

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Duquesne Light Company Universal  
Service and Energy Conservation Plan for  
2014-2016 Submitted in Compliance with  
52 Pa. Code §§ 54.74.

Docket No. M-2013-2350946

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**COMMENTS OF THE COALITION FOR AFFORDABLE UTILITY SERVICES  
AND ENERGY EFFICIENCY IN PENNSYLVANIA TO THE  
TENTATIVE ORDER ENTERED DECEMBER 19, 2013**

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## **I. Background**

On December 19, 2013, the Pennsylvania Public Utility Commission (“Commission”) issued a Tentative Order (“TO”) to the Amended Petition of the Duquesne Light Company (“Duquesne” or “Company”) for approval of its Universal Service and Energy Conservation Plan (“USECP” or “Plan”) for 2014 through 2016. The Amended Plan was filed on June 28, 2013, in accordance with the Pennsylvania Public Utility Commission’s regulations at 52 Pa. Code §§ 54.71-54.78, relating to electric universal service and energy conservation reporting requirements. In the TO the Commission tentatively approved Duquesne’s Amended Plan, in part, and solicited comments from interested parties. The Commission further noted that to the extent comments and reply comments raise relevant material factual questions, this matter may be referred to the Office of Administrative Law Judge (OALJ) for hearing and decision.

In addition, on June 28, 2013, Duquesne filed a Petition requesting approval and modification of its amended 2014-2016 USECP. The petition seeking to amend the USECP also referenced the Duquesne DSP Petition. The Commission therefore added the USECP docket (M-2013-2350946) to the DSP docket (P-2012-230664) without expressly consolidating the two proceedings. On July 18, 2013, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) filed an Answer to the June 28, 2013 Petition. In the TO the Commission has noted that comments related to the Duquesne DSP Petition and CAP shopping plan are being directed to Docket No. P-2012-2301664.

The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), through its counsel at the Pennsylvania Utility Law Project, pursuant to the Commission’s solicitation, hereby files these Comments to the December 19, 2013 TO regarding Duquesne’s Petition for Approval and Modification of its 2014-2016 Universal Service and

Energy Conservation Plan. CAUSE-PA is an unincorporated association of low-income individuals that advocates on behalf of its members to enable consumers of limited economic means to connect to and maintain affordable water, electric, heating and telecommunication services. CAUSE-PA membership is open to moderate- and low-income individuals residing in the Commonwealth of Pennsylvania who are committed to the goal of helping low-income families maintain affordable access to utility services and achieve economic independence and family well-being. CAUSE-PA membership comprises individuals who are customers of Duquesne and other regulated utilities across the Commonwealth. CAUSE-PA has been granted intervenor status in other proceedings involving Duquesne and has actively participated in those proceedings. CAUSE-PA thanks the Commission for this opportunity to submit comments.

Approval by the Commission of Duquesne's proposed 2013-2016 USECP is subject to the Plan meeting the requirements set forth in the Electricity Generation Customer Choice and Competition Act ("Competition Act" or "Act"), 66 Pa. C.S. § 2801 *et seq.* which became effective on January 1, 1997; the *Universal Service and Energy Conservation Reporting Requirements* (USEC Reporting Requirements) at 52 Pa. Code §§ 54.1-54.9; the LIURP regulations at 52 Pa. Code §§ 58.1-58.18; the directives articulated by the Commission in the CAP Policy Statement at 52 Pa. Code §§ 69.261-69.267; the Final Investigatory Order entered December 18, 2006 to Docket No. M-00051923; as well as to other relevant Secretarial letters, Commission rules, policies, and orders.

The universal service provisions of the Competition Act tie the affordability of electric service to a customer's ability to pay for that service and place the responsibility to ensure that such service is appropriately funded and available in each electric distribution territory upon the Commission. 66 Pa. C.S. § 2804(9). The statutory goals of universal service are to be achieved

through the enactment, establishment and maintenance of policies, practices and services that help low-income customers maintain their electric service. Universal service includes customer assistance programs, usage reduction programs, service termination protections and consumer education. 66 Pa. C.S. § 2803.

The *Universal Service and Energy Conservation Reporting Requirements* at 52 Pa. Code §§ 54.1-54.9 require an electric distribution company (EDC) to submit an updated universal service and energy conservation plan every three years to the Commission for approval. 52 Pa. Code § 74(a)(1). The regulations place the responsibility upon the Commission to determine if the EDC's plan meets the goals of universal service. 52 Pa. Code § 54.73. The Commission may approve, reject or modify the plan. 52 Pa. Code 54.74(a)(5).

