

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITIES COMMISSION**

Philadelphia Gas Works Universal Service :
and Energy Conservation Plan for 2014-2016 : Docket No. M-2013-2366301
Submitted in Compliance with :
52 Pa. Code § 62.4 :

**Comments of the Coalition for Affordable Utility Services and Energy Efficiency in
Pennsylvania (CAUSE-PA) and Tenants Union Representative Network (TURN)
Regarding Philadelphia Gas Works' Revised Universal Service and Energy Conservation
Plan for 2014-2016**

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**On behalf of the Coalition for Affordable Utility
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I. BACKGROUND

On August 22, 2014, the Commission entered its Final Order (“Order”) regarding the Philadelphia Gas Works (“PGW”) Universal Service and Energy Conservation Plan for 2014-2016 (“USECP”) at Docket M-2013-236630. In that Order the Commission determined that the USECP as proposed and filed by Philadelphia Gas Works, on May 31, 2013, is approved, in part, consistent with Title 66 of the Pennsylvania Consolidated Statutes, Title 52 of the Pennsylvania Code, and Commission practice, consistent with this Order. The Commission directed PGW to amend and file a Revised USECP for 2014-2016 pursuant to the universal service requirements of the Competition Act at 66 Pa. C.S. §§ 2202, 2203(7), and 2203(8), the reporting requirements at 52 Pa. Code § 62.4 and the LIURP regulations at 52 Pa. Code §§ 58.1-58.18, and the CAP Policy Statement at 52 Pa. Code §§ 69.261-69.267 in compliance with its Order. The Commission directed:

- (1) In its revised 2014-2016 Plan, PGW should clarify that CRP applicants and participants are not required to provide SSNs for household members as a precondition for CRP eligibility.
- (2) PGW will update its system to allow CRP customers to receive arrearage forgiveness for each full and timely monthly payment, regardless of existing CRP arrears. PGW will include this change to arrearage forgiveness in its revised 2014-2016 Plan and will implement this system change by January 2016 or earlier, keeping BCS apprised of the timeline.
- (3) In its revised 2014-2016 Plan, PGW will describe the verification procedure used for CRP applicants who report zero or minimal income and to identify when documentation of monthly housing costs is required.
- (4) PGW will review all CRP accounts annually to determine whether CRP remains the most affordable payment plan. This includes CRP customers who have received a LIHEAP grant and been granted a waiver from recertification. PGW will include this procedure change in its revised 2014-2016 Plan.

(5) PGW will enhance its customer service training to ensure that its customers are informed that they do not have to come into a district office to apply or recertify for CRP.

(6) PGW will apply customer payments made in excess of the requested CAP amount due first to CRP arrears and then to future “asked to pay” amounts. PGW will include this policy change in its revised 2014-2016 Plan and will implement this system change by January 2016 or earlier, keeping BCS apprised of the timeline.

(7) In its revised 2014-2016 Plan, PGW will clarify the CRP stay-out provisions for voluntary removal and refusal to accept weatherization services, consistent with this order.

(8) PGW is directed to convene a stakeholder group to discuss its conservation incentive credits program and CRP outreach initiatives within 60 days of the entry date of this order. PGW will also develop a means of tracking and verifying the effectiveness of the conservation incentive program.

(9) To the extent that PGW includes the ELIRP program in its proposed continuation of the DSM portfolio of programs, PGW will request a temporary waiver of the LIURP regulations at Section 58.11 (a), and file the waiver jointly at the DSM and USECP dockets.

(10) To the extent that PGW includes the ELIRP program in its proposed continuation of the DSM portfolio of programs, PGW will request a temporary waiver of the LIURP regulations at Section 58.5 and provide details regarding the administrative fees, consistent with this order.

(11) To the extent that PGW includes the ELIRP program in its proposed continuation of DSM portfolio programs, PGW will reconsider the ELIRP eligibility criteria that exclude CRP customers with arrears greater than two months, consistent with this order.

(12) To the extent that the ELIRP program continues beyond August 2015, either as part of DSM or USECP, PGW will develop an ELIRP program and budget for providing low-income multifamily customers with weatherization services.

(13) Regardless of whether the ELIRP program operates as part of PGW's DSM portfolio or within PGW's USECP, stakeholders are directed to ensure that BCS is provided with the requisite information and opportunity to conduct the appropriate regulatory review of ELIRP.

(13) In its revised 2014-2016 Plan, PGW will include a description of its expanded CRP outreach campaign.

