

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	R-2015-2518438
	:	
UGI Utilities, Inc. – Gas Division	:	
	:	
Office of Consumer Advocate	:	C-2016-2527150
Office of Small Business Advocate	:	C-2016-2528559
UGI Industrial Intervenors	:	C-2016-2529436
Joseph Sandoski	:	C-2016-2529638
Vicki L. East	:	C-2016-2534010
Tom Harrison	:	C-2016-2534992
	:	
v.	:	
	:	
UGI Utilities, Inc. – Gas Division	:	

---

**STATEMENT OF THE COALITION FOR AFFORDABLE UTILITY SERVICES  
AND ENERGY EFFICIENCY IN PENNSYLVANIA (CAUSE-PA) IN SUPPORT OF  
THE JOINT PETITION FOR APPROVAL OF SETTLEMENT OF ALL ISSUES**

---

The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), one of the signatory parties to the Joint Petition for Approval of Settlement of All Issues (“Joint Petition” or “Settlement”), respectfully requests that the terms and conditions of the Settlement be approved by the Honorable Susan D. Colwell, Administrative Law Judge, and the Pennsylvania Public Utility Commission (“Commission”). For the reasons stated more fully below, CAUSE-PA believes that the terms and conditions of the Settlement are in the public interest.

## **I. INTRODUCTION**

CAUSE-PA intervened in this proceeding to address, among other issues, whether the proposed rate increase would detrimentally impact the ability of UGI Utilities, Inc. – Gas Division’s (“UGI”) low-income customers to be able to continue to afford service under reasonable terms and conditions.

In sum, the Settlement provides that the fixed charge portion of the residential rate structure will be increased from \$8.55 to \$11.75 – far less than the proposed \$17.50 charge. (Settlement at ¶ 32-33). It also provides that UGI will increase funding for its Low Income Usage Reduction Program (LIURP) by 16.9%, which is equal to the overall percentage increase for the residential rate class. (Settlement at ¶ 47). Finally, the Settlement provides numerous improvements to UGI’s policies and procedures for its universal service programs to ensure equal access and streamlined enrollment, and addresses multiple issues with respect to UGI’s policies and procedures for handling accounts of customers who are limited English proficient, immigrants, those with acute medical needs, and victims of domestic violence with a Protection From Abuse Order or other court order with evidence of domestic violence.

Although CAUSE-PA’s positions in litigation were not been fully adopted, the Settlement was arrived at through good faith negotiation by all parties. The Settlement is in the public interest in that it (1) addresses issues of concern for CAUSE-PA, (2) balances the interests of the parties, and (3) fairly resolves a number of important issues raised by CAUSE-PA and other parties. Considerable litigation and associated costs will be avoided; and if approved, the Settlement will eliminate the possibility of further litigation and appeals, along with their attendant costs.

## **II. BACKGROUND**

CAUSE-PA adopts that background as set forth in Paragraphs 1-14 of the Joint Petition.

## **III. CAUSE-PA'S REASONS FOR SUPPORT OF THE SETTLEMENT**

The following terms of this Settlement reflect a carefully balanced compromise of the interests of all the Joint Petitioners in this proceeding:

- Section C – Revenue Allocation / Rate Design:
  - Paragraph 33 provides that the fixed monthly customer charge for residential customers will increase to \$11.75, an increase of \$3.20 from the current \$8.55 charge. This is much less than UGI's original proposal to increase the fixed charge to \$17.50. (CAUSE-PA St. 1, Miller, at 20). This provision is critical to ensure that the burden of a rate increase does not disproportionately fall on low income residents, who use less energy on average than their non-low income counterparts. (CAUSE-PA St. 1, Miller, at 16-19). It also ensures that the rate structure does not undermine ratepayer investments in energy efficiency and weatherization through the Low Income Usage Reduction Program (LIURP), which is designed to reduce low income household usage and, in turn, reduce the energy burden for low income customers. Mitchell Miller, expert for CAUSE-PA, explained in his direct testimony:

Increased fixed charges are exceptionally harmful to low-income customers

...

Increasing the costs recovered through a fixed charge – as opposed to a volumetric based charge – undermines the ability for customers to reduce bills through conservation and consumption reduction. Reducing the ability to decrease bills through conservation while at the same time increasing the amount paid through the fixed charge is particularly problematic for low-income customers, given that low income households have significantly less budget elasticity than higher income households. Furthermore, increasing the fixed charge that a residential customer must pay, without any link to a customer's usage, also undermines the goals of the Low Income Usage

Reduction Program (LIURP) – which is specifically designed to lower consumption and increase energy affordability for low income customers.