The 52 Pa. Code §§ 54.1-54.9 triennial submission and review is the only regulatory opportunity for the Commission to analyze the universal service program in its entirety. This complete program review is needed in order to determine if the Company's universal service program adheres to all legal and policy requirements; is structured and administered in a manner which achieves universal service goals; is appropriately funded and available; and provides an affordable payment structure which enables low income customers to maintain essential utility service. Although during the intervening three years between triennial program approvals it is not uncommon for modifications of individual program segments to occur as a result of regulatory or statutory changes, base rate proceedings or other factors, it is during the triennial review that the universal service and energy conservation program is reviewed and approved as an integrated whole.

In its TO, the Commission identified the following six differences between the Duquesne Proposed 2014-2016 Amended USECP Plan and Duquesne's previously approved 2011-2013 USEC Plan:

- Allow restoration payment agreements while remaining in CAP;
- Clarify the application of maximum credits on CAP accounts;
- Permit a customer to receive CAP at only one service location at a time.
- Shorten arrearage forgiveness from 36 to 24 months.
- Default a customer from CAP for engaging in fraud, material misrepresentations, meter tampering, theft of service, failure to recertify income, failure to complete an energy conservation visit, or failure to apply for grant assistance. In the case of theft of service or material misrepresentations regarding eligibility criteria, back-bill a defaulted customer for previously unbilled consumption, or (when questioned, Duquesne clarified that it should be "at" not "or") the full tariff rate;
- Provide a timeframe and process for allowing CAP customers to shop for electric generation while retaining their benefits.

CAUSE-PA hereby comments on Duquesne's Proposed 2013-2014 USECP as addressed by the Commission in its TO.

## **II. Comments**

### **CAP Issues**

#### ***a. Customer Payments Applied To Pre-Program Arrearages***

CAUSE-PA submits that Duquesne's 2014-2016 amended USECP proposal that customer payments made in excess of the requested CAP amount due will be applied to pre-program arrearages (Amended Plan, p. 4) is in conflict with Duquesne's policy to extend "every reasonable consideration to CAP customers to avoid dismissal from the program" (Amended Plan, p. 6), is in conflict with CAP program policy design intended to forgive the "frozen" pre-program arrears incrementally with each timely and full CAP payment and appears to be in conflict with the Department of Welfare's ("DPW") policy that LIHEAP Cash payments are to

the monthly ‘asked to pay’ amount. CAUSE-PA therefore supports the Commission’s proposed resolution (TO at 11) that CAP payments should be applied to any missed monthly CAP payment, and if none are past due, the excess amount should be applied to the next month’s bill.

CAUSE-PA members and its Counsel at PULP have noted that Duquesne’s “proposed” policy, in some cases, has already been applied by Duquesne, and resulted in financial burdens on those low-income households who made excess CAP payments to Duquesne as a result of Company billing error, failure to appropriately adjust the CAP rate, and other reasons. These customers made these payments to address their monthly CAP bill and without the intent that such payments be made to reduce their already frozen pre-program arrears.

The Commission’s proposed resolution will reduce the risk that these customers who made payments in *excess* of their monthly CAP amount will suffer an unjust, unreasonable, and unconscionable default and dismissal from CAP. In short, the proposed policy not only reduces the risk of CAP default and dismissal, it reduces the risk of service termination for any CAP customer required to pay unaffordable full market rates.

***b. CAP Credits and the Billing “Bounce”***

CAUSE-PA members and its counsel at PULP have noted a number of instances in which the billing “bounce” hypothetically presented by the Commission has occurred. In these situations, the CAP customers either did not receive the full benefits of their CAP credits, or were required to pay significantly higher and unaffordable payments during a period of months, and were significantly confused as to the reason for of the length of time the different payments amounts would be required. CAUSE-PA therefore supports the Commission’s proposed resolution that:

Duquesne should make adjustments to its billing systems to avoid such confusion. One way would be to apply CAP credits to a customer’s account until all credits have been fully exhausted. Another way would be to spread the credits over 12 months so a customer would know how much to anticipate as credit each month. At the very least, a customer’s payment amount should be reduced by any remaining CAP credits, regardless of whether there is enough credit to cover the

entire deficiency between actual usage and the discounted CAP payment. Duquesne is also directed to address how it will adjust its system to correct the “bounce” occurrences in the future in its comments to this order.

