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January 6, 2020

Via Hand Delivery

Secretary Rosemary Chiavetta
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17101

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RE: Addendum to Philadelphia Gas Works Universal Service Plan for 2017-2020
Docket No. M-2016-2542415

Dear Secretary Chiavetta:

With respect to the PUC Order ("Order") entered October 3, 2019 at Docket No. M-2019-3012601 PGW submits the attached redlined addendum ("Amended USECP") to its 2017-2020 Universal Service and Energy Conservation Plan ("2018 USECP") to include the extended years the Amended USECP will cover.¹ In addition, the Amended USECP includes a consumer education and outreach plan. In the Order, the PUC established a pilot filing schedule for Universal Service and Energy Conservation Plans and third party Impact Evaluations through the year 2025. The attached Amended USECP includes 2021 and 2022 enrollment and budgetary projections. See Ordering ¶ 3. In accordance with the Order, PGW's next USECP, for years 2023-2027, is due November 1, 2021 and a date for PGW's next third party Impact Evaluation has not yet been established by the Commission.

In connection with the November 5, 2019 Final Policy Statement and Order ("Nov. 5 Order") entered at Docket No. M-2019-3012599, below PGW indicates which of the policy changes specified in the amended CAP Policy Statement it proposes to implement.² By way of further background, Ordering Paragraphs 6-8 of the Nov. 5 Order are currently stayed per the

¹ This Addendum is being filed at PGW's 2018 USECP docket pursuant to the Commission's Oct. 3, 2019 Order at Docket No. M-2019-3012601, Ordering Para. 3; the Nov. 5, 2019 Final Policy Statement and Order at Docket No. M-2019-3012599, Ordering Para. 7 (currently stayed); and the Commission's Nov. 25, 2019 Order at Docket No. M-2019-3012599, footnote 2.

² Although PGW has proposed a pilot program regarding certain policy changes detailed below, PGW maintains its support for certain of the issues raised in the EAP and OCA Petitions for Reconsideration and/or Clarification regarding the CAP Policy Statement and this filing should not be deemed to be a waiver by PGW of any rights pertinent to the issues raised in those filings.

Commission's November 25, 2019 Order ("Nov. 25 Order") at Docket No. M-2019-3012599. The stayed Ordering Paragraphs would have required PGW to submit an addendum to its current USECP to demonstrate how it would implement the changes outlined in the amended CAP Policy Statement. However, the Nov. 25 Order noted that the stay did not affect the obligation to submit enrollment and budgetary projections based on additional years added to current USECPs per the October 3, 2019 Order at Docket No. M-2019-3012601.³ The impact of these changes has been included in the Addendum's extended years' estimates.

Policy Statement Modification ("PUC Modification") 1a

Establish new maximum tiered CAP energy burdens of 6% for natural gas heating . . . for FPIG tiers 51%-100% and 101%-150%. For FPIG tier 0%-50%, the maximum energy burdens should be 4% for natural gas heating . . .

PGW Response Modification 1a: PGW proposes to implement a new maximum CAP (PGW's CAP is called the Customer Responsibility Program or "CRP") energy burden of 4% for customers in FPIG tier 0%-50% and 6% for customers in FPIG tier 51%-100% in its Percentage of Income Payment Plan (PIPP) as a pilot program ("Pilot Program") through the term of its Amended USECP. The Pilot Program percentage changes are shown in Table 1 below. PGW does not yet have an estimate of the time it will take to make this system change but notes that PGW has begun the process of replacing its customer information system (CIS). Any delay in PUC approval of this modification could prevent PGW from implementing this Pilot Program until after the new CIS is in place. For this reason, PGW respectfully requests that the PUC approve this Pilot Program within 30 days of the filing of this letter. PGW also proposes that the Pilot Program include the elimination of CRP's \$5 co-pay for pre-program arrears. Consistent with how it estimated 2016 and 2017 costs in PGW's Supplemental Information filed on April 8, 2019 at Docket No. M-2017-2587711, the approximate estimated costs of modifying the below percentages of income and eliminating the \$5 co-pay is approximately \$23.8 million in 2016 and \$21.5 million in 2017.

Finally, PGW proposes that the Pilot Program include a Maximum Credit Limit as described in Modification 9 below, and that PGW will file its compliance USECP upon PUC approval of the Pilot Program.

³ The stay does not preclude a utility from voluntarily amending its USECP to reflect changes detailed in the amended CAP Policy Statement Order entered Nov. 25, 2019 at Docket No. M-2019-3012599, footnote 2.

Table 1. Modified Percentages for Pilot Program

Maximum Gross Monthly Household Income and Corresponding Percentage of Income Bill	
% Type	% of FPL
4%	0-50%
6%	51-100%
6%	101-150%

PUC Modification 1b

Minimum CAP payment modifications should be set in USECP proceedings rather than in the CAP Policy Statement. Utilities may propose alternatives to a flat minimum payment for each account type, such as basing them on the household’s FPIG level.

PGW Response Modification 1b: PGW does not propose a change to its current flat minimum payment of \$25, particularly in light of the expected increased ratepayer costs that will likely be connected to the Pilot Program. PGW shares concerns raised by the OCA in its November 20, 2019 Petition for Reconsideration and/or Clarification regarding the impact of the amended CAP Policy Statement on LIHEAP.⁴ Similarly, lowering the minimum CAP payment requirement for the lowest income customers would also have an impact on LIHEAP. The minimum monthly payment should be maintained. Households with income at 0-50% FPL are eligible for significant LIHEAP grants that already cover more than the annual gas costs at the current minimum amount of \$25. See PGW’s May 8, 2019 Comments at Docket No. M-2017-2587711 for further discussion on this topic.

PUC Modification 2

Utilities should allow CAP households to retain CAP enrollment when they transfer service within the utility’s (or an affiliate’s) service territory.

PGW Response Modification 2: PGW is already compliant with this modification.

PUC Modification 3

Utilities should accept income documentation of at least the last 30 days or 12 months, whichever is more beneficial to the household, when determining CAP eligibility at application or recertification. CAP applications and recertification letters should identify acceptable income timeframes and explain how each may benefit the customer.

PGW Response Modification 3: PGW will continue to use the last 30 days to determine gross monthly household income. For seasonal or fluctuating income customers, PGW

⁴ Docket Nos. M-2019-3012599, M-2017-2596907, and M-2017-2587711.

proposes to continue use of the year to date gross income to determine the monthly household income.

PUC Modification 4

Eliminate the provision in the CAP Policy Statement that low-income customers must be “payment-troubled” to qualify for CAPs. Utilities may, however, impose such a requirement to prioritize CAP enrollments and control CAP costs if determined appropriate by the Commission.

PGW Response Modification 4: PGW is already compliant with the modification to eliminate “payment troubled” as a CAP requirement.