(CAUSE-PA St. 1, Miller, at 16).

- Section D - Energy Efficiency and Conservation (EE&C) Plan, paragraphs 37-45, set forth a number of provisions designed to improve the reach of UGI’s proposed EE&C programs and mitigate UGI’s failure to include any targeted low income EE&C programming within its proposed Plan.
  - Paragraph 39 provides that UGI’s EE&C Plan programs will market directly to owners and operators of individually metered and master metered multifamily buildings, and that UGI will coordinate its efforts with the Pennsylvania Housing Alliance and the Pennsylvania Housing Finance Agency. UGI further agrees to track multifamily participation in its EE&C programs, which will allow for a more robust review of future EE&C programming. These provisions ensure that multifamily housing – which is traditionally underserved by energy efficiency programs, yet makes up a large percentage of low income housing – will be able to access energy efficiency programming, thereby helping to preserve affordable multifamily housing within UGI Gas service territory. (CAUSE-PA Statement 1, Miller, at n.31; CAUSE-PA Statement 1-R, Miller, at 10-11). As Mr. Miller explained in Rebuttal Testimony in support of increased focus on multifamily housing within UGI’s EE&C Plan:

Low income households often reside in multifamily housing, which have been traditionally underserved by energy efficiency and conservation programs across the state. ... Targeting energy efficiency programming to affordable multifamily buildings – including public housing and publically subsidized housing – helps to bridge the split incentive issue and creates a leveraging effect, helping to reduce the level of usage and, thus, the amount of direct financial assistance needed to serve low income households through other types of universal service programming.

(CAUSE-PA Statement 1-R, Miller, at 10).

- Paragraph 40 addresses UGI's lack of targeted low income energy efficiency programming within its EE&C Plan by requiring UGI and the Conservation Service Providers (CSPs) which administer its EE&C programming to inform customers about the availability of LIURP, and to redirect all confirmed low income customers to LIURP to determine eligibility. If fully and robustly implemented, this referral provision will bolster coordination between LIURP and other EE&C programs, and will help ensure that low income customers receive the level of assistance necessary for low income households to realistically adopt energy efficiency measures which will drive deep and lasting energy savings.
- Paragraph 45 requires UGI to host an annual stakeholder meeting to review and discuss its EE&C Plan. Stakeholder meetings provide a reasonable forum to discuss issues as they arise, and will allow parties to monitor UGI's progress and ensure that significant issues with service delivery and appropriate targeting are resolved as they arise.
- Section E – Universal Services, paragraphs 46-56, sets forth a number of provisions designed to improve UGI's universal service program portfolio to better meet the needs of its vastly underserved low income population and to bolster UGI's disproportionately low CAP and LIURP participation rates. (CAUSE-PA St. 1, Miller, at 9, 21, 24-25). Improving UGI's universal service program portfolio and bolstering UGI's CAP participation rates will, in turn, help mitigate the impact of the rate increase, and will help stave off further increases in the already high rate of involuntary service disconnections and correspondingly low rate of service reconnections. (CAUSE-PA St. 1, Miller, at 14).

- Paragraph 46 provides parties with an opportunity to review revisions to UGI's internal universal service policies and procedures, which will help ensure that the intent of the Settlement is fulfilled.
- Paragraph 47 increases funding for LIURP by 16.9% (\$185,900) per year over the current budget of \$1.1 million, and provides that any unspent dollars at the end of a program year will carry over and be added to the following year budget. Additional LIURP spending is critical to ensure that UGI's substantial low income population can offset the impact of the rate increase by adopting comprehensive energy efficiency measures at no cost. Allowing unspent LIURP dollars to roll over and be added to the next program year budget is also critically important to ensure that LIURP is reaching eligible households and safeguards against continued underspending. (See CAUSE-PA St. 1, Miller, at 24 (explaining that UGI has historically underspent its LIURP budget allocation, performing just 782 households in the last 5 years)).
- Paragraph 49 requires UGI to enhance CAP solicitation efforts in an attempt to bolster its historical low CAP participation rate by (1) encouraging its Community Based Organizations to conduct additional targeted outreach to its low income population; (2) including CAP outreach as an agenda item for discussion and stakeholder input at its biannual Universal Service committee meetings; and (3) requiring UGI to propose measures for enhanced CAP enrollment in its next triennial Universal Service filing. This multifaceted provision to bolster CAP enrollment provides immediate action through enhanced CBO outreach and an avenue for further improvement through stakeholder participation and future filings with the PUC. This compromise provision offers a clear path toward current and future improvement in CAP enrollment trends to

ensure that UGI's low income households are able to access affordable service in light of the significant increase in residential rates.

