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July 31, 2009

**By eFiling**

James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Re: Petition to Amend Philadelphia Gas Works' Universal Services and Energy Conservation  
Plan 2008-2010, Docket No. M-00072021

Dear Secretary McNulty:

Enclosed for eFiling please find the **Answer of Tenant Union Representative Network and Action Alliance of Senior Citizens to Petition to Amend Philadelphia Gas Works' Universal Service and Energy Conservation Plan 2008-2010**, in the above-captioned matter. Copies of the enclosed have been served upon the parties on the Certificate of Service attached.

Sincerely,

*/s/ Philip A. Bertocci* \_\_\_\_\_  
Philip A. Bertocci, Esquire  
Thu B. Tran, Esquire

Attorneys for TURN et al.

Enclosure

cc: Certificate of Service List

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Re: Philadelphia Gas Works Universal Service** :  
**And Energy Conservation Plan 2008-2010** :  
**Submitted in Compliance with 52 Pa.Code § 62.4** : **Docket No. M-00072021**

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served copies of the **Answer of Tenant Union Representative Network and Action Alliance of Senior Citizens to Petition to Amend Philadelphia Gas Works' Universal Service and Energy Conservation Plan 2008-2010**, as set forth below in accordance with the requirements of 52 Pa. Code § 1.54:

**VIA FIRST-CLASS MAIL (and E-MAIL as indicated)**

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Respectfully submitted,

/s/ Thu Tran

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be reallocated to the accounts of individual LIHEAP recipients. In addition, TURN et al. question whether the language of the proposed amendment to PGW's Universal Service Plan assures that all CRP participants, whether in active or defaulted status, will benefit from the allocation of LIHEAP payments proposed for the 2009 Season.

In support of these positions regarding PGW's Petition, TURN et al. aver as follows:

**Answer.**

1. Admitted.

2. Admitted in part. It is admitted that CRP is funded through a Universal Service and Energy Conservation Surcharge that is imposed on all firm customers (other than those in the Company's Customer Assistance Program ("CAP") -- CRP), including commercial and industrial sales customers. Whether computation of the Surcharge and its quarterly adjustments is supported by 66 Pa.C.S. § 1307(f) is a conclusion of law to which no response is required.

3. Admitted.

4. Admitted in part; denied in part. It is admitted that DPW administers the LIHEAP program in the Commonwealth of Pennsylvania and it is admitted that PGW has participated in discussions and meetings with DPW regarding the CRP program. As to the time frame and the precise content of the meetings and discussions, TURN et al. are without sufficient knowledge or information to form a belief as to the truth of the averment, which is therefore denied.

5. Admitted.

6. Denied. TURN et al. are without sufficient knowledge or information to form a belief as to the truth of the averment, which is therefore denied.

7. Admitted in part; denied in part. It is admitted that PGW sent a letter on June 2, 2009 to DPW regarding changes requested by DPW for LIHEAP Grants and that a copy of that letter

has been attached to the Petition as Exhibit “C”. The letter speaks for itself, and no response is required concerning PGW’s summary of the contents of the letter. As to whether correspondence DPW received from the federal Department of Health and Human Services indicated that DPW had authority to grant PGW’s “alternative application” of LIHEAP grants, TURN et al. are without sufficient knowledge or information to form a belief as to the truth of the averment, which is therefore denied.

8. Admitted.

9. Denied. As to whether as a result of the Grant application required by DPW, the amount of the Surcharge will increase on a continuing, going forward basis, TURN et al. are without sufficient knowledge or information to form a belief as to the truth of the averment, which is therefore denied. By way of further answer, whether a net change in the Surcharge may occur will be dependent on several factors, including but not limited to whether PGW obtains approval for other changes in its CRP program and more generally, the directives contained in the final amended CAP Guidelines currently under consideration by the Commission.

It is denied that the Surcharge will increase because of the one-time retroactive adjustment required by DPW for the 2008 Season; to the contrary, DPW did not authorize recovery through a Surcharge of the amounts in LIHEAP cash grants received in the 2008 Season which are to be reallocated.