PUC Modification 5

Eliminate the provision in the CAP Policy Statement that a customer should direct the LIHEAP grant to the utility sponsoring the CAP (Section 69.265(9)(i)), be penalized for not applying for LIHEAP (Section 69.265(9)(ii) and (iv)), and that a LIHEAP grant should be applied to reduce the amount of CAP credits (Section 69.265(9)(iii)).

However, all CAP customers should participate in LIHEAP, if eligible.

PGW Response Modification 5: PGW does not penalize CAP customers for not applying for LIHEAP or assigning the grant to PGW, and uses LIHEAP grants only for CAP bills. PGW proposes to continue to require application for a LIHEAP grant in its CAP customer obligations as it can serve as an encouragement to apply for LIHEAP monies with no penalty. As indicated in prior filings, PGW asserts that LIHEAP should be integrated into energy burden policy. For instance, the PUC, in its authority over CAPs, could design a policy wherein utility ratepayer subsidization of bills (or the CAP percentage of income assigned) is dependent on application for LIHEAP, without identifying to which utility the grant should be assigned or that the grant must be awarded.

PUC Modification 6

Utilities should exempt CAP customers from late payment charges.

PGW Response Modification 6: PGW is already compliant with this modification.

PUC Modification 7

Utilities should provide CAP customers with (a) PPA forgiveness for each on-time and in-full monthly CAP payment regardless of in-CAP arrears, and (b) retroactive PPA forgiveness for any month(s) missed once the household pays its in-CAP/in-program balance/debt in full.

PGW Response Modification 7: PGW is already compliant with this modification.

PUC Modification 8

Utilities may request, but not require, SSNs of household members when verifying identity for CAP enrollment and should accept and explain alternatives to SSNs.

PGW Response Modification 8: PGW is already compliant with this modification.

PUC Modification 9

Maximum CAP credit limits should be set in USECP review proceedings and should consist of a tiered structure based on the household's FPIG level (*i.e.*, 0-50%, 51-100%, and 101-150%) which should provide lower income households with higher CAP credit limits. Utilities should notify CAP customers when they approach their CAP credit limits, instruct them to contact the utility if they meet any exceptions, and refer them to LIURP (if eligible).

PGW Response Modification 9: PGW proposes that its consumption limit pilot be made into a permanent program. As part of that program, customers who exceed an annual usage maximum of 2,290 ccf will be placed on an average bill program for the remainder of their credit limit period. Further, the Conservation Incentive Credit pilot will be discontinued after the current usage period credits are awarded in 2020.

PUC Modification 10

Utilities should establish online CAP applications and allow customers to submit documentation electronically.

PGW Response Modification 10: PGW is already compliant with this modification.

PUC Modification 11

Utilities should use a standardized zero-income form and develop other industry-wide standardized forms.

PGW Response Modification 11: PGW does not propose to use the zero-income form attached as Appendix C to the Commission's Order as it raises a number of concerns for PGW, including the below (and including concerns about increasing the potential for fraud):

- (a) PGW accepts CAP applications online, in person, and via mail. However, the zero-income form anticipates submissions via fax and email, more outdated methods which PGW does not offer.
- (b) A separate form is unnecessary as customers are already easily able to indicate that they have zero income online or in person. PGW's CAP application also allows customers to indicate they have zero income but PGW could include a standardized zero-income form for applications via mail.
- (c) PGW does not agree with the reference in the zero-income form in Appendix C to adult household income, as discussed further below in response to modification 16.
- (d) The zero-income form also allows a customer to indicate that they receive support from family or friends to cover household expenses. PGW considers ongoing financial support from those sources to be relevant CAP income.

PUC Modification 12

Establish new maximum recertification timeframes for CAPs:

- a. CAP households reporting no income should be required to recertify at least every six (6) months regardless of LIHEAP participation;
- b. CAP households with income that participate in LIHEAP annually should be required to recertify at least once every three (3) years;
- c. CAP households whose primary source of income is Social Security, Supplemental Security Income (SSI), or pensions should be required to recertify at least once every three (3) years; and
- d. All other CAP households should recertify at least once every two (2) years.

PGW Response Modification 12: PGW is already compliant with modifications 12(a) and 12(b). With respect to Modifications 12(c) and 12(d), PGW proposes to continue to require these CAP households to recertify at least once every year. Making these modifications can be expected to require significant system changes/testing for PGW. PGW has begun the process of replacing its customer information system (CIS) and expects to re-examine this modification in the future in connection with or after its CIS replacement.

PUC Modification 13

Utilities should initiate collection activity for CAP accounts when a customer has no more than two (2) in-program payments in arrears. Customers should not be removed or defaulted from CAP as a precursor to termination for non-payment.

PGW Response Modification 13: PGW is already compliant with the modification to initiate collections. Customers are removed from CAP at the time of termination.

PUC Modification 14

Utilities should evaluate household CAP bills at least quarterly to determine whether the customer's CAP credit amount or billing method is appropriate.

PGW Response Modification 14: Similar to modification 12, PGW proposes to continue to evaluate bills on an annual basis (with recertification or LIHEAP waiver) but may re-examine this modification in the future in connection with or after its CIS replacement.

PUC Modification 15

Utilities should work with stakeholders to develop Consumer Education and Outreach Plans.

PGW Response Modification 15: PGW has submitted a Consumer Education and Outreach Plan with the Amended USECP. PGW expects to review this Plan with its voluntary Universal Service Advisory Committee in the future.

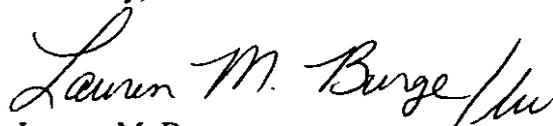
PUC Modification 16

Utilities should use the definition of "household income" in Chapter 14 of the Public Utility Code.

PGW Response Modification 16: PGW does not propose to implement this modification. Currently, PGW does not include earned income of minors in its CAP household income determination, but does include unearned income of minors such as Social Security income. This is generally consistent with how the Department of Human Services counts income for LIHEAP purposes.⁵ At this time, it is unclear why this change in approach would be necessary. Furthermore, PGW does not have sufficient data to analyze the cost of implementing this modification. The Pilot Program changes can be expected to increase the cost of PGW's Universal Service and Energy Conservation surcharge and PGW believes it is prudent to experience and understand those actual costs prior to implementing any other changes, particularly a change for which it is unable to estimate a cost.

In summary, the increased costs associated with the Pilot Program above could be significant and may create a financial burden for Philadelphians, particularly if there is an increase in the cost of gas, or an economic recession/depression. PGW expects that cost controls may need to be established in the future to help restrain future costs.