- Paragraph 50 improves UGI's identification of low income customers within its service territory by requiring UGI to request income information on calls to initiate and/or restore service. This provision also requires UGI to inform applicants and customers of the possibility of security deposit waiver, and to request income information on the call. These provisions serve the dual purpose of (1) improving UGI's income data to better assess future universal service needs and target universal service outreach efforts, and (2) ensuring that low income populations can connect to service without the assessment of overly burdensome security deposit fee requirements. As Mr. Miller explained in direct testimony:

UGI is not adequately identifying and tracking its low income customers – and in fact has policies in place which actively prevent its call center employees from determining a customer's income level and tracking the customer in the system. Low income customers are entitled to several important statutory and regulatory protections to ensure that they are able to access and maintain safe utility service. For example, CAP-eligible customers cannot be charged a security deposit to connect to or maintain service and all households with incomes below 250% of the federal poverty income guidelines cannot be terminated from December 1 through March 31 during the winter moratorium. UGI will not be able to fully protect these customers, as it is mandated to do, if it does not first identify the customer as low income in their system.

Compared to equivalent NGDCs, UGI has a significantly lower percentage of customers identified as low income in its system. ... It is also noteworthy that UGI's confirmed low income population has declined in recent years – despite steady poverty rates across the state and in UGI's service territory. Since 2014, UGI's confirmed low income customer count inexplicably decreased from 41,639 to 35,100.

(CAUSE-PA St. 1, Miller, at 29-33 (internal citations omitted)).

- Paragraph 51 requires UGI to investigate alternative methods for income verification, including telephone, fax, email, and web-based alternatives. Feasible alternatives will

be included in UGI's next triennial Universal Service and Energy Conservation Plan. This provision is an important one. Testimony at the public input hearing – and expert testimony of Mitchell Miller – illuminated the barriers that in-person enrollment causes for low income populations. (See CAUSE-PA St. 1, Miller, at 8-9). Allowing enrollment through alternative means, such as over the phone, fax, email, or web-based applications, will alleviate the added burden to low income families who may need to take off work and secure child care and transportation to attend an in-person meeting to enroll in the assistance program.

- Section F: Language and Access Issues, paragraphs 57 and 58, sets forth several requirements intended to remove barriers to accessing service and/or assistance faced by immigrant populations within UGI's service territory.
  - Paragraph 57 provides that UGI will translate its remaining Universal Service documents into Spanish, and will require its CBOs to provide Spanish interpretation services in areas where the population consists of 5% or more Spanish speaking residents. This provision is intended to bring UGI into compliance with Commission regulation, and helps ensure that UGI is compliant with Title VI requirements. (CAUSE-PA St. 2, Macher, at 4-7; CAUSE-PA St. 2-SR, Macher, at 2-3).
  - Paragraph 58 provides that, to establish new service, UGI will accept either a valid government issued photo identification; two alternative forms of identification – one with a photo; or a Social Security Number. The provision explicitly defines a government issued photo identification to include photo identification issued by a foreign government. This provision is designed to remedy UGI's current policy, which currently acts as a barrier for non-US citizens who reside in Pennsylvania and who seek

to establish natural gas service with UGI's service territory. (CAUSE-PA St. 2, Macher, at 11-12; CAUSE-PA St. 2-SR, Macher, at 6-7 and Appendix A).