(TO at 16.)

In addition, although Duquesne has noted that it has designed a new customer bill that will show the remaining CAP credits to give customers an idea as to how long the CAP discount might be in effect it has not provided a specific implementation date. CAUSE-PA submits that the Commission require that (a) the new bill as well as any revisions and refinements to Duquesne’s billing system be implemented on an expedited basis and that (b) the Office of Consumer Advocate and low-income advocates such as PULP be consulted as the bill and billing systems continue to be developed.

*c. Telephone Coverage at CAP Agencies*

CAUSE-PA supports the Commission resolution (TO at 16) that Duquesne must ensure any agency with which it contracts for administration of its universal service programs must be accessible to customers. CAUSE-PA members and its counsel at PULP have noted many instances in which CAP customers were unable to contact the local CAP administering agency to address CAP problems or disputes. Telephone busy signals, full voice mailboxes, and failure by the administrator to respond to messages that were able to be left on voice mail have often resulted in customer confusion and failure to resolve questions in a timely manner. Many of these CAP customer issues could have been resolved expeditiously, but were not. As a result, CAP bills were sometimes issued in incorrect amounts and unjustified defaults occurred.

Because inability to contact the administering agency often results in significant customer hardship, CAUSE-PA recommends that in its Final Order, the Commission not only

require Duquesne to ensure that its contractors are accessible to customers, but that the Commission also establish clear-cut time maximum time periods for answering, responding to and resolving customer contacts. These administrating entities are acting as agents of Duquesne and must, at a minimum, be required to be as accessible and responsive to customer contacts as the regulated entity they represent.

In addition, in its 2009 CAP evaluation, Duquesne's CAP evaluator highlighted a number of underserved market segments of its CAP population. Specifically, mentioned, among others, were: (1) those who live in areas far from intake offices; (2) households with children; and, (3) households not fluent in English.<sup>1</sup> Duquesne has begun addressing at least the first one of these barriers by relocating some of its intake offices. This is a positive step. However, many of these households may be unable to appear in person at intake offices and depend on the ability to have timely and responsive phone contact. It is therefore important that Duquesne accommodate households who cannot get into a CAP intake office by having timely and effective telephone response systems as a means of interviewing a CAP applicant. Additionally, Duquesne should ensure that it and its CAP agencies have access to certified translators for those households for who are not fluent in English. While it may be impractical to have such persons on staff, Duquesne could accomplish this by using a translation service such as Language Line for non-English speaking households.

***d. Enrolling Customers in Termination Status into CAP***

The independent audit of Duquesne's CAP program in 2009 found that only 26% of customers who had received termination notices from 2007 to 2009 had been on CAP. The operations audit of Duquesne conducted by the Commission's Bureau of Audits in 2012 resulted in a report recommending that Duquesne reduce arrearages by enrolling low-income customers in either a payment plan or CAP (D-2011-2269361, Focused Management and Operations Audit of Duquesne Light Company, p.56-60). Duquesne responded to this recommendation by stating that it was going to start segmenting customers based on internal credit behavioral scores and

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<sup>1</sup> 2009 AECOM Universal Service Evaluation at 27-33.

implement a revised outbound call campaign. These changes are anticipated to be completed by the 4th quarter of 2013 (Duquesne Light Implementation Plan, p. 11).

While CAUSE-PA supports the Commission's proposed resolution that Duquesne should provide comments addressing the current status of their outbound call campaign, more is needed. Since CAP is the most efficient and successful manner to reduce arrears of customers at 150% federal poverty level or below, CAUSE-PA submits that the revised outbound call campaign must include the requirement that whenever a customer demonstrates eligibility for CAP, is informed of the benefits of CAP, and requests enrollment, that the enrollment of that customer into CAP is to be expedited by the company or its agent.

