

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265**

Public Meeting held October 27, 2022

Commissioners Present:

Gladys Brown Dutrieuille, Chairman
Stephen M. DeFrank, Vice Chairman
Ralph V. Yanora
Kathryn L. Zerfuss
John F. Coleman, Jr.

PPL Electric Utilities Corporation Universal Service
and Energy Conservation Plan for 2017-2019 M-2016-2554787

PPL Electric Utilities Corporation Universal Service
and Energy Conservation Plan for 2023-2027 M-2022-3031727

Petition of PPL Electric Utilities Corporation for
Expedited Approval to Modify the CAP Plus Charge in
its 2017 Universal Service and Energy Conservation
Plan P-2022-3036146

ORDER

BY THE COMMISSION:

The 2017-2019 Universal Service and Energy Conservation Plan (2017 USECP) for PPL Electric Utilities Corporation (PPL) was approved by Commission Order entered on October 5, 2017 (2017 Order), at Docket No. M-2016-2554787 and will remain in effect until replaced. PPL's proposed 2023-2027 USECP (2023 USECP), filed and served on April 1, 2022, is currently under Commission review at Docket No. M-2022-3031727.

By Petition filed and served on October 17, 2022, at Docket No. P-2022-3036146 (2022 Petition), PPL now seeks to maintain PPL's Customer Assistance Program (CAP) Plus charge at the current amount of \$7.00 until its 2023 USECP is approved and implemented, rather than increase the CAP Plus charge to approximately \$13.74 effective November 1, 2022, in accordance with the 2017 USECP. Office of Consumer Advocate (OCA) and the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania (CAUSE-PA) have submitted letters in support of the 2022 Petition. We shall grant the 2022 Petition, consistent with this Order.

I. BACKGROUND

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

¹ In 2020, PPL served 1,243,502 residential customers. 2020 Report on Universal Service and Collections Performance at 5. <https://www.puc.pa.gov/media/1709/2020-universal-service-report-final.pdf> (reviewed on October 18, 2022.)

² EDCs are subject to the universal service reporting regulations at 52 Pa. Code §§ 54.71-54.78 and the low-income usage reduction regulations at 52 Pa. Code §§ 58.1-58.18 and are guided by the recommendations in the CAP Policy Statement (2020) at 52 Pa. Code §§ 69.261-69.267.

³ PPL calls its CAP "OnTrack."

to have these four programs. 66 Pa.C.S. § 2804 (8) & (9) (relating to standards for restructuring of the electric industry).

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

The 2017 USECP was approved by the Commission in an Order entered on October 5, 2017 (October 2017 Order) at Docket No. M-2016-2554787. In the October 2017 Order, the Commission, *inter alia*, approved the implementation and calculation of the CAP Plus charge, which stems from PPL's 2010 base rate case settlement at Docket No. R-2010-2161694. 2017 Order at 9, 38.

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

On April 1, 2022, PPL filed and served its proposed 2023 USECP at Docket No. M-2022-3031727. Approval of the proposed 2023 USECP is pending. The 2017 USECP remains in effect until the proposed 2023 USECP is approved by the Commission and implemented by PPL.

2022 Petition (Docket No. P-2022-3036146)

On October 17, 2022, PPL filed and served the 2022 Petition seeking to amend its 2017 USECP on an expedited basis. PPL has alleged that it has only recently received the data necessary to perform the annual recalculation of its CAP Plus charge. Unless PPL is permitted to avoid implementing the new CAP Plus charge, the CAP Plus charge will increase from \$7.00 per month to approximately \$14.00 per month, effective November 1, 2022, in accordance with the 2017 USECP. PPL states that OCA and CAUSE-PA support this change. PPL further asserts that OCA and CAUSE-PA have proposed eliminating the CAP Plus charge in the 2023 USECP proceeding and that it is willing to eliminate the CAP Plus charge in the 2023 USECP proceeding. PPL also requests a shortened answer period for the 2022 Petition. CAUSE-PA filed and served its support of the 2022 Petition on October 18, 2022. OCA filed and served its support of

the 2022 Petition on October 21, 2022. On October 20, 2022, by Secretarial Letter, the Answer period was shortened to October 24, 2022.

II. DISCUSSION

Legal Standards

The filing schedule for USECPs was set forth in *USECP Filing Schedule and Independent Evaluation Filing Schedule*, Docket No. M-2019-3012601 (order entered on October 3, 2019). A public utility may file a petition to amend its current USECP at any time, regardless of the filing schedule. Such petitions allow the Commission and all stakeholders to focus only on the impact of the proposed program change(s) – rather than a comprehensive review of the utility’s entire universal service portfolio – and take significantly less time for the Commission to review and render a decision. October 3, 2019 Order at 10.

Section 5.41(a) of the Commission’s regulations, 52 Pa. Code § 5.41(relating to petitions generally) sets forth the requirements for any petition seeking relief.

Petitions for relief under the act or other statute that the Commission administers, [*sic*] must be in writing, state clearly and concisely the interest of the petitioner in the subject matter, the facts and law relied upon, and the relief sought. Petitions for relief must comply with § 1.51 (relating to Instructions for service, notice, and protest).

Section 332(a) of the Public Utility Code, 66 Pa.C.S. § 332(a) (relating to procedures in general), provides that the party seeking relief from the Commission has the burden of proof. PPL seeks relief from the Commission and, therefore, has the burden of proof in this proceeding.

