

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Duquesne Light Company's Universal Service and Energy Conservation Plan for 2017-2019 submitted in compliance with 52 Pa. Code 54.74

**Public Meeting held March 2, 2017
2534323-BCS
Docket Number: M-2016-2534323**

**JOINT MOTION OF COMMISSIONER DAVID W. SWEET & VICE CHAIRMAN
ANDREW G. PLACE**

Before the Commission is the Final Order for Duquesne Light Company's (Duquesne) Universal Service and Energy Conservation Plan (USECP or the Plan) for 2017-2019. We would like to thank the Bureau of Consumer Services (BCS) and the Law Bureau for their thorough evaluation of Duquesne's Plan. They identified a series of important questions, especially regarding energy burden levels that affect thousands of low-income residents living within Duquesne's service territory (energy burden is in reference to the percentage of income that is dedicated to pay utility bills).¹

The Amended Proposed 2017-2019 Plan only partially complies with the Universal Service reporting requirements,² the Commission's Customer Assistance Program (CAP) Policy Statement,³ as well as the Low-Income Usage Reduction Program (LIURP) regulations.⁴⁵ In addition, BCS raised a number of issues, such as the biennial recertification policy for Duquesne's CAP, that remain unresolved. For these reasons, we believe it is premature to approve Duquesne's Plan until the concerns raised by BCS are fully addressed.⁶

The analysis performed by BCS illustrates the fact that Duquesne's current CAP design is not adequate in providing reasonable assistance to those living below 50% of the Federal Poverty Income Guidelines (FPIG).⁷ Unreasonably high energy burdens affect everyone – not just those receiving assistance – so we encourage Duquesne to collaborate with Commission Staff and other stakeholders in order to realize a CAP proposal that is in line with the Commission's CAP Policy Statement.⁸

¹ 52 Pa. Code §69.2.65(2)(A-C)

² 52 Pa. Code §54.74.

³ 52 Pa. Code §69.261-69.267.

⁴ 52 Pa. Code §58.1-58.18.

⁵ Duquesne will achieve compliance with the Universal Service reporting requirements and the LIURP regulations upon submission of an Amended Plan consistent with this Order.

⁶ It is noted that the existing 2014-2016 Plan will remain in effect until an Amended Plan is approved.

⁷ The annual gross income for a family of four living 50% below the FPIG is \$12,300. See the Federal Poverty Guideline - <https://aspe.hhs.gov/poverty-guidelines>. In context, Duquesne CAP customers at or below 50% of the FPIG have an energy burden that is three to four times higher than the ranges reference in the Commission's CAP Policy Statement.. See APPRISE's Duquesne Light USECP Final Evaluation Report - https://www.puc.state.pa.us/general/pdf/USP_Evaluation-Duquesne.pdf, at page 66.

⁸ 52 Pa. Code §§ 69.261-267.

As noted by BCS, there are various deficiencies in Duquesne's proposed CAP design that if not resolved would significantly impact thousands of low-income customers. Given the immediacy of this issue, we propose that Duquesne be directed to initiate within 15 days a collaborative process with all stakeholders, including the parties to this proceeding and its Income Eligible Program Advisory Group, to begin to address the unaffordability and energy burden issues of its CAP. Specifically, Duquesne should initiate a process and begin to work with stakeholders to:

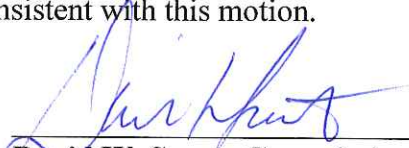
- 1) Develop CAP outreach policies and materials to encourage participation from non-CAP customers who qualify for LIHEAP;
- 2) Develop a mechanism to address the issue surrounding energy burdens, especially for those at or below 50% of the FPIG;
- 3) Modify Duquesne's CAP bills and communications to ensure CAP credits are applied correctly, to improve bill messaging and presentment, including budget billing calculations;
- 4) Return security deposits to customers who qualify for CAP after service restoration; and,
- 5) Address all other matters raised by BCS.

Finally, we would like to note that many of these issues are not ones solely faced by Duquesne. The Commission has begun to identify areas worthy of further investigation and analysis in order to improve the Universal Service requirements, so that the delivery of assistance is more inclusive, comprehensive and efficient in meeting the needs of the estimated 1.3 million low-income electric customers⁹ across the Commonwealth.

THEREFORE WE MOVE:

1. That the approval of Duquesne Light Company's Universal Service and Energy Conservation Plan for 2017-2019 is deferred pending the Commission's review of its Amended Plan, which shall address the concerns raised in the Final Order. Duquesne shall submit the Amended Plan within 30 days of the entry date of the Order.
2. That Duquesne initiate, within 15 days of the entry date of the Order, a collaborative process to address its Customer Assistance Program design issues.
3. That the Commission's Bureau of Consumer Services, with the assistance of the Law Bureau, will evaluate the Amended Plan and prepare a recommendation for the Commission's consideration based on Duquesne's compliance with this Order.
4. That the Commission's Bureau of Consumer Services, with the assistance of the Law Bureau, will prepare an order consistent with this motion.

3/2/17
Date


David W. Sweet, Commissioner


Andrew G. Place, Vice Chairman

⁹ 2015 Report on Universal Service Programs and Collections Performance of the Pennsylvania Electric Distribution Companies and Natural Gas Distribution Companies, at pages 7-8.