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Ms. Rosemary Chiavetta, Secretary Pennsylvania Public Utility Commission PO Box 3265 Harrisburg, PA 17105-3265

RE: Commission on Economic Opportunity-Reply Comments

Docket No.: L-2016-2557886

Dear Secretary Chiavetta:

Please consider this correspondence as the reply comments of the Commission on Economic Opportunity on the PUC's Initiative to Review and Revise the Existing Low-Income Usage Reduction Program Regulations. The lack of reply comments on any given subject should not be taken as CEO's agreement on any topic but instead CEO just wanted to highlight the few matters below.

Administrative Expenses

Philadelphia Gas Works recommends that Section 58.5 of the regulations be amended to do away with the hard 15% cap on administrative expenses. In support of that recommendation PGW argues that coordination among programs, including coordination of health and safety measures, justify an increased allowance for administrative costs. It is believed that PGW is the only party to make such a recommendation. CEO opposes that recommendation and believes that the 15% limit remains sufficient. That 15% limit was imposed when the LIURP regulations became effective in 1993 and it is believed that the programs would have become more efficient during that time which should produce lower administrative costs that would only be reduced further by greater coordination between various programs.

Funding Levels

CEO supports the recommendation of OCA that the minimum funding level of natural gas companies as set forth in section 58.4(a) should be done away and should instead be determined based upon the needs in the relevant service territory.

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CEO also supports OCA's suggestions that the regulations be changed to require that any unspent funds be carried over to the following year.

Sincerely,

Joseph L. Vullo

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ce: Commission on Economic Opportunity