According to the most recent information available from the PUC, approximately 35,000 of Duquesne Light's confirmed low-income customers are on payment agreements.<sup>2</sup> Because Duquesne does not permit payment agreements for customers while they are enrolled in CAP this means that all, or most, of these payment troubled confirmed low-income customers, although not enrolled in CAP are likely eligible. For its CAP, Duquesne requires households to be payment troubled with an overdue balance and have income at or below 150% of the federal poverty level. By definition, confirmed low-income households who are on a payment agreement meet these criteria. Since CAP enrollment is to be open to all who meet the eligibility requirements, it is unclear why these households are not enrolled in CAP. While there may be some who choose not to enroll in CAP either because they do not want to do so or they need to catch up on past due CAP balances or other reasons, it is difficult to imagine that all 36,000 households fit into these categories.

Duquesne should proactively market their CAP program to all confirmed low-income households who are on payment agreements currently or in arrears, and institute a process

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<sup>2</sup> *Ibid.* n. 6 at 21.

whereby before any confirmed low-income household is placed on a payment agreement they are adequately informed about their ability to be enrolled in CAP, its benefits and obligations. If that household is eligible and requests enrollment, they should be enrolled at that time. Only if the household is ineligible for or chooses not to enroll in CAP should they be placed on a payment agreement.

Furthermore, as stated earlier in regard to telephone access, CAUSE-PA submits that as part of its outreach program Duquesne should ensure that it and its CAP agents have access to certified translators for those households for who are not fluent in English. While it may be impractical to have such persons on staff, Duquesne could accomplish this by using a translation service such as Language Line for non-English speaking households.

*e. CAP Agency and Account Monitoring*

The Commission has proposed that Duquesne provide more information in its comments as to agency monitoring activities and updates to income/household recertification information, or exceptional circumstances. Specific questions to be answered include: When is an account referred for LIURP; when is usage deemed to be high; how are customers prioritized for a LIURP evaluation? Are degree day factors a part of the usage analysis? (TO at 20.)

CAUSE-PA supports the development of additional data and clarification of the methods Duquesne uses to determine LIURP prioritization and referral. As will be discussed below, in comments related to LIURP, Duquesne has been providing insufficient referrals and resources to LIURP. In its most recent needs assessment, Duquesne divides the number of eligible LIURP recipients over a 20 year period to determine the number of LIURP households served in a given year. This is an inadequate and unexplained standard. CAUSE-PA welcomes a full and complete

report by Duquesne, in its comments, regarding the process Duquesne uses to address the extensive immediate level of unmet LIURP need.

***f. Zero Income***

The Commission has noted that it has previously directed, in a PECO Universal Service proceeding, that statements of zero income need not be notarized and directed Duquesne to describe any additional requirements for no income statements in their comments to the TO. CAUSE-PA supports the requirement that Duquesne clarify its policy regarding what documentation or process it requires of CAP customers without any income. In addition, it does not support the imposition of any other financial and logistical burdens on persons who lack resources. Particularly, in light of the August 2012 elimination of the General Assistance cash assistance program, a last resort safety net program for individuals unable to work due to a disability, domestic violence, or other reason. Many individuals who were receiving GA are awaiting approval of Social Security disability benefits, but those approvals often take more than a year to be made. Individuals without income face enormous struggles to fend off homelessness and to find the means to support themselves. These households require CAP assistance and do not have the resources to have unnecessary financial and logistical burdens imposed upon them as a requirement to enroll in CAP.

***g. Automatic Recertification***

In its TO, the Commission indicated that it has concerns that Duquesne's current automatic recertification process, based only on timely payments, allows customers to remain on CAP when they may no longer be eligible or to receive a higher discount than qualified by their household situation. The Commission indicated that it prefers that the receipt of a LIHEAP grant be the only mechanism for automatic recertification by a household for CAP. To qualify for

LIHEAP, a household must have income at or below 150% of the FPIG based on the household size, the same as qualifying for CAP( TO at 21.)

CAUSE-PA supports the continued use by Duquesne of LIHEAP receipt as the primary basis of automatic recertification by a household for CAP. However, it submits that elimination of Duquesne's current practice of also automatically recertifying CAP customers who make 9 months of payments within a 12 month consecutive period and have no CAP arrears would have unnecessary potentially adverse consequences on CAP customers and CAP enrollment levels. While it is possible that some of these CAP customers may have had changes in income over the past year that make them ineligible or subject to different CAP payment levels, it is also likely that given the present failings of Duquesne's CAP administrative agencies regarding accessibility, response times, and resources, converting these customers to annual recertification now may cause unneeded CAP terminations due to the inability of Duquesne to timely recertify. CAUSE-PA submits that in the case of these non-LIHEAP recipient households, that automatic enrollment continue, subject to the requirement that these households submit to Duquesne any change of income when it occurs.