- Section G – Medical Certificate, paragraphs 59-60, adds clarity to UGI's medical certificate process and procedure to better comply with the Commission's regulations and guidance regarding proper application of these important protections. Paragraph 59 provides that UGI will fax its medical certificate form directly to a physician's office, which will help alleviate the additional burden on the physician's office to contact UGI to obtain a copy of its form. Paragraph 60 then clarifies that UGI does not require use of its medical certificate form, and that any writing which contains the information required in Chapter 56 will be sufficient for UGI to apply the protections associated with a medical certificate. These two provisions help bring UGI's medical certificate process and procedure into compliance with Commission regulations, ensuring that vulnerable customers with acute medical needs are protected from termination in the manner proscribed by the Commission.
- Section H – Protection From Abuse Procedures, paragraphs 61-68, clarifies and further defines UGI's policies and procedures for customers with a Protection From Abuse Order or other court order with evidence of domestic violence, as provided in 66 Pa. C.S. § 1417 and 52 Pa. Code subsections L-V. (See CAUSE-PA St. 3, Lewis, at 9-10).
  - Paragraphs 62, 63, and 64 clarify that UGI will apply the protections noted above for any customer or applicant with a court order which contains clear evidence of domestic violence against the applicant / customer, regardless of the underlying relationship between the victim and the abuser. These provisions cure UGI's outdated policies and brings them into compliance with the language in 66 Pa. C.S. § 1417 by expanding the protections to all court orders with clear evidence of domestic violence and explicitly acknowledging that

the protections are not limited to heterosexual married couples. (CAUSE-PA St. 3, Lewis, at 11-13).

- Paragraph 65 requires UGI to bring in experts to provide domestic violence training to staff in its management and training departments. In turn, UGI will conduct annual domestic violence training for its customer service representatives. This provision ensures that all UGI representatives have the information necessary to assist this extremely vulnerable customer segment.
- Paragraph 66 provides further clarity that UGI will not apply debts accrued in a third party's name to a victim of domestic violence who is entitled the statutory and regulatory protections discussed above. See 52 Pa. Code § 56.285.
- Paragraph 67 addresses a critical inequity in UGI's current policy, whereby a victim of domestic violence was held solely responsible for debts accrued jointly by both a victim and a third party. Judith Lewis, expert for CAUSE-PA, explained in direct testimony:

UGI's policies dictate that when a victim of domestic violence reports having a PFA to UGI, UGI holds the victim responsible for any balance accrued with an abuser:

If the 2<sup>nd</sup> name line party calls to advise they have a PFA against the 1<sup>st</sup> name line, issue the COC. Make sure you advise the 2<sup>nd</sup> name line that the balance will be transferred to their new account.

If both the plaintiff and the defendant are listed on the utility account the balance may be transferred to the plaintiff's name only.

In addition to being vague and imprecise, these hypotheticals appear to also be discriminatory against victims of domestic violence, and serve to undermine the intent of providing additional protection to victims of domestic violence by holding victims solely liable for debt accrued while they were living in an abusive home.

(CAUSE-PA St. 3, Lewis, at 15 (internal citation omitted)). To cure this inequity, the Settlement provides that, when a victim is jointly liable for debt with a third party, UGI will first pursue the third party for the debt for a period of 90 days. If unsuccessful, UGI may then pursue the third party for the jointly held debts.

- Paragraph 68 outlines a process to ensure that court orders collected under the policy are provided with enhanced confidentiality. As Ms. Lewis explained, “PFAs and other court orders with evidence of domestic violence are uniquely personal, and often contain extensive details about the abuse a victim suffered.” (CAUSE-PA St. 3, Lewis, at 17). Thus, Ms. Lewis concluded that while general confidentiality regulations already apply, enhanced confidentiality is necessary in this context to ensure that the deeply personal information contained in the court orders are not unnecessarily disclosed. This provision of the Settlement limits the exposure of this highly sensitive information by limiting access to just three UGI employees.

While CAUSE-PA notes again that its positions have not been fully adopted, the Settlement was arrived at through good faith negotiation by all parties and represents a fair and balanced resolution of a number of important issues. Thus, when taken together, the provisions of this settlement are in the public interest, and should be approved by the Commission in full.

#### **IV. CONCLUSION**

CAUSE-PA submits that the Settlement, which was achieved by the Joint Petitioners after an extensive investigation of UGI’s filing, is in the public interest. Acceptance of the Settlement avoids the necessity of further administrative and possible appellate proceedings regarding the settled issues at a substantial cost to the Joint Petitioners and UGI’s customers.

Accordingly, CAUSE-PA respectfully requests that ALJ Colwell and the Commission approve the Settlement.

Respectfully submitted,  
**PENNSYLVANIA UTILITY LAW PROJECT**  
*Counsel for CAUSE-PA*

Date: June 30, 2016



---

Elizabeth R. Marx, Esq., PA ID: 309014  
Patrick M. Cicero, Esq., PA ID: 89039  
Joline Price, Esq., PA ID: 315405  
118 Locust Street  
Harrisburg, PA 17101  
717-236-9486  
[pulp@palegalaid.net](mailto:pulp@palegalaid.net)