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Via Electronic Filing

March 1, 2017

Rosemary Chiavetta, Executive Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Initiative to Review and Revise the Existing Low-Income Usage Reduction Program (LIURP) Regulations at 52 Pa. Code §§ 58.1- 58.18

Dear Secretary Chiavetta:

On behalf of Peoples Natural Gas Company LLC and Peoples TWP LLC ("Peoples"), please find enclosed for filing Reply Comments in the above-noted Docket.

Please contact the undersigned at (412) 208-6834 should you have any questions or concerns regarding this matter.

Very truly yours,

A handwritten signature in black ink, appearing to be "JP", written over a circular scribble.

Jennifer L. Petrisek
Senior Attorney

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Initiative to Review and Revise the Existing :
Low-Income Usage Reduction Program (LIURP) : Docket No. L-2016-2557886
Regulations at 52 Pa. Code §§ 58.1 – 58.18 :

**REPLY COMMENTS OF PEOPLES NATURAL GAS COMPANY LLC
AND PEOPLES TWP LLC**

Peoples Natural Gas Company LLC and Peoples TWP LLC (the “Companies” or “Peoples”) submit the following Reply Comments to the Initial Comments submitted in response to the Pennsylvania Public Utility Commission’s (“Commission”) Secretarial Letter dated December 16, 2016 regarding its initiative to review and revise the existing Low-Income Usage Reduction Program (“LIURP”) regulations. Initial comments were due to the Commission 30 days following publication in the *Pennsylvania Bulletin*, i.e., January 30, 2017, with reply comments permitted 30 days thereafter.

In addition to the comments provided herein, the Company expects that the Energy Association of Pennsylvania (“EAP”) will file Reply Comments in this proceeding, on behalf of its members, including the Pennsylvania natural gas distribution companies. Peoples has previewed the EAP Reply Comments and supports the suggestions and analysis provided therein.

Initially, as other commenters have noted, Peoples urges the Commission to hold stakeholder meetings to discuss the ideas addressed in the Initial Comments and Reply Comments in this docket. Commenters have provided valuable input on progressing the over-all LIURP program based upon working knowledge from their own LIURP experiences, researched experiences from other States/programs as well as newly proposed suggestions. The experiences, cautions and ideas shared in the Initial Comments are of a complex intertwined nature and discussing the same on paper limits the ability of the commenters to collaboratively discuss the full intention of the Secretarial Letter. As Peoples has experienced in past collaborative working groups (for example, the Peoples Universal Services Advisory Group), the diverse parties often leave working group sessions with new ideas and find paths to

facilitate improvements in existing programs. The participants rarely agree on everything, but positive progress is almost always developed.

In finding new manners to progress the LIURP programs in the Commonwealth, it is important not to lose sight of differences present in this large Commonwealth. As others have stated, the Commonwealth of Pennsylvania is quite diverse in terms of population, income levels, age of housing structures, age of residents, availability of contractors, and so on. All of these differences can impact the manner in which a utility develops, funds, and delivers its LIURP program. While all of the commenters in this docket can learn from each other's experiences, a utility must then take that learned knowledge and apply it to the specific territory in which that utility operates. As such, Peoples cautions that any re-working of the LIURP regulations continue to provide flexibility to the utilities to operate a program based upon the needs of the citizens within its territory.

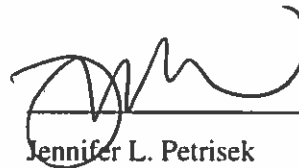
Peoples agrees that the current regulations could be sharpened-up in places, specifically based upon the learned knowledge since the regulations were initially released, however, Peoples would be concerned about any modifications that would limit the ability of a utility to operate its LIURP program as needed by the specific citizen's within its territory. As such, Peoples believes the regulations should provide a global regulatory framework and the utilities' Universal Service and Energy Conservation Plan should address the specific application of the LIURP program. The utility USECP is reviewed in a Commission proceeding on a triennial basis and the utility USECP is evaluated by an independent evaluator every six years. These combined steps ensure that utility programs are subjected to appropriate oversight and provide multiple opportunities for modifications to ensure the programs contained within the USECP will best suit the needs of the utility's specific customer base.

The triennial review process, which is led by the Bureau of Consumer Services ("BCS"), involves many of the commenters present in this docket, thus a variety of advocates are involved in the comment process and have provided input in the past. As BCS has an in-depth knowledge of universal service programs, as well as best practices, BCS is the appropriate group to lead the review process for the USECPs at the Commission. The Commission on Economic Opportunity ("CEO") has proposed that the USECP review process should be modified such that the case is fully litigated and adjudicated by the Office of Administrative Law Judge. Peoples disagrees with this suggestion. First and foremost, this proceeding is not the appropriate proceeding to evaluate a modification to the current review process. Additionally, as noted above, the current review process permits input by interested parties – as evidenced by the last Peoples USECP proceeding in which the Office of Consumer Advocate, the Bureau of

Investigation and Enforcement and the the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania – in addition to the Bureau of Consumer Services. Should CEO have a concern that they are not involved in the triennial review process of utility USECPs, or that issues are not properly vetted, Peoples would suggest that the CEO engage in the current review process with BCS, the utilities and the other advocates as the triennial USECP reviews are filed and evaluated.

Peoples appreciates the opportunity to share its thoughts in response to December 16th Secretarial Letters and looks forward to continuing to work with the Commission and other stakeholders to further evaluate revisions to the LIURP regulations.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "JP", is written over a solid horizontal line.

Jennifer L. Petrisek

Counsel for Peoples Natural Gas Company LLC
& Peoples TWP LLC

Dated: March 1, 2017