***h. Maximum CAP Credit***

Although neither Duquesne nor the Commission has recommended any changes regarding Maximum CAP Credit amounts, CAUSE-PA respectfully submits that Duquesne should be required to adjust its maximum CAP credit levels. Currently, the Company uses the maximum CAP credits established in accordance with 52 Pa. Code § 69.265(3) (v). These are simply too low. For non-heating accounts the amount is set at \$560 per year, and at \$1400 per year for heating accounts.

The current thresholds of \$560 for non-heating and \$1400 for heating were established in 1992 and have not been raised despite the cost of energy increasing significantly since that point in time. The Commission has already recognized that these amounts are outdated. In its Final Investigatory Order on CAP programs, the Commission stated:

We agree that maximum CAP credits should be revised to reflect changes in prices since 1992 and will consider adopting a method that recognizes fluctuations in the price of energy. In the interim, we will recommend that utilities consider revising their maximum CAP credits to match PPL's recommendation that maximum CAP credits be increased to \$1800 for electric heat, \$700 for nonheat, and \$1000 for natural gas heat. These levels track closely with the changes reflected to the Consumer Price Index since 1992. Final Investigatory Order, Docket No. M-00051923 at 50.

Although the Commission abandoned its CAP rulemaking and this standard was never adopted, the rationale for increasing the limits remains relevant. The levels set in 1992 should be keyed to a set standard, such as relevant energy prices and inflation.

In addition, CAUSE-PA recommends that the Commission direct Duquesne to change its tariff to recognize de facto heating customers as heating customers for purposes of application of maximum CAP credits. Those customers most affected by the application of CAP credits on an individual basis are Duquesne's poorest non-heating customers. Many of these customers are using plug-in electric space heaters to supplement or as a replacement for inoperable or inefficient central heating. However, these customers are treated for maximum CAP credit purposes as base load customers. CAUSE-PA proposes that for these base load customers who have abnormally high usage, that Duquesne conduct a Smart Comfort visit and identify its de facto heating customers. For those whose central heating system cannot be replaced or repaired, Duquesne should allocate to them the maximum CAP credit associated with heating accounts. Doing so would recognize the reality of these customers' situation rather than the fiction that

they are base load customers. Of course, it is far preferable to resolve the de facto heating problem for these households.

Finally, CAUSE-PA submits that Duquesne be directed to more proactively assist its customers who are nearing or who have reached their maximum CAP credits in determining whether they meet any of the exemptions found in 52 Pa Code § 69.265(3)(vi). Currently, it is up to the customer to call and inquire about the exemptions. While Duquesne has been putting bill messages on its bills to alert customers that they have reached various thresholds of their maximum CAP credits they should also affirmatively reach out to all of their customers once they have reached 80% of their maximum CAP credits to determine whether any of the exemptions apply. If exemptions are granted, Duquesne should be required to ensure that its new billing will incorporate the elimination of individual maximum CAP credit levels for these customers.

### **Low Income Usage Reduction Program (Smart Comfort) Issues**

In its TO the Commission has clarified the Company requirements for administration of its Low Income Usage Reduction Program (Smart Comfort) and has requested additional information from Duquesne to be provided in its Comments. Among the issues addressed by the Commission are:

- Duquesne needs to identify the LIURP eligibility criteria for those with special needs/disabilities within the program parameters.
- Duquesne should specifically state if it intends to increase the number of customers in the 150%-200% FPIG level that receive LIURP services and to seek waiver from the Commission for that specific regulation if the costs are projected to be greater than 20% of the LIURP budget.
- A covered utility shall coordinate program service with existing resources in the community. With the addition of Act 129 low-income weatherization programs, to make best use of resources, it becomes increasingly important to coordinate with the Smart Comfort LIURP program where possible. Since the same entity, Conservation Consultants, Inc. (CCI), administers both programs, Duquesne needs to explore ways to increase the effectiveness of program delivery to achieve maximum potential savings from each job.

