to which they are entitled, are a common
18 source of confusion. Miscommunicating to the customer the standards with which she must
19 comply to maintain service can lead to a medically vulnerable customer failing to make the
20 required payment because she either thinks the payment is not necessary or thinks the required
21 payment is much larger than it actually is and, thus, is beyond her reach. It is therefore important
22 to be clear about the actual amount required under the regulations.

⁶⁵ Peoples St. 12-R at 8:20, 9:18.

⁶⁶ 52 Pa. Code § 56.116 (emphasis added).

1 **Q: How do you respond to the assertion that providing information regarding continued**
2 **medical certificate renewals would provide “false hope”?**

3 A: It does not create false hope to accurately inform customers of their rights. What Ms.
4 Doyle-Conley calls “false hope” is simply correctly stating the legal right that is provided, which
5 is exactly what many medically vulnerable customers need when they are facing loss of utility
6 service. Accurately informing customers about the number of medical certification renewals to
7 which they are entitled, and the amount they must pay to obtain those renewals, will not create
8 “false hope” unless Peoples violates the Public Utility Code and denies the customer the medical
9 certificate renewals to which she is entitled. Given that Ms. Doyle-Conley indicates that the
10 Company “strictly adheres” to the Commission’s regulations,⁶⁷ it is not clear why Peoples would
11 object to informing customers about those regulations, and the payment obligations contained
12 therein.

13 Just as it is important to be accurate about the amount of money a customer is obligated to
14 pay, it is also important to be clear about the number of renewals to which they are entitled if they
15 meet that obligation. If a customer thinks that she is not entitled to a third and subsequent renewal
16 regardless of whether she satisfies the current payment obligation, then the customer will be less
17 likely to apply for those additional renewals, and may not make an effort to keep up new charges
18 if they are ultimately unable to pay the full amount of all arrears. This creates an increased
19 likelihood of eventual termination for medically vulnerable consumers, which can be catastrophic
20 and life threatening.

21 Ms. Doyle-Conley indicates that “if the customer has not met the obligation to pay under
22 Section 56.116 of the PUC’s regulations and this is the third renewal on the same arrearages, the

⁶⁷ Peoples St. 12-R at 9:18-19.

1 Company is not required to honor a third request, until such time as the customer eliminates the
2 arrearages.”⁶⁸ This statement is technically correct, however, she fails to mention that if a customer
3 meets the obligation to pay their current charges or budget bill amount each month, then the
4 customer is entitled to additional, ongoing renewals so long as she continues to meet that
5 obligation. My recommendation is that Peoples update its training materials to instruct customer
6 service representatives to inform customers that, if they meet their obligations to pay under
7 §56.116, they are entitled to continue to receive additional renewals. As I indicated in my direct
8 testimony, there is no mention in any of Peoples’ training materials that a customer is entitled to
9 additional medical certifications if they satisfy their obligation to pay.⁶⁹ However, in a page
10 specifically titled “Med Certs Whether to Say No,” staff is instructed to “Say No, if: Account
11 Balance has not been paid to Zero AND 3 Med Certs have been provided.”⁷⁰ There is no mention
12 anywhere of any exception to this rule nor any ability to obtain a fourth renewal if the customer
13 satisfies their obligation to pay current charges even though the full account balance has not been
14 reduced to zero.

15 The Commission’s current medical certificate renewal standard has been in effect since its
16 2011 Chapter 56 Rulemaking, and was most recently reiterated in its Final Chapter 14
17 Implementation Order entered July 9, 2015. As the Commission explained in its Final Chapter 14
18 Implementation Order:

⁶⁸ Id. at 9:16-18.

⁶⁹ CAUSE-PA St. 1 at 41:1-42:2.

⁷⁰ CAUSE-PA to Peoples II-27, Attachment A at 2.