Sincerely,



Lauren M. Burge

LMB/mo
Enclosure

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Service List Parties in 2018 USECP proceeding at Docket No. M-2016-2542415

⁵ See UGI Companies' Universal Service and Energy Conservation Plan for 2018-2020, Docket Nos. M-2017-2598190, M-2017-2637094, M-2017-2637095, and M-2017-2637098 (Order entered Aug. 8, 2019, at footnote 35, noting that "[t]he LIHEAP State Plan excludes only earned income of minors; it does not exclude Social Security, Supplemental Security Income, or child support payments received on their behalf. 2019 LIHEAP State Plan at B-18-20.")

Philadelphia Gas Works



Second Amended Universal Service and
Energy Conservation Plan
2017-2022

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January 6, 2020

Table of Contents

Table of Contents	2
Introduction	3
Universal Service Programs and Proposed Modifications	3
Customer Responsibility Program (CRP)	3
Low-income Usage Reduction Program (Home Comfort)	19
Customer Assistance Referral and Evaluation Service Program (CARES)	24
Hardship Funds	26
Senior Citizen Discount (This program has been removed since it is not a PUC regulated Universal Service program).....	29
Organizational Structure and Staff Responsibilities	32
Community Partners	33
Conclusion	35
Appendices	35
Appendix A: Consolidated Charts	36
Projected Needs Assessments	36
Eligibility Criteria	36
Projected Enrollment Levels.....	38
Universal Services Projected Program	38
Budgets	38
Appendix B: Notification Schedule for CRP Recertification Process	40
Appendix C: UESF Intake Sites	41
Appendix D: Neighborhood Energy Centers.....	43
Appendix E: LIURP Coordination	44
Appendix F: Pilot Consumption Limits Customer Notification	45

Introduction

Pursuant to Pennsylvania Public Utility Commission (“PUC”) Order entered October 3, 2019 at Docket No. M-2019-3012601 (“Order”), Philadelphia Gas Works (“PGW” or “Company”) hereby submits its proposed addendum to its 2017-2020 Second Amended Universal Service and Energy Conservation Plan (as modified herein “USECP” or “Plan”).

i. Impact Evaluation

As set forth in PUC Order entered October 3, 2019 at Docket Number M-2019-3012601, the date for submission of PGW’s next Universal Service Impact Evaluation, including LIURP, has not yet been set by the PUC. PGW proposes to start its next Impact Evaluation (including LIURP) in January 2024, a date which is subsequent to the changes made in this Plan and provides at least two years to establish data which can be used for the impact evaluation. PGW proposes the filing date for this Impact Evaluation as January 31, 2025.

ii. Cost Recovery

Pursuant to its Commission-approved Tariff, PGW recovers all costs associated with the Customer Responsibility Program (“CRP”) discount and arrearage forgiveness, the Senior Citizen Discount and the costs of the Home Comfort Program through a Universal Service and Energy Conservation Surcharge.

Universal Service Programs and Proposed Modifications

Customer Responsibility Program (CRP)

The Customer Responsibility Program was first introduced as a Percent of Income Plan Program (“PIPP”) and approved by the Commission in 2003. The objective of CRP is to help low-income residential customers meet their energy needs by offering payment assistance in the form of an affordable bill. The goals of CRP are to prevent loss of service for vulnerable households, improve payment behavior and assist low-income customers with conserving energy. In addition, PGW strives to reduce collection costs as well as minimize the burden placed on other ratepayers. Participants do not need to demonstrate that they are “payment troubled” in order to qualify. Furthermore, there is no limit on the number of customers that can enroll in CRP. As of November 30, 2019, there were 53,177 participants enrolled in the program.

Program Eligibility- CRP is available to all low-income residential customers with a gross household income and size at or below 150% of the Federal Poverty Level (“FPL”). In order to apply, customers must submit their application by mail, electronically, or in person at one of PGW’s five customer service centers. At the time

of application, PGW will determine eligibility and completeness for processing. PGW does not allow phone, fax or email enrollment. Customers enrolled in CRP will be required to pay a fixed monthly bill that is based on their gross household size and income or average bill. Participants are also required to pay an additional \$5 co-pay which is applied towards their pre-program arrears if they owe a balance at the time of enrollment. Currently, the minimum monthly CRP payment amount is \$25, not including the \$5 co-payment towards the pre-program arrears. At the time of application, the CRP monthly amount will be compared to the customer's budget bill amount in order to determine the lowest monthly payment option.

The table below shows the 2016 income eligibility guidelines along with the current percentage breakdowns by FPL. As an example, a 2-person household whose gross monthly household income was \$1,200 would fall in the 9% of income category and would have a monthly CRP bill that is 9% of their gross monthly household income, or \$108 per month.

Table 1: CRP Percentage Payment Levels

2016 Maximum Gross Monthly Household Income by Household Size						
% Type	% of FPL	1	2	3	4	Each add.
8%	0-50%	\$495	\$668	\$840	\$1,013	\$173
9%	51-100%	\$990	\$1,335	\$1,680	\$2,025	\$347
10%	101-150%	\$1,485	\$2,003	\$2,520	\$3,038	\$520

CRP participants receive a monthly “discount” which represents the difference between the costs for actual usage, minus the CRP billing amount. If a customer owes any arrears at the time of enrollment, they will receive arrearage forgiveness for each monthly CRP bill that is paid on time and in full regardless of any past due bills. Arrearage forgiveness consists of the customer's account balance being reduced by 1/36th of the original pre-program balance amount which essentially eliminates the balance within a three-year period. CRP customers can also pay ahead on their bills. If a CRP participant is current on their agreement and pays more than their CRP balance, the overage will show as a credit which will be applied to future bills until exhausted. CRP customers may also receive free conservation services through the Home Comfort Program.

CRP Components -

- (1) CRP discounted bill – the customer's “asked-to-pay” amount is based on the percentage of income calculation determined by the customer's household size and income in relation to the FPL or the customer's budget bill amount, whichever is lower. The difference between the

CRP monthly bill amount and the actual bill based on usage is called the CRP discount.

- (2) Arrearage forgiveness – At the time of enrollment in CRP, a customer’s total arrearage is “frozen,” or separated from their asked-to-pay bill, and then forgiven at a fixed rate of 1/36th per month for each month that the customer pays their monthly CRP amount in full and timely regardless of their existing CRP arrearage. Customers will receive retroactive arrearage forgiveness for any months of arrearage forgiveness “missed” once the customer pays the asked to pay bill in full. This forgiveness provides an incentive to make payments of at least their CRP monthly amount. For returning CRP participants, PGW will also provide retroactive forgiveness for months spent outside of the program once the customer satisfies the CRP cure amount in full upon reentry into the program.