- We will require Duquesne to use weather normalization in its reporting. In order to effectively gauge the validity of program savings, and to establish consistency across LIURP programs, all data must be weather normalized beginning January 1, 2014 (for LIURP program year 2013, reported in April of 2015). With the increased scrutiny and accountability placed upon low-income programs, this consistency and standardized approach is warranted. Further, Duquesne must ensure that it reports the appropriate information for all required variables, and that the supporting data is accurate and complete.
- Going forward, Duquesne will be required to include information on the remedial education variables in its filings, as outlined in the LIURP Codebook.
- Duquesne should provide in its comments details of its training plans and requirements of its weatherization contractors. This training should include a review of latest technologies, health and safety protocols and all aspects and details of required data reporting necessary to calculate valid or reliable program savings.
- The Company should provide in its comments an explanation as to why 20 was chosen as the divisor. An additional 655 households are served from the \$350,000 reserved for LIURP from base rate settlement at Docket No. R-00061346; bringing the total number of households served through Smart Comfort to 2,555.

CAUSE-PA supports each of the Commission clarifications, requirements, and requests for information as outlined above and awaits the responses of Duquesne in their comments.

Given the importance of Duquesne's LIURP as one of the principal strategies of assisting low-income households maintain access to safe and reliable electricity service by providing measures to assist these customers conserve energy, CAUSE-PA submits that the Commission should closely analyze those responses and in its final order direct that Duquesne further increase the level of resources dedicated to LIURP.

Duquesne's LIURP, which it calls Smart Comfort, consists of a variety of integrated measures to address electricity end-use such as a home energy audit, energy education, and cost-effective lighting and appliance replacement in addition to weatherization treatment as required

pursuant to the recommendations of the audit.<sup>3</sup> After the measures are completed, a consumption evaluation is performed to compare pre-LIURP 12-month usage levels with the post-LIURP 12-month usage levels.

Among the objectives of the program are reduced uncollectible arrearages and write-offs, affordable bills for customers, improved payment frequency, reduced CAP shortfall deficit by bill reduction and relevant environmental benefits which accompany reduced natural gas usage.

The Bureau of Consumer Services reports that, on average, Pennsylvania's electric LIURP programs achieve significant reductions in energy usage. These programs result in 10.1% savings for those households heating with electric, 8% savings for those with electric water heating, and 6.8% savings for those base load electric jobs.<sup>4</sup> Furthermore, of those households with electricity bill arrearages, 37% reduce their arrearage following weatherization services.<sup>5</sup>

These reductions are significant and translate into reduced bills for low-income households and a reduced CAP shortfall, which is subsidized by other ratepayers. Therefore, a higher level of early penetration of LIURP services for low-income households will increase savings sooner and bring further savings for years to come; while each year that the implementation of energy savings measures are deferred, the level of energy usage continues to be unabated, the potential benefits of full energy savings have been missed, and the related costs of higher usage continue.

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<sup>3</sup> See Duquesne's Universal Service and Energy Conservation Plan (2011-2013) at 22. Available at: <http://www.puc.state.pa.us/pcdocs/1125828.pdf>. The 2011-2013 USECP Plan is that which is currently in effect. On February 28, 2013, Duquesne filed a new three year plan covering the period from 2014-2016, and filed a Petition to Modify this Plan, along with a proposed CAP shopping plan on June 28, 2013, but that Plan has not yet been set for hearing or approved by the Commission. See Duquesne Light Company's Universal Service and Energy Conservation Plan for the period of 2014-2016 at Docket No. M-2013-2350946.

<sup>4</sup> *Ibid.* n. 6 at 39.

<sup>5</sup> See Shingler, Long Term Study of Pennsylvania's Low Income Usage Reduction Program: Results of Analyses and Discussion, Consumer Services Information System Project, Penn State University, January, 2009 at 42. Available at: [http://www.puc.state.pa.us/general/publications\\_reports/pdf/PSU-LIURP\\_Report2008.pdf](http://www.puc.state.pa.us/general/publications_reports/pdf/PSU-LIURP_Report2008.pdf)

The effectiveness of LIURP combined with the extensive unmet need which is recognized by the company compels CAUSE-PA to recommend a significant expansion of Duquesne's LIURP.

In its most recent needs assessment, as required by the Commission, Duquesne identified 37,251 customers who presently need LIURP, meet eligibility criteria, and have not received weatherization treatment in their homes. That is, each of these approximately 37,000 customers is income eligible, has high usage levels, and has not received weatherization services in the past. In its analysis, Duquesne divided this number by 20 to arrive at its estimated number of Smart Comfort visits per year of 1,900. Duquesne also appears to have added an additional 655 jobs based on its previous rate case settlement for a total of 2,555 jobs per year. CAUSE-PA submits that this is too conservative of a number, and it appears to be based on Duquesne conducting the same number of visits as it has in the past. This is inadequate given the extensive immediate level of unmet need and Duquesne's proposed rate increase.