1 [W]e reiterate what we said in the 2011 rulemaking and in the current 52 Pa. Code
2 § 56.116: that customers ‘shall retain a duty to make payment on all current
3 undisputed bills or budget billing amount...’ while under the protection of a
4 medical certificate. We further reiterate that this means the current bill (or budget
5 bill) must be paid in full by the due date. Failure to do so by the customer means
6 that the utility can count the medical certificate toward the limits found in 52 Pa.
7 Code § 56.114.⁷¹

8 This was in direct response to an assertion that Chapter 56 requires the payment of all undisputed
9 charges, and not just the current undisputed bills.⁷²

10 Notwithstanding the strong and undeniable legal basis for my recommendation, there are
11 also sound and equitable policy considerations that support the Commission’s explicit medical
12 certificate renewal policy. When a household member “is seriously ill or has been diagnosed with
13 a medical condition which requires the continuation of service to treat the medical condition”⁷³ –
14 therefore meeting the applicable threshold for a licensed medical professional to issue a medical
15 certificate – they also often face mounting medical expenses and most probably reduced income,
16 which compound their inability to both keep up with current expenses and address prior debts.
17 Termination of service to medically vulnerable consumers is not just dangerous, it can be lethal.⁷⁴

18 For medically vulnerable households, the Commission has determined that it is just and
19 equitable to allow them to keep their power on if they keep up with new charges or their budget
20 bill amount. The Commission has clearly explained that the ability to renew a medical certificate
21 beyond 90 days upon payment of current or budget bill charges does not forgive any underlying
22 arrears. Ultimately, any underlying balance accrued before the household obtains a medical
23 certificate will be due when the medical emergency is resolved:

⁷¹ Chapter 14 Implementation, Final Order, Docket No. M-2014-2448824, at 15 (order entered July 9, 2015).

⁷² Id. at 10, 14-15 (“Duquesne thinks the requirement should extend beyond current bills to include all undisputed charges and any arrears and asks the Commission to declare accordingly.”).

⁷³ 66 Pa. C.S. § 1403 (definitions).

⁷⁴ Matthew Haag, New Jersey Woman on Oxygen Dies After Electric Company Shuts Off Her Power, NY Times (July 9, 2018), <https://www.nytimes.com/2018/07/09/nyregion/woman-dies-oxygen-tank-electricity.html>.

1 “[I]f the customer is paying their current bills as required by [section 56.116], the
2 outstanding balance will not be increasing, meaning that the customer’s and the
3 utility’s problems with the account balance will not be aggravated. We expect that
4 once the medical certificate expires, the utility would address the outstanding
5 balance with the customer. We also point to the petition process at § 56.118 that a
6 utility may use to possibly void a medical certificate that a utility believes is being
7 used to avoid the payment of the account balance.”⁷⁵

8 As the Commission explained, when the household continues to pay current or budget bill
9 charges, their arrearage is not growing. Eventually, the utility may collect the debt when the
10 medical situation is no longer such that a physician, physician assistant, or nurse practitioner will
11 certify that a member of the household is seriously ill or requires service to treat the illness. Over
12 the last four decades, I have served countless clients faced with the loss of service, despite a
13 household member having a serious medical condition. In my experience, medical certificates are
14 not easily obtained, and are regularly denied based on internal policies within the health system,
15 rather than the individual’s health condition. Obtaining and renewing a certificate every 30 days
16 also has its difficulties, as it most often requires the individual to make and attend an appointment,
17 pay a co-payment, obtain child care, and incur transportation costs, each of which may be difficult
18 challenges – particularly for low income households who often lack options or access to affordable
19 healthcare.⁷⁶ Indeed, it is not easy for a medically vulnerable individual to obtain one medical
20 certificate, let alone several.

21 Thus, any suggestion to a medically vulnerable household seeking a medical certification
22 renewal that they cannot get additional medical certifications past the first three if their “Account
23 Balance has not been paid to Zero,”⁷⁷ is confusing and will possibly lead to a failure to obtain

⁷⁵ Chapter 14 Implementation, Final Order, Docket No. M-2014-2448824, at 14 (order entered July 9, 2015),
quoting Rulemaking to Amend the Provisions of 52 Pa. Code, Chapter 56 to Comply with the Provisions of 66 Pa.
C.S. Chapter 14, Revised Final Order, Docket No. L-00060182, at 149 Attach. One (order entered June 13, 2011)).

⁷⁶ See Chapter 14 Implementation, Comments of CAUSE-PA, Docket No. M-2014-2448824, at 11-12 (filed Mar. 2,
2015) (explaining in further detail the costs and barriers associated with obtaining a medical certificate).

⁷⁷ CAUSE-PA to Peoples II-27, Attachment A at 2.