In addition to the forgiveness offered, the customer is required to pay \$5/month towards the reduction of any frozen arrears. The \$5/month co-payments made by CRP customers are applied towards the customers’ pre-program arrearage only and are handled differently by PGW than the 1/36th arrearage forgiveness for accounting purposes. The \$5/month co-payment made by CRP customers are directly applied against their pre-program arrearage but is not linked to the same accounting tracking mechanism as the program forgiveness. In contrast, when the 1/36th forgiveness is applied to a customer’s account, the transaction is linked to a specific general ledger account connected with the company’s Universal Service and Energy Conservation surcharge (“USC Surcharge”). This process ensures that the company identifies and recovers only the 1/36th arrearage forgiveness through the USC Surcharge.

CRP Stay-out Provision- PGW will not allow re-enrollment of a customer into CRP (for a one-year period unless specifically identified otherwise below), if the customer:

- i) Has him/herself removed from CRP even though based on household size and income they are still eligible for the program.
- ii) Refuses access to the meter (stay-out until access is granted).
- iii) Commits two or more incidents of unauthorized usage.
- iv) Submits fraudulent enrollment or re-certification information/documentation.

- v) Refuses free Home Comfort weatherization services from PGW (stay-out until services are accepted). The process is as follows:
- (1) Cases that are rejected by program contractors due to pre-existing conditions in the home, rather than customer refusal to accept services, are not affected by the stay-out. The following circumstances may result in the contractor not weatherizing a home: health, safety and structural issues identified by contractors in the pre-screening or audit process, such as roof leaks, mold, bed bugs, asbestos; lack of opportunity for cost-effective energy savings due to previous weatherization.
 - (2) If a customer or the contractor informs PGW that they cannot permit work to be done for any of the following reasons, then the customer will not be removed from CRP but may be contacted again in the future for treatment:
 - i. Serious illness of a household member; or
 - ii. Landlord refusal; or
 - iii. Other severe circumstance outside of the customer's control, and deemed as valid by PGW.
 - (3) All other situations involving CRP customers refusing to accept Home Comfort services will result in multiple communications to the customer reminding them of their CRP obligations. If services continue to be refused, the customer will be removed from CRP and not allow re-enrollment until the Home Comfort services have been accepted.

Treatment of Unauthorized Usage Charges- PGW's policy for unauthorized usage will be applied in the same manner to all customers including those enrolled in CRP (i.e. the customer is responsible for the entire unauthorized usage amount and must pay this amount along with any other applicable charges for restoration of service). In addition, as mentioned in the stay-out provision, all CRP customers who commit two or more incidents of unauthorized usage will not be allowed to re-enter the program for a period of one year.

CRP participants must comply with the following program requirements:

- Make timely payments in full each month
- Apply for LIHEAP each year and assign the grant to PGW
- Report any changes in household size and/or income
- Recertify household size and income each year (customers who receive a LIHEAP grant each year and assign it to PGW are given a two-year waiver (two years of recertification are waived) from the recertification requirement

- Accept Home Comfort Program services (weatherization, conservation and/or educational services) if offered by PGW
- Authorize PGW to use external sources (e.g., government records, credit reporting bureaus, and third party income verification sources) to verify household composition and income
- Make an effort to conserve energy/manage usage within required consumption limits. This requirement is based on the consumption limit proposed in this Plan.
- Do not commit any form of gas theft or fraud
- Provide PGW access to the meter if requested

The following accounts are ineligible for CRP:

- Commercial rate accounts¹
- Accounts receiving the senior citizen discount
- Accounts that supply service to more than one unit/apartment
- Accounts currently enrolled in choice
- Landlord tenant accounts where the service is in the landlord's name
- Healthcare facilities
- Accounts that are not the customer of record's primary residence
- All accounts deemed by PGW to be excluded due to violation of one of the stay-out provisions
- Non-heat accounts

Needs Assessment – In its most recent Impact Evaluation, page 21, available on the PUC website at <http://www.puc.state.pa.us/pcdocs/1614503.pdf>, Applied Public Policy Research Institute for Study and Evaluation (APPRISE) found that there are 120,197 PGW heating customers eligible for low income universal service programs. APPRISE found that the CRP heat and non-heat participation rate was between 50-54%. Impact Evaluation at 23-24.

A. Historical number of low-income customers:

Table 2 provides the estimated historical number of low-income PGW residential customers in the years 2013 through 2015, using internal PGW data, some of which has not been verified.

¹ A small residential home business (residential rate only) will not invalidate eligibility as long as the customer is still income eligible (though the rules for consumption limits will apply).

Table 2: Households	2013	2014	2015
Average monthly count of residential customers	468,943	469,283	470,788
Estimated number of low-income customers ²	151,911	141,196	137,697
Percent of residential customers eligible for CRP	32%	30%	29%

B. Number of identified and estimated payment troubled, low-income customers

Table 3 shows the historical number of identified payment troubled, low-income PGW customers in the years 2012 through 2015, as reported in the Annual Universal Service Programs & Collections Performance Report. The number of identified customers is also the estimated number.

Table 3: Payment Troubled/Low-Income³	2012	2013	2014	2015
Average monthly count of residential customers	479,889	468,943	469,283	470,788
Average monthly number of identified payment troubled, low-income customers	22,687	15,695	19,840	25,442
Percent of all residential customers	4.7%	3.3%	4.2%	5.4%

C. Number of customers who still need LIURP and the cost to serve that number.

PGW's LIURP, the Home Comfort Program, is an integral part of CRP because it can help reduce the subsidy cost of CRP.⁴ However, beginning in 2018 PGW began offering LIURP to all known low income customers, as defined by 52 Pa. Code § 58.2.

In order to ensure that universal service is appropriately funded and available under 66 Pa.C.S. § 2203(8), PUC regulations on program

³ As defined in the PUC's Universal Service Report.

⁴ PGW currently uses the Total Resource cost ("TRC") test for its LIURP. The LIURP TRC for FY16 through May 2016 was 1.37. However, given the current cost of gas, the subsidy cost of CRP is currently not being reduced due to LIURP.

funding focus on the number of “eligible customers”⁵ and “expected customer participation rate” based on customers who are eligible.⁶ PGW has used as a starting point the total number of confirmed low income customers. The total number of confirmed low income customers as of November 2016 is: 120,762. However, as expressed in the Tentative Order⁷ PGW will utilize the information in the 2015 Universal Service Report as a starting point in the following – thus, PGW will use 161,961 as the starting point. This figure is the number of identified low-income customers included in the 2015 Universal Service Report based on an average of the 12 months of month-end data through December 2015.