TURN et al. are without sufficient knowledge or information concerning whether non-CRP ratepayers will bear the burden of a Surcharge increase based on recovery of the amounts in LIHEAP cash grants received in the 2008 Season, because it is not known whether the PUC will approve such recovery. By way of further answer, the fact that the Surcharge is already the highest in the Commonwealth should dissuade the Commission from treating the revenue impact

of PGW's reallocation of LIHEAP cash grants previously "pooled" in the 2008 Season as analogous to routine under recovery arising from unanticipated changes in the number of CRP customers and the total market price of gas service received by those customers.

TURN et al. are without sufficient knowledge or information concerning whether, in the event that the Commission approves PGW's requested Surcharge Increase, this increase will amount to \$15,200,000, which averment is denied.

As to whether PGW intends to seek future PUC approval for further modifications in its CRP program, TURN et al. are without sufficient knowledge or information to form a belief concerning the truth of the averment, which is therefore denied.

10. With regard to PGW's future intentions regarding billing system reprogramming to effectuate DPW's requested changes for the 2009 LIHEAP Season, TURN et al. are without sufficient knowledge or information to form a belief concerning the truth of the averments, which are therefore denied.

11. The averment consists of a proposed amendment to PGW's Universal Service Plan retroactive to November 3, 2008. Whether the averment is considered as a statement of fact or as a conclusion of law, no response is required.

12. Admitted in part; denied in part. It is admitted that PGW applied Grants received for the 2008 Season in accordance with the PUC-approved Plan – as an offset against the cost of the discount provided to CRP customers.

As to whether the Plan amendment, if approved, would "require" recovery of \$15,200,000 from all firm customers, TURN et al. are without sufficient knowledge or information to form a belief regarding the truth of the averment, which is therefore denied. By

way of further answer, as set forth in Paragraph 9 supra, the potential Surcharge consequences, if any, of this reallocation are subject to many variables.

13. Admitted in part; denied in part. It is admitted that as amended the Plan will authorize PGW to recover 2008 Season Grants pursuant to the Surcharge.

It is denied that as drafted, the amended Plan clearly authorizes PGW to apply future 2009 Season Grants directly against each respective CRP participant's "asked to pay" CRP bill; to the contrary, PGW's proposal appears to require application of future Grants to the CRP "asked to pay" balance and arrears only for "active" CRP participants, and not for "defaulted" CRP participants. By way of further answer, PGW commonly classifies its CRP participants into "active" participants (customers less than one payment behind on their CRP bills) and "defaulted" participants (customers still receiving service who are more than one payment behind on their CRP bills). PGW has not defined "active" participant in its Petition to give adequate assurance that it will not apply future LIHEAP grants against the pre-CRP arrearages of CRP participants who are in "defaulted" status but whose service has not yet been terminated. LIHEAP Grants obtained when a CRP participant is in "defaulted" status, but still receiving service, should be available to cure CRP defaults and potentially avoid termination.

WHEREFORE, TURN et al. request that the Commission:

a. approve PGW's Petition to the extent that for the 2009 Season, it provides for application of LIHEAP grants to reduce the CRP "asked to pay" balance and arrears rather than to be applied to pre-CRP enrollment arrears for all CRP participants who are not one payment or more behind on his/her CRP bill;

b deny PGW's Petition to the extent that for the 2009 Season, it fails to provide for application of LIHEAP grants to reduce the CRP "asked to pay" balance and arrears for CRP participants who are in "defaulted" status, and still receiving service; to the contrary, require that LIHEAP grants also be utilized to reduce the CRP "asked to pay" balance and arrears for CRP participants in "defaulted" status;

c. approve PGW's Petition to the extent that it seeks authorization to reallocate LIHEAP Grants received during the 2008 Season to the accounts of individual CRP participants in accordance with DPW directives;

d. deny PGW's Petition to the extent that it seeks authorization for retroactive recovery in the 2009 Season via an increased Surcharge for the 2008 Season Grants which have been reallocated to the accounts of individual CRP participants.

e. grant such other relief as is in the public interest.

Respectfully submitted,

/s/ Philip A. Bertocci  
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## VERIFICATION

I, Phil Lord, on behalf of Tenant Union Representative Network (TURN), hereby state that the facts contained in the foregoing pleading are true and correct to the best of my knowledge, information and belief, that I am duly authorized to make this Verification, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 10 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

Date: July 31, 2009

/s/ Phil Lord  
Title: Executive Director, TURN