1 additional certifications to which they may be entitled. If the Company is concerned about growing
2 balances, it should be encouraging households protected by a medical certificate to continue to
3 make payments on their current charges or budget bill, and should make a concerted effort to
4 equitably work with the household to enter into a payment agreement or enroll the household in
5 CAP – both of which would cure the need for additional medical certificates and would begin to
6 reduce arrears. I stand by my position that Peoples should update its training materials and its
7 standard medical certificate forms to accurately inform customers that additional medical
8 certificate renewals (beyond the first three) are available to customers who continue to satisfy their
9 duty to pay their undisputed ongoing current charges or budget bill amount while protected by a
10 medical certificate.

11 **Response to Peoples St. 5-R – Carol A. Scanlon**

12 **Q: Please summarize Ms. Scanlon’s rebuttal testimony as it relates to your**
13 **recommendations about Peoples’ Reconnection Fee and High Use Investigation Fee.**

14 A: Ms. Scanlon disagrees with my proposal that Peoples should waive its High Use
15 Investigation Fee for all foreign load investigations and high bill complaints for customers with
16 incomes at or below 150% FPL.⁷⁸ She argues that Peoples has implemented Encoder Receiver
17 Transmitters (ERTs) on the meters, which provide more consistent readings on a monthly basis.⁷⁹
18 She points out that the fee will be waived if the investigation identifies an error in the measurement
19 of gas used and that the Company will not impose late fees or terminate service, and asserts that
20 customers therefore have no reason to be discouraged from requesting an investigation unless the
21 complaint is unwarranted.⁸⁰

⁷⁸ Peoples St. 5-R at 11:19-12:16.

⁷⁹ Id. at 12:2-9.

⁸⁰ Id. at 12:10-16.

1 Ms. Scanlon also disagrees with my recommendation that the reconnection fee remain at
2 its current level. The sole argument she offers for raising the fee is that the current fee has been in
3 “place for many years” and thus “given the length of time, the increase of \$50 to \$56 is not
4 unreasonable.”⁸¹ She also opposes my recommendation that the reconnection fee be waived for
5 customers at or below 150% FPL.⁸² Essentially, her argument in opposition to waiving the
6 reconnection fee for low income customers is that Peoples is already doing enough for low income
7 customers in other contexts, and thus, the fee should not be passed on to other ratepayers.

8 **Q: How do you respond to Ms. Scanlon’s assertion that customers have no reason to be**
9 **discouraged from requesting a High Bill Investigation unless it is unwarranted?**

10 A: I think she is wrong. None of the arguments she provides in support of the fee addresses
11 foreign load investigations. As I explained in my direct testimony, the High Bill Investigation Fee
12 will create a chilling effect on tenants who suspect that their unit’s meter is improperly charged
13 for usage from another unit or common area, and will disproportionately affect low income
14 tenants.⁸³ The only way for a utility to know if there is a foreign load is to send someone out to
15 investigate. An ERT only detects usage and does nothing to help detect if a foreign load is wired
16 into a tenant unit; thus, the use of such devices has no bearing on the reasonableness of the fee as
17 it relates to foreign load investigations. Furthermore, Peoples’ assurances that it will not charge
18 late fees or terminate service based on nonpayment of the investigation fee mean little, as they
19 apply to a fee that should not be charged in the first place.

20 As a practical matter, low income customers simply cannot afford yet another additional
21 fee. An investigation is just that: an investigation to determine the reason for a high bill or other

⁸¹ *Id.* at 12:20-13:5.

⁸² *Id.* at 13:6-15.

⁸³ CAUSE-PA St. 1 at 43:5-44.

1 billing oddity. Imposing a charge driven by the ultimate outcome of an investigation is unjust and
2 unreasonable, and will deter consumers from pursuing their right to dispute the amount of their
3 bill. Peoples is basically requiring that customers gamble \$75 on their suspicion that their bill is
4 incorrect. This will have a particularly chilling effect for low income households as the potential
5 fee will require a larger percentage of their income; thus, they are less likely than other customers
6 to be able to afford to take the gamble to request the investigation. Peoples should not be enabled
7 to create an unjustifiable barrier to the ability to redress an illegal bill or foreign load.