From this starting point, PGW has computed the funding level for LIURP by:

- I. Excluding from the following figures to identify expected participation rates based on eligible customers:
 - i. 80,981 lower usage customers - only high-usage customers where the customer falls into the top 50% consumption tier⁸ have been included
 - ii. 6,530 customers whose weather normalized usage was not statistically significant and could not be properly evaluated for cost effective treatment⁹
 - iii. 7,354 customers with less than 12-months of concurrent usage (in order to accurately determine usage eligibility)¹⁰; with a termination in the prior

⁵ 52 Pa. Code § 58.4(c)(1).

⁶ 52 Pa. Code § 58.4(c)(2).

⁷ Tentative Order at 31.

⁸ Universal service programs are to be operated in a cost-effective manner. 66 Pa.C.S. § 2203(8).

⁹ Statistical significance of historical usage is determined by calculating the coefficient of determination (R-squared) between heating consumption and heating degree days. The R-squared indicates the reliability of savings and cost-effectiveness calculations based on the weather normalized usage. This means that the weather normalized results may not be producing a statistically significant confidence level (e.g there may be anomalous usage months; inconsistent or insufficient data; etc.). PGW utilizes a minimum correlation of .9, which indicates strong correlation.

¹⁰ This criteria was accepted in the PUC approved Universal Service Plan of UGI. See Revised Universal Service & Energy Conservation Plan for UGI Gas, UGI PNG, UGI CPG and UGI Electric For the Four-Year Period January 1, 2014 – December 31, 2017, Amended Pursuant to Final Order Entered January 15, 2015 – Docket No. M-2013-2371824, filed February 17, 2015 at 24.

Amended Universal Service and Energy Conservation Plan 2017-2022 Philadelphia Gas Works

- year¹¹; with residency in the home for less than a year¹²; or customers who were comprehensively treated in the prior 7 years^{13,14}
- iv. 3,093 customers who reside in rental premises¹⁵ and whose landlords are expected to refuse treatment¹⁶
 - v. 5,768 customers for whom, based on experience, it is expected that weatherization would not be possible due to issues. Examples of such issues could be:
 - a. there would not be cost-effective treatment
 - b. there would be customer refusal¹⁷

¹¹ This criteria was accepted in the PUC approved Universal Service Plans of Peoples and UGI. See Peoples Natural Gas Company LLC Universal Service and Energy Conservation Plan for 2015-2018, submitted in compliance with Commission Order dated December 17, 2015 at Docket No. M-2014-2432515 dated January 12, 2016 at 20; and, Revised Universal Service & Energy Conservation Plan for UGI Gas, UGI PNG, UGI CPG and UGI Electric For the Four-Year Period January 1, 2014 – December 31, 2017, Amended Pursuant to Final Order Entered January 15, 2015 – Docket No. M-2013-2371824, filed February 17, 2015 at 24.

¹² This criteria was accepted in the PUC approved Universal Service Plans of National Fuel and UGI. See National Fuel Gas Distribution Corporation's Universal Service and Energy Conservation Plan for 2014-2016, revised consistent with Commission Orders entered May 22, 2014 and February 12, 2015 Orders, filed March 31, 2015 at 30; and, Revised Universal Service & Energy Conservation Plan for UGI Gas, UGI PNG, UGI CPG and UGI Electric For the Four-Year Period January 1, 2014 – December 31, 2017, Amended Pursuant to Final Order Entered January 15, 2015 – Docket No. M-2013-2371824, filed February 17, 2015 at 24.

¹³ This criteria was accepted in the PUC approved Universal Service Plans of Columbia, UGI and PPL. See Columbia Gas of Pennsylvania, Inc. Universal Service and Energy Conservation Plan 2015-2018, submitted in compliance with Commission Order entered July 8, 2015 at Docket No. M-2014-2424462, filed August 12, 2015 at 14; Revised Universal Service & Energy Conservation Plan for UGI Gas, UGI PNG, UGI CPG and UGI Electric For the Four-Year Period January 1, 2014 – December 31, 2017, Amended Pursuant to Final Order Entered January 15, 2015 – Docket No. M-2013-2371824, filed February 17, 2015 at 25; and, PPL Electric Utilities Corporation Universal Service and Energy Conservation Plan for 2014-2016, updated consistent with Commission Order entered September 11, 2014 at Docket No. M-2013-2367021, filed September 20, 2014 at WRAP page 2.

¹⁴ Customers removed under this category participated in PGW's Enhanced Low Income Usage Reduction Program ("ELIRP"), which launched in 2011. This data excludes any customers who participated in PGW's Conservation Works Program between 2009 – 2011; thus, these customers would be eligible for treatment.

¹⁵ PGW used Philadelphia Housing Rental License data to determine the estimated number of customers in rental properties. The actual figure is expected to be higher, as not all landlords register their rental property with the City. In the future, PGW also expects to exclude a percentage for building eligibility (multifamily ineligible for non-LIME).

¹⁶ Columbia's PUC approved Universal Service Plan uses a 50% refusal rate. See Columbia Gas of Pennsylvania, Inc. Universal Service and Energy Conservation Plan 2015-2018, submitted in compliance with Commission Order entered July 8, 2015 at Docket No. M-2014-2424462, filed August 12, 2015 at 28.

¹⁷ This criteria was accepted in the PUC approved Universal Service Plans of all four FirstEnergy companies. See, e.g., West Penn Power Company Universal Service & Energy Conservation Plan

Amended Universal Service and Energy Conservation Plan 2017-2022 Philadelphia Gas Works

- c. health/safety issues would prohibit services¹⁸
 - d. the customer can't be home/scheduling conflict hardship¹⁹
 - e. there are prohibitive language barriers²⁰
 - vi. 680 customers that reside in premises that received weatherization under other weatherization programs²¹
- II. Adding 9,812 from the remaining low income customers (after the above exclusions are made) to include non-CRP participants.²²

As a result, PGW's expected participation rate based on eligible customers utilizing the above determinants is 67,367. To obtain the final needs assessment calculation pursuant to the Commission's August Order, PGW obtained an average number of potentially LIURP-eligible customers by adding its figure calculated above (67,367) to the number of potentially eligible customers identified by the Commission (101,893) and divided by two, resulting in 84,630 customers who are potentially eligible for LIURP.²³

Program Years 2015, 2016, 2017 and 2018, submitted in compliance with Commission Order entered May 19, 2015 at Docket No. M-2014-2407728, filed June 18, 2015 at 25. The Docket Numbers for the other FirstEnergy Companies are: M-2014-2407729 (Metropolitan Edison Company); M-2014-2407730 (Pennsylvania Electric Company); M-2014-2407731 (West Penn Power Company).

¹⁸ This criteria was accepted in the PUC approved Universal Service Plans of all four FirstEnergy companies. See, e.g., West Penn Power Company Universal Service & Energy Conservation Plan Program Years 2015, 2016, 2017 and 2018, submitted in compliance with Commission Order entered May 19, 2015 at Docket No. M-2014-2407728, filed June 18, 2015 at 25.