The Commission ordered PGW to file and serve a revised Universal Service and Energy Conservation Plan for 2014-2016, consistent with its Order, within 30 days of the Order's entry date. On September 22, 2014, PGW filed and served its revised Universal Service and Energy Conservation Plan for 2014-2016.

II. INTRODUCTION AND SUMMARY

The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA"), through its attorneys at the Pennsylvania Utility Law Project ("PULP"), has reviewed the Revised USECP and submits that the revised USECP which PGW filed on September 22, 2014 is not consistent with the Commission's Order and requires amendment regarding the following:

- a) PGW should amend its "Default Status" section, found on page 13 of the revised USECP, to comply with Commission directive to provide arrearage forgiveness for each full and timely monthly payment, regardless of existing CRP arrears;
- b) PGW should eliminate the procedure, stated for the first time in the revised plan on page 12, that, if the assessment completed by the customer indicates some form of ongoing,

discrete financial support (e.g., a family member pays the rent), then the amount of that support will be counted as income.

- c) PGW should modify its process which requires “that if a payment arrangement other than CRP provides a lower monthly payment, the customer should not be enrolled in CRP” to a process which provides the customer the discretion to enroll in CRP if either the receipt of arrears forgiveness or availability of ELIRP services will provide benefits even if the monthly CRP payment amount is not the lowest.
- d) PGW should comply with Commission directive 5 and specifically provide in the revised USECP that it will enhance its customer service training to ensure that its customers are informed that they do not have to come into a district office to apply or recertify for CRP.

III.COMMENTS

- a) **PGW should amend its “Default Status” section, to comply with Commission directive to provide arrearage forgiveness for each full and timely monthly payment, regardless of existing CRP arrears;**

The Commission’s directive #2 states:

(2) PGW will update its system to allow CRP customers to receive arrearage forgiveness for each full and timely monthly payment, regardless of existing CRP arrears. PGW will include this change to arrearage forgiveness in its revised 2014-2016 Plan and will implement this system change by January 2016 or earlier, keeping BCS apprised of the timeline.

PGW indicates that it will comply and will update its system by January 2016. However, the revised USECP fails to amend the manner in which PGW will treat the arrears of those customers in “default status” and therefore continues to be in conflict with the Commission directive. The revised plan, in discussing CRP “default status” maintains the language of the previously filed USECP and states:

(a) Default status - CRP customers who fall 30 days or more behind in their monthly CRP payment are placed into default status. A customer in default status will continue to be billed the monthly CRP amount and continue to receive the CRP discount, but they will not receive arrearage forgiveness in the months they are in default. **Once all past due CRP monthly bills are paid in full, their status will return to active and they will begin receiving arrearage forgiveness (p. 13, emphasis added.)**

A CRP customer in default status may have been placed in that status for failing to pay one bill, but may pay the next month's bill in full and on time and still be in default status. As this is written, that customer will not receive arrearage forgiveness until all arrears are satisfied. That customer will therefore not receive arrearage forgiveness for each full and timely monthly payment. PGW should therefore amend its "Default Status" section, to comply with Commission directive to provide arrearage forgiveness for each full and timely monthly payment, regardless of existing CRP arrears.

- b) **PGW should eliminate the procedure, stated for the first time in the revised plan on page 12, that, if the assessment completed by the customer indicates some form of ongoing, discrete financial support (e.g., a family member pays the rent), then the amount of that support will be counted as income.**

The Commission directive 3 states:

(3) In its revised 2014-2016 Plan, PGW will describe the verification procedure used for CRP applicants who report zero or minimal income and to identify when documentation of monthly housing costs is required.

PGW describes its process as follows:

Customers who report zero income and no other means of financial support are asked to complete an assessment, in addition to the CRP application, to describe how they meet basic expenses for food, housing, and utilities. PGW does not require documentation of these expenses for application: and will require only documentation of housing costs as part of its periodic review of CRP applications to prevent fraud.

If the assessment completed by the customer indicates some form of ongoing, discrete financial support (e.g., a family member pays the rent), then the amount of that support will be counted as income. If the assessment does not indicate any ongoing and discrete financial support, the customer will be placed on the CRP program for the minimum payment of \$25. plus a \$5 co-pay toward pre-program arrears, if any, assuming they are otherwise eligible for CRP. In a form of recertification, the customer will be required by letter to provide an update on their income every 6 months for as long as they report zero-income, to determine if their income or their means of meeting everyday living expenses has changed and their CRP agreement terms should be modified. (p. 12, **emphasis added.**)

The inclusion, for the first time within the revised USECP, of PGW's intent to treat a third party's payment of housing costs as income for those who report zero or minimal income should be rejected by the Commission.