CAUSE-PA submits that it is reasonable for Duquesne to target approximately 3100-3700 households per year rather than its current 2555. Accepting Duquesne's 4-year average cost per job of \$534, the increase would increase the overall LIURP budget from \$1,364,600 per year for the period of 2014-2016 to a maximum of \$1,975,800 per year over that same period. This increase would allow Duquesne to reach most or all of its currently eligible households in approximately 10 years. A total LIURP budget of approximately \$2 million annually would bring Duquesne Light closer to the other EDCs in their total annual LIURP spending.

CAUSE-PA also supports the requirement that Duquesne expand and further refine its coordination with gas utilities and their LIURP programs. Although Duquesne has committed to take steps in this direction through its Act 129 program; the Company should coordinate at a

closer level though LIURP. Specifically, the Company and the NGDCs should collaborate to develop a process that would allow them to share the lists of high use customers in their respective service territories and then proactively target these customers for comprehensive weatherization measures through EDC and NGDC LIURPs. This would be particularly useful in the context of remedying de facto heating customers and would leverage the fact that many natural gas utilities which share geography with Duquesne often use the same community based organizations (CBO) to run their LIURP programs.

If a CBO is in the home of a low-income household for a Duquesne audit and sees measures that could be funded through an NGDC's LIURP (or vice versa) the CBO should be required to make a referral back to Duquesne or the NGDC for approval to install appropriate remedial measures. This may require a closer level of coordination so that a single audit is performed rather than multiple audits. From a utility perspective this will likely reduce audit costs. From the perspective of a low-income household this degree of coordination will reduce the fatigue and potential household income loss associated with multiple audits and multiple home visits from the CBO.

In addition, CAUSE-PA submits that Duquesne should be encouraged to use all permissible means to focus on the problem of inefficient, dangerous electric space heaters in use by low-income households. One means of removing electric space heaters from use would be through an emphasis on repair or replacement of non-working gas heating units and inoperable central heating systems. Remedying these problems may require the collaboration that is mentioned in the Commission's TO and which CAUSE-PA discusses above; however, Duquesne's activities should not be limited only to coordination. There are a number of other

steps that Duquesne could take to both get a better handle on the nature and severity of this problem as well as ameliorate the problem.

First, from November through the end of March, Duquesne Light should proactively reach out to all of its base-load heating customers whose usage is indicative of de facto heating use and schedule a Warm Comfort visit. During this visit, these households should be provided with information about and, depending on the time of year, assistance in enrolling and accessing the Department of Public Welfare's LIHEAP Crisis Interface program that permits the repair or replacement of inoperable central heating equipment, as well as the Department of Community and Economic Development's weatherization assistance program.

Second, Duquesne should modify its hardship fund currently run through Dollar Energy to allow its customers with de facto heating caused by an unpaid natural gas bill to leverage Duquesne's hardship fund as additional dollars (in combination with LIHEAP and/or natural gas company hardship funds) to allow the customer to restore gas service.

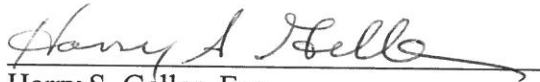
Third, Duquesne should proactively track base load customers whose load profile looks as if they are using plug-in electric space heaters during the winter months so that it and other interested stakeholders have access to data about the prevalence of de facto space heating use.

While none of these will independently solve the problem, CAUSE-PA strongly supports adopting each of these measures because Duquesne's low income households are, like others throughout the Commonwealth, susceptible to tragedy associated with the use of space heaters. Supplemental electric heating units are wasteful of energy and are extremely dangerous to the families and neighborhoods in which they are used.

### III. Conclusion

CAUSE-PA thanks the Commission for this opportunity to submit comments concerning the December 19, 2013 Tentative Order regarding the Duquesne Light Universal Service Plan for 2013-2016, and respectfully requests that the Commission, prior to final approval, require Duquesne to submit additional information as requested within the TO and to require Duquesne to modify its Plan regarding CAP, LIURP and Maximum CAP Credits as reflected within these comments.

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