¹⁹ This criteria was accepted in the PUC approved Universal Service Plans of all four FirstEnergy companies. See, e.g., West Penn Power Company Universal Service & Energy Conservation Plan Program Years 2015, 2016, 2017 and 2018, submitted in compliance with Commission Order entered May 19, 2015 at Docket No. M-2014-2407728, filed June 18, 2015 at 25.

²⁰ This criteria was accepted in the PUC approved Universal Service Plans of all four FirstEnergy companies. See, e.g., West Penn Power Company Universal Service & Energy Conservation Plan Program Years 2015, 2016, 2017 and 2018, submitted in compliance with Commission Order entered May 19, 2015 at Docket No. M-2014-2407728, filed June 18, 2015 at 25.

²¹ This criteria was accepted in the PUC approved Universal Service Plan of PPL. PPL Electric Utilities Corporation Universal Service and Energy Conservation Plan for 2014-2016, updated consistent with Commission Order entered September 11, 2014 at Docket No. M-2013-2367021, filed September 20, 2014 at WRAP page 4.

²² Non-CRP customers were not excluded in the above calculations, however in order to maintain consistency with the revised needs assessment filed in the *Supplemental Information Submitted By Philadelphia Gas Works In Response To January 26, 2017 Tentative Order*, PGW has retained this figure in its final needs assessment calculation.

²³ This average is based on combined calculations of PGW's needs assessment and the Commission's estimates, for purposes of this Universal Service Plan 2017-2020 only. The figure does not reflect known customers eligible for LIURP.

Using data reported in the Annual Universal Service Programs & Collections Performance Report, PGW completed 10,932 Home Comfort treatments in calendar years 2012 through 2015 at an average rate of 2,733 per year. PGW's cost per-job fluctuated over the four years; however the 2015 average job cost of \$1,657 (excluding administrative costs) reflects the best cost estimate for the current blend of comprehensive and core projects. Pursuant to the August Order, PGW has set its average annual number of jobs to 3,293 and the average job cost to \$2,426 (including administrative costs).²⁴

Needs Assessment Based On Above Factors

Summarizing the results of the above, including the regulatory requirement to make the funding level computation based on eligible customers and expected participation rates, below is PGW's needs assessment:

161,961 - The total number of confirmed low income customers as of December 2015 (before applying any of the adjustments set forth above)

84,630 – Customers currently potentially eligible for LIURP (based on the factors above)²⁵

\$205,312,380 - The total expense of providing usage reduction services for the currently potentially eligible customers, based on the Commission's calculated average cost per-job; this expense is recovered through the Universal Service and Energy Conservation Surcharge

25.70 years - Expected period of time to complete services for the currently potentially eligible customers.

CRP Outreach and Intake Efforts – PGW strives to inform all income-eligible customers about CRP by employing various outreach methods such as referrals from our customer service representatives, direct mail, targeted outreach (i.e. Spanish-speaking customers, customers on a low income payment agreement, and customers who

²⁴ August Order at 81.

²⁵ Given the nature of Universal Service Plan filings and requirements, this number is a "snap-shot" in time number. By its nature, it is subject to change depending on changing customer needs and scenarios.

receive a LIHEAP grant), community presentations, bill messages, and partnerships with community organizations and social service agencies throughout Philadelphia. Upon the implementation of the new CRP rate (budget bill amount), PGW will enhance its outreach campaigns to include all identified low-income customers who may qualify for CRP based on their budget bill amount.²⁶ In order to reduce the impact of the CRP subsidy and arrearage forgiveness costs on non-CRP customers, PGW coordinates Home Comfort with CRP to provide free energy conservation services to active participants in CRP. These services are described in more detail in the Home Comfort (“LIURP”) section.

CRP Intake Process – PGW customers can apply or re-certify for CRP by mail, online or in person at any of PGW’s five customer service centers. When a customer applies for CRP, he/she must provide proof of income for the prior 30 days for all household members. For customers that are self-employed, PGW will accept annual federal or state tax returns filed within the last 12 months as proof of self-employment income. PGW also requests a copy of the social security card for each household member listed on the application. If the customer does not have a copy of the social security card, or the customer refuses to provide the social security number, PGW’s requirements will differ depending on the age of the household member, as follows:

(i) for an adult household member, PGW will agree to accept some other form of identification that can be documented, such as a state issued driver’s license number or an Individual Tax Identification Number. For fraud prevention purposes, PGW may require documentation supporting this number (such as but not limited to a social security number) as part of our periodic review of CRP applications;

(ii) for a non-adult household member, PGW will accept a government/school issued form of identification showing residency, such as a school roster or public assistance benefits letter.

PGW will require a copy of the social security card for each household member as part of our periodic review of CRP applications to prevent fraud (rather than requiring them at the time of application).

²⁶ This will include customers who are known to be low income by having: i) been on CRP over the prior 24 months; ii) received a LIHEAP, CRISIS or UESF grant over the past 24 months; or iii) been on a level 1 payment arrangement over the prior 24 months.

When a customer submits an application for CRP online, by mail or in person, the application is reviewed for completeness and eligibility.

- Customers who are ineligible for CRP are provided/sent a letter explaining why they are ineligible.
- Customers who are eligible for CRP are provided/sent a letter describing the monthly CRP payment and their responsibilities for staying in the program.

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), that support amount reported 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.

CRP Control Features - At the time of application or recertification, PGW completes an assessment to determine which payment option provides the most affordable bill by comparing the customer's projected monthly CRP PIPP amount to the customer's current budget bill amount. If it is determined that the PIPP provides the lower monthly bill, the customer will be enrolled in CRP at the PIPP amount. Otherwise, the customer will be enrolled in CRP at the customer's budget bill amount.

Provided below are additional CRP control features implemented by PGW:

- PGW also continuously monitors all CRP customer accounts to ensure compliance with the terms of the program (e.g., good payment habits, etc.).
- Although LIURP was expanded to non-CRP customers pursuant to prior PUC Order, some CRP subsidy costs are managed through the provision of LIURP. In addition, customers receive education and outreach regarding energy assistance grants and energy conservation.

CRP Recertification - CRP participants are required to recertify annually (6 months for zero income). See Appendix B for recertification flow. This requirement is waived for two years (2 years of recertification are waived) if the customer receives a LIHEAP grant and assigns it to PGW on an annual basis. However, for each customer who is granted a waiver from the recertification requirement, PGW will review their account annually on their anniversary date during the waiver period to verify if the CRP rate (PIPP or budget bill) continues to provide the most affordable monthly bill amount. If it is determined that the customer is better served on the other CRP rate, the customer will be put on the other (lower) CRP rate.