First, the mere payment by a third party of rent for someone with zero income does not create any additional income for that individual to pay utility costs. The household is still without income or financial resources to pay utility costs. PGW should not be permitted to create a source of income that simply does not exist.

Second, an ongoing discrete payment of rent may not be an asset to be treated as income, it could equally be a debt or financial obligation that requires repayment at some time.

Third, for public benefits purposes "vendor payments" made on a household's behalf are not counted as income to the household. In the same vein, someone with zero income whose \$400 rent is paid by another continues to have zero income, not \$400/month.

Finally, the determination to attribute payments for rent or food by a third party as income to a household with minimal or no income goes far beyond the commission directive to PGW to describe the verification procedure used for CRP applicants who report zero or minimal income and to identify when documentation of monthly housing costs is required. It also goes beyond PGW's justification of its review of housing costs as a process only to be used as part of its periodic review of CRP applications to prevent fraud.

Bluntly put, this newly proposed income attribution policy is unjustified, is not related to the detection of fraud, affects only the most in need of help, and will have the effect of creating larger CRP bills and pushing someone with no income, who is only able to scrounge up enough "support" to keep them in their home from living on the streets, even closer to homelessness.

- c) **PGW should modify its process which requires “that if a payment arrangement other than CRP provides a lower monthly payment, the customer should not be enrolled in CRP” to a process which provides the customer the discretion to enroll in CRP if either the receipt of arrears forgiveness or ELIRP services will provide benefits even if the monthly CRP payment amount is not the lowest.**

Commission directive 4 states:

PGW will review all CRP accounts annually to determine whether CRP remains the most affordable payment plan. This includes CRP customers who have received a LIHEAP grant and been granted a waiver from recertification. PGW will include this procedure change in its revised 2014-2016 Plan.

PGW provides the procedure it uses and states:

At the time of application or recertification, PGW ensures that enrollment in CRP provides the most affordable payment by comparing the customer's projected monthly CRP amount to a monthly amount for other payment arrangements for which the customer is eligible. If a payment arrangement other than CRP provides a lower monthly payment, the customer **should not be enrolled in CRP**. Instead, PGW offers the more beneficial payment arrangement. (p.12. **emphasis added.**)

It is submitted that PGW should not be employing a blanket rule which precludes a customer from enrollment in CRP whenever a payment arrangement other than CRP provides a lower monthly payment. The customer should be provided the discretion, after a clear explanation of the alternatives available, as to whether or not to enroll in CRP. The customer should be informed of the payment level which will be required in CRP, the potential benefit to that customer of arrearage forgiveness and of any potential ELIRP weatherization treatment services as well as the lower payment plan which may be available. It should be the customer's informed choice as to whether or not to enroll in CRP.

- d) **PGW should comply with Commission directive 5 and specifically provide in the revised USECP that it will enhance its customer service training to ensure that its customers are informed that they do not have to come into a district office to apply or recertify for CRP.**

Directive 5 states:

(5) PGW will enhance its customer service training to ensure that its customers are informed that they do not have to come into a district office to apply or recertify for CRP.

PGW discusses, in its revisions to the USECP, its enhancement of customer service. However, the provision of **customer service training to ensure that its customers are informed that they do not have to come into a district office to apply or recertify for CRP** does not appear to be addressed. It should be clearly incorporated into the revised USECP as directed by the Commission.

Although PGW states in regard to employee training enhancements:

Enhancements to employee training, fraud detection, quality control and intake processes - PGW will supplement existing controls for CRP and provide additional fraud detection, quality control, improved intake processes, and training for its employees.

The issue of enhanced training, to ensure that its customers are informed that they do not have to come into a district office to apply or recertify for CRP, does not appear to be addressed.

PGW also states::

PGW provides training and updated information to all customer service representatives regarding Universal Service programs. When customers call in to our Call Center or visit our District Offices, our representatives are able to provide them with effective assistance. **Representatives also have the ability to mail a CRP and LIHEAP application to customers** (p. 27, emphasis added).

It is respectfully submitted that a representative having the “ability” to mail an application is significantly different than committing to **specifically enhance training regarding informing customers that they do not have to come into a district office**. The PGW revised USECP should include the commitment as directed by the Commission.

Respectfully Submitted,



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October 2, 2014