8 **Q: How do you respond to Ms. Scanlon’s argument that the current reconnection fee has**
9 **been in “place for many years” and thus “given the length of time, the increase of \$50 to \$56**
10 **is not unreasonable.”⁸⁴**

11 A: I will begin by acknowledging that, in my direct testimony, I incorrectly stated the fee
12 would be increased from \$50 to \$60. As Ms. Scanlon points out, the proposed fee is \$56.
13 However, this difference in no way affects any of my arguments against raising the fee. Regardless
14 of the amount of the increase or the length of time that the current fee has been in place, utilities
15 must have some actual reason for increasing a fee – beyond simply the passage of time. Just like
16 it cannot just arbitrarily raise its rates, Peoples cannot arbitrarily raise its reconnection fee simply
17 because it feels that it has been the same amount for too long. The Company does not have any
18 inherent right to raise its reconnection fee. Indeed, over time, efficiencies and technology can also
19 lead to decreased rates. Ms. Scanlon fails to assert any valid reason for raising the fee; thus, it
20 should remain at \$50.

⁸⁴ Peoples St. 5-R at 12:20-13:5.

1 **Q: How do you respond to Ms. Scanlon’s argument that the reconnection fee should not**
2 **be waived for low income customers because, “there are other measures in place to assist low**
3 **income customers”⁸⁵?**

4 A: I think it is pretty clear from my direct testimony that, despite having programing in place,
5 Peoples needs to do more to help its low income customers afford to connect to and maintain
6 service. Increasing the amount of the reconnection fee will disproportionately affect low income
7 customers who are more likely to suffer termination and less likely to be able to be able to afford
8 the reconnection fee. I believe that Ms. Scanlon’s concerns about the cost to other ratepayers would
9 be best addressed by bolstering its current measures to reduce low-income service termination so
10 that reconnection expenses are less frequently imposed. I acknowledged in my direct testimony
11 that Peoples has a lower termination rate compared to other natural gas utilities. By implementing
12 my recommendations and recommendations of the other parties who presented testimony on low
13 income issues in this proceeding, the Company can further reduce the number of low income
14 terminations, thus reducing any potential additional costs to ratepayers.

15 **Response to PII St. 1-R - James Crist**

16 **Q: Are there any other issues in other parties’ rebuttal testimony that you would like to**
17 **address?**

18 A: Yes. Although CAUSE-PA does not take a position in this case regarding the LGS flex rate
19 subsidies or who should pay for the lost revenue, I feel I should note my disagreement with Mr.
20 Crist’s attempt to differentiate the general public benefits of interclass subsidies for LGS flex rates
21 versus CAP programs.⁸⁶ Mr. Crist characterizes the comparison as “apples to oranges” because he
22 asserts that LGS flex rates discounts create a greater benefit to the utility and its customers than

⁸⁵ Id. at 13:6-15.

⁸⁶ PII St. 1-R at 10:25-12:15.

1 the benefits of CAP.⁸⁷ I disagree. CAP and other Universal Service Programs are exceedingly
2 beneficial not only to the utility and its low income customers, but to the community as a whole.⁸⁸
3 In my direct testimony, I explained many of these benefits at length.⁸⁹ Furthermore, both the flex
4 rates and the CAP rider are discounts offered to a subclass of customers that would otherwise be
5 at risk of disconnecting from the Company’s distribution system.⁹⁰ Thus, I disagree with Mr.
6 Crist’s “apples to oranges analogy” because it undervalues the benefits of CAP and other Universal
7 Service programs to the utility, its ratepayers, and the community as a whole.

8 **Q: Does this conclude your surrebuttal testimony?**

9 **A: Yes**

⁸⁷ Id. at 10:25-12:15

⁸⁸ For a further discussion of the benefits of CAP, see Review of Universal Service and Energy Conservation Programs, Joint Comments of CAUSE-PA, TURN, and Action Alliance, Docket No. M-2017-2596907, at 55-59 (filed Aug. 8, 2017); see also Energy Affordability for Low-Income Customers in Pennsylvania, Joint Reply Comments of TURN, Action Alliance, and CAUSE-PA, Docket No. M-2017-2587711, at 13-16 (filed May 23, 2019).

⁸⁹ PII Statement NO. 1-R at 10:25-11:15.

⁹⁰ See Id. at 10:25-11:15; see also 66 Pa. C.S. § 2202.