Recertification Path for Zero Income Participants - CRP participants who report zero income will be required by letter to provide an update of their income every 6 months for as long as they report zero-income. This process will determine if the participant's income or their means of meeting everyday living expenses has changed and whether their CRP agreement terms should be modified.

CRP Provisions for Non-Compliance - CRP customers who do not comply with the program requirements related to eligibility and payments can be subject to termination after one missed bill.

Whenever a CRP customer is terminated for non-payment the balance currently in the frozen arrears immediately becomes due. To restore service and re-enroll in CRP, the customer must pay the past due CRP bills in full, plus the reconnection fee, and, if applicable, a dig fee. No deposit is required. Once the customer satisfies all payment requirements and reapplies, their balance is placed back in the frozen arrears. PGW will also provide retroactive arrearage forgiveness for months outside of the program once the customer satisfies the CRP cure amount in full. If at the time of re-enrollment the customer reports a change in income, PGW will require documentation of the changed income, and will recalculate the PIPP CRP cure amount from the date of the income change.

CRP and Application of LIHEAP Cash Grants – Any LIHEAP Cash grants (“LIHEAP grants”) received on behalf of CRP participants are applied to the customer’s asked-to-pay amount. When the LIHEAP grant is applied, if the grant is greater than the current CRP asked to pay amount, the balance is left as a credit and applied to future bills.

CRP Periodic Review- Periodically, PGW conducts reviews of CRP accounts utilizing credit reporting agencies to verify residency and perform death audits. Upon discovery of fraud or death as a result of using a credit reporting agency, PGW will notify the identified CRP customers in writing of the company's findings, a description of Fair Credit Reporting Act (15 U.S.C. § 1681 et seq.) rights, and of their right to dispute the

information gathered from the credit reporting agency with PGW within 30 days prior to being removed from the program.

Annual CRP Review – At least once per year, PGW will review each CRP account at recertification to ensure customers are paying the most affordable rate.

Pilot Consumption Limits - PGW will now impose maximum consumption limits for CRP participants with higher than average usage. It is expected that this Pilot will be implemented within three months after final approval of this USECP 2017-2020. An announcement explaining the consumption limit pilot will be mailed to all active CRP customers, and customers who join CRP will be notified at the time of application. The Pilot will be implemented as follows: CRP participants with a 12-month CRP usage that reaches 50%, 80% and 100% of a new consumption limit (expressed as a maximum CAP credit amount) will be contacted by letter when their consumption exceeds the established limit. The letter will communicate a list of possible exemptions as set forth in the Commission's CAP Policy Statement²⁷, and provide conservation tips, and information about the Home Comfort Program. (See Appendix F for a preliminary draft of the notification that will be used.) Customers may request an exemption to consumption limits, in accordance with the CAP Policy Statement, if one or more of the below conditions exist:

- a) The household experienced the addition of a family member.
- b) A member of the household experienced a serious illness.
- c) Energy consumption was beyond the household's ability to control.
- d) The household is located in housing that is or has been condemned or has housing code violations that negatively affect energy consumption.

Customers who wish to request an exemption to the consumption limit will be encouraged to make the request to PGW by phone, but will also be able to make the request by mail or in a District Office. In addition, the property will be referred for possible LIURP treatment and related education if the property is eligible for LIURP. If LIURP is offered to the customer, it must be accepted fully²⁸, or the customer will be

²⁷ 52 Pa. Code § 69.265(3)(vi)(A-E).

²⁸ LIURP must be accepted fully unless (i) the case is rejected by program contractors due to pre-existing conditions in the home; or (ii) work cannot be done for any of the following reasons:

- i. Serious illness of a household member; or
- ii. Landlord refusal; or
- iii. Other severe circumstance outside of the customer's control, and deemed as valid by PGW.

removed from CRP. For homes that are inspected through the LIURP program, the homes will be analyzed for the following conditions:

- Home has conditions that explain the extreme energy usage and that can be remedied by provision of weatherization services, which must be accepted in full.
- Home has conditions that explain the extreme energy usages, but conditions exist that are beyond control of the customer and of LIURP. Participants in this group will continue to remain on CRP without application of the maximum credit.
- Some other reason (including no identifiable reason) for extreme energy use. These properties will be used to develop a policy as discussed in the “Reason Analysis” set forth below.

The CAP credit amount for this pilot was determined by examining CRP participants with 12 consecutive months of prior usage and analyzing two years of their consumption history and CRP discount amounts. Based on the results of the analysis, it was determined that the maximum consumption limit for CRP participants should be 2,125 CCF which will ultimately be converted into dollars when expressed to customers. This limit was determined by examining the distribution of usage consumed by CRP participants and making the determination that those participants whose usage exceeds the 95th percentile of the usage distribution curve may have excessive use. Those customers identified as exceeding this limit will be considered optimal candidates for conservation education as well as referral for LIURP services.

CRP Estimated Budget – The CRP discount and arrearage forgiveness are funded through the Universal Service and Energy Conservation Surcharge that is paid by all firm customers. Table 4 provides an estimate of CRP administrative costs, CRP discounts, arrearage forgiveness, and participation levels from 2017 through 2022. These projections are based on the prior three calendar years of actual data and incorporate future outreach efforts.

CRP Projected Enrollment – PGW projects the average monthly enrollment in CRP to be approximately 58,052 by the end of the calendar year 2016 and will increase to approximately 77,118 by 2022. This projection is based on enrollment trends and future outreach for CRP.

Table 4: CRP Projected Budget Costs and Enrollment (through 2020 is from Prior Approved Plan)

Customer Responsibility Program	2017	2018	2019	2020
Administrative Costs	\$1,365,373	\$1,384,518	\$1,404,142	\$1,424,256
CRP Discount	\$38,369,715	\$42,364,454*	\$44,368,327	\$45,279,978
Arrearage Forgiveness	\$10,238,325	\$12,322,411**	\$12,656,496	\$12,990,582
Total Costs	\$49,973,413	\$56,071,383	\$58,428,965	\$59,694,816
Average Monthly Participation	61,292	77,292***	79,292	81,292

Customer Responsibility Program	2021	2022
Administrative Costs	\$3,000,000	\$3,000,000
CRP Discount	\$69,961,425	\$71,289,413
Arrearage Forgiveness	\$14,056,832	\$14,390,915
Total Costs	\$87,018,257	\$88,680,328
Average Monthly Participation	75,118****	77,118

*This number includes a forecast of 2,000 additional CRP PIPP customers, plus a forecast of \$648,021 for current CRP PIPP customers who would be moved to the average bill CRP.

** Per the Commission's August Order, page 18, forecast of an increase of \$1.75 million, plus a forecast relevant to 2,000 additional CRP PIPP customers.