Any decision of the Commission must be supported by substantial evidence. *See, e.g.*, Section 704 of the Administrative Agency Law, 2 Pa.C.S. § 704. “Substantial evidence” is such relevant evidence that a reasonable mind might accept as adequate to

support a conclusion. More is required than a mere trace of evidence or a suspicion of the existence of a fact sought to be established. *Norfolk & Western Ry. Co. v. Pa. Pub. Util. Comm'n.*, 413 A.2d 1037 (Pa. 1980); *Erie Resistor Corp. v. Unemployment Comp. Bd. of Review*, 166 A.2d 96 (Pa. Sup. 1961); and *Murphy v. Comm., Dept. of Public Welfare, White Haven Center*, 480 A.2d 382 (Pa. Cmwlth. 1984).

Finally, it is well-settled that the Commission is not required to consider expressly or at length each contention or argument raised by the parties. *Consolidated Rail Corp. v. Pa. Pub. Util. Comm'n.*, 625 A.2d 741 (Pa. Cmwlth. 1993); *see also, generally, University of Pennsylvania v. Pa. Pub. Util. Comm'n.*, 485 A.2d 1217 (Pa. Cmwlth. 1984). Thus, any argument in the 2022 Petition that we do not specifically address shall be deemed to have been duly considered and denied without further discussion.

PPL's 2022 Petition

PPL requests expedited approval to maintain the CAP Plus charge at its current amount of \$7.00 rather than increasing it to approximately \$14.00, effective November 1, 2022. PPL further requests that the answer period for the 2022 Petition be shortened from 10 days to five days and that the Commission issue an expedited Order granting the 2022 Petition to have sufficient time to implement the change (that is, to retain the existing \$7.00 CAP Plus charge) before November 1, 2022. PPL also states that it has consulted with OCA and CAUSE-PA on this matter and that the parties do not oppose the expedited relief requested in this Petition. 2022 Petition at 3.

PPL states that the purpose of CAP Plus is to help offset program expenses for all residential customers who pay for PPL's CAP universal service costs through PPL's reconcilable Universal Service Rider. PPL determines the CAP Plus amount by taking the total amount of LIHEAP funding received by CAP participants and dividing that dollar amount by the number of active OnTrack accounts as of September 30th, then dividing that amount by 12 months. The CAP Plus payment amount is applied to all

CAP participants and may change annually depending on the level of LIHEAP funding available. 2022 Petition at 4-5.

PPL explains that in the 12 months preceding September 30, 2022, CAP customers received a significant increase in LIHEAP grants, increasing from \$5.8 million in the 2020-2021 season to \$11.2 million in the 2021-2022 season. PPL asserts that based on the \$11.0 million in LIHEAP grants, the CAP Plus charge would increase from \$7.00 to approximately \$14.00 effective November 1, 2022. 2022 Petition at 6. PPL further asserts that this increase would be nearly double the current charge of \$7.00 and would be \$6.00 more than the highest CAP Plus charge in the charge's history. 2022 Petition at 8.

PPL notes that in its proposed 2023 USECP proceeding at Docket No. M-2022-3031727 it agreed with the proposals from OCA and CAUSE-PA to eliminate the CAP Plus charge going forward, subject to Commission approval. PPL has not, however agreed to eliminate the CAP Plus charge as part of the 2017 USECP.

Analysis

We are mindful of PPL's representation that OCA and CAUSE-PA are supportive of the request in the 2022 Petition. Indeed, CAUSE-PA and OCA filed support for the 2022 Petition. We find that the parameters set out in the 2022 Petition justify PPL's proposal not to increase the CAP Plus charge on November 1, 2022, but rather to maintain the status quo of the current CAP Plus charge of \$7.00 until the existing 2017 USECP is replaced.

We have granted PPL's request to shorten the answer period. All parties to PPL's 2017 USECP proceeding have had the opportunity to comment relative to the 2022 Petition. Accordingly, PPL's 2022 Petition to modify the 2017 USECP to maintain the current CAP Plus charge of \$7.00 is granted. Our approval herein regarding the CAP Plus charge is not a decision on the merits of the proposal pending in the proposed 2023

USECP.

III. CONCLUSION

PPL's next USECP, which is slated to be at least a five-year USECP, is under review. We conclude that the parameters set out in the 2022 Petition justify PPL's proposal to maintain the current CAP Plus charge of \$7.00 until the existing 2017 USECP is replaced. Accordingly, PPL's 2022 Petition to modify the 2017 USECP to maintain the current CAP Plus charge of \$7.00 is granted consistent with this Order. We note that any issue which we may not have specifically delineated herein shall be deemed to have been duly considered and denied without further discussion. The Commission is not required to consider expressly or at length each contention or argument raised by the parties; **THEREFORE,**

IT IS ORDERED:

1. That the Expedited Petition of PPL Electric Utilities Corporation to Modify its Universal Service and Energy Conservation Plan, filed on October 27, 2022, at Docket No. M-2016-2554787, is granted consistent with this Order.
2. That PPL Electric Utilities Corporation shall not increase its CAP Plus charge pursuant to or in conjunction with its current 2017 Universal Service and Energy Conservation Plan.
3. That further consideration of the PPL Electric Utilities Corporation CAP Plus provisions shall be deferred and undertaken as part of the review of PPL Electric Utilities Corporation's proposed 2023 Universal Service and Energy Conservation Plan at Docket No. M-2022-3031727.

4. That a copy of this Order be entered upon the record in Docket Nos. M-2016-2554787, M-2022-3031727, and P-2022-3036146.
5. That a copy of this Order be served on the parties of record at these dockets.
6. That Docket No. P-2022-3036146 be marked closed.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read "Rosemary Chiavetta". The signature is written in a cursive, flowing style.

Rosemary Chiavetta
Secretary

(SEAL)

ORDER ADOPTED: October 27, 2022

ORDER ENTERED: October 27, 2022