*** This number is the sum of: the 2017 forecast plus 14,000 (35% of 40,000), plus a forecast of 2,000 additional CRP PIPP customers, per the August Order, page 18. PGW has not forecasted an increase in the administrative costs of CRP although the modifications made pursuant to this USECP may lead to increased administrative costs; related costs encountered will be reflected in PGW's next USECP filing (i.e. 2023-2027).

**** This number reflects the updated projected enrolled as of the end of CY2021 which includes the additional estimated 12,718 that would join as a result of the Pilot Program referenced in PGW's letter dated January 6, 2020.

Low-income Usage Reduction Program (Home Comfort)

The LIURP component of PGW's Universal Services Plan is fulfilled through Home Comfort.

Home Comfort Description – Home Comfort provides free, in-home weatherization and energy conservation education services for eligible single-family low income customers and will provide weatherization and energy conservation and education services for multi-family properties pursuant to the pilot program Low Income Multi-family Efficiency program (“Pilot LIME”, as described further below) through the end of December 2022. Home Comfort seeks to make the homes of eligible low income customers more energy efficient, which improves comfort and reduces the subsidy cost of those customers enrolled in CRP. Currently, Home Comfort utilizes three independent conservation service providers (each a “CSP”) to provide services. Work is inspected and audited by an independent party for completeness and quality assurance. Each CSP is evaluated semi-annually based on total natural gas savings, cost-effectiveness, work quality and customer service metrics. The evaluations inform funding allocations for each CSP, which reward the best performers.

Pilot LIME - As set forth in the DSM/LIURP Order, in order for a property to be eligible for LIME it must be 75% confirmed low income residency and PGW reserves the right to decrease this percentage beginning in FY17 - but only after a showing of cause for program incentive budget under-spending, pursuant to a Commission Order.²⁹ Program costs for the Pilot LIME are through PGW's Universal Services Charge (“USC”) applicable to all volumes of firm gas delivered and Pilot LIME project costs will be recovered (1) 100% of low income customer usage LIME program costs will be recovered 100% through the USC; (2) 33% of project costs for all other customer usage will be recovered through PGW's Efficiency Cost Recovery Surcharge (“ECRS”); and, (3) the remainder of project costs will be funded by property owners. The budget for 2020-2022 for the Pilot LIME is: \$120,048 annually.

Home Comfort Needs Assessment – Please see the section entitled “Number of customers who still need LIURP and the cost to serve that number.”

Home Comfort Objectives - Home Comfort seeks to provide cost-effective energy savings to eligible low-income customers. A secondary goal of the program is to reduce the overall long-term subsidy cost of CRP.

²⁹ Under a stipulation entered into by the Bureau of Investigation and Enforcement (“I&E”) and PGW, which was approved by the DSM/LIURP Order, PGW agreed to obtain I&E approval to decrease the low income residency percentage. Upon consultation with I&E during the preparation of this Second Amended Plan, I&E has agreed to address any concerns in comments to future USECP filings.

Home Comfort Eligibility – Under the single family Home Comfort program, CSPs will be provided a list of customers that meet the following criteria:

1. Known to be low income by having i) been on CRP over the prior 24 months; ii) received a LIHEAP, CRISIS or UESF grant over the past 24 months; or iii) been on a level 1 payment arrangement over the prior 24 months.
2. Have weather normalized usage within the top 50% of all eligible customers, and at least twelve months of continuous service at their current property, while removing outliers and anomalies based on the statistical significance of the weather normalized usage; and
3. Have not received LIURP weatherization services over the previous seven years.
4. Must reside in a single-family home. If the customer rents the home, their landlord must authorize PGW to perform the weatherization.

In accordance with 52 Pa. Code § 58.10 and the DSM/LIURP order, prioritization for receipt of services among customers with the same standing under 52 Pa. Code § 58.10(a)(1) shall be attempted for those with the greatest arrearages. Once selected, an in-home audit and feasibility assessment is made to determine what, if any, cost-effective measures can be made.

PGW also coordinates with other agencies to qualify customer homes for the program. Customers in the top 50% usage tier that have had health and safety treatments performed by coordinating nonprofit and public agencies, but were not assigned to Home Comfort through the automatic assignment process, may be manually assigned to CSPs. PGW is notified of these homes by agencies with which it coordinates.

Home Comfort Projected Enrollment – PGW projects that it will treat approximately 3,550 homes and 3 multifamily buildings between September 2016 and December 2017, and approximately 9,873 homes and 6 multifamily buildings between January 2018 and December 2020. PGW projects that it will treat approximately 6,582 homes and 4 multifamily buildings between January 2021 and December 2022.

Home Comfort Components – Home Comfort is composed of weatherization measures, such as air sealing, insulation, equipment repair and replacement, hot water reduction measures and energy conservation education.

The Home Comfort treatment begins with an initial assessment made in the home to determine the cost-effectiveness and feasibility of various weatherization measures. During the assessment, customers are educated on ways to reduce their energy use, are provided with basic health and safety information, and low-cost energy saving measures such as low-flow devices, programmable thermostats, and water heater tank turn-downs may be installed. If health and safety issues like mold, asbestos, roof leaks or pests exist and cannot be corrected cost-effectively by the CSP, the home's treatment ends with these low-cost measures. If the house is suitable for weatherization treatment, the CSP may return to the home for comprehensive weatherization treatments, which may include:

- Repairing or replacing older and less energy efficient heating systems; and
- Providing comprehensive weatherization services by air sealing and insulating attics, basements, ducts and the overall building shell.

If homes are initially denied comprehensive weatherization because of health and safety issues, and customers are able to successfully remediate the health and safety issues to program standards, CSPs may return to perform air sealing or insulation.

Home Comfort Estimated Budget – Table 5 provides the estimated enrollment and budget for Home Comfort for 2016 through 2022.

The Home Comfort budget has been set based on a number of reasonable assumptions, and in light of the analysis of the number of customers who still need LIURP and the cost to serve those customers. The below budget was set pursuant to the Commission's Order which utilized an average cost per-job (including contractor installation costs and administrative costs) of \$2,426 and production rate of 3,293.³⁰

³⁰ The Commission's average job cost and production rate calculations included the LIME budget and participation. If LIME were excluded, the average budget used in the calculation would be \$6,514,037, the production rate would be 2,733, and the resultant average job cost would be \$2,383.

Table 5: Home Comfort Estimated Budget* (through 2020 is from Prior Approved Plan)

	Sep. 2016 – Dec. 2017	CY 2018**	CY 2019**	CY 2020**	CY 2021**	CY 2022**
Budget	\$ 8,736,926	\$ 7,988,818	\$ 7,988,818	\$ 7,988,818	\$ 7,988,818	\$ 7,988,818
Single-Family Enrollment	3,550	3,291	3,291	3,291	3,291	3,291
LIME Enrollment	3	2	2	2	2	2

* Includes LIME costs at \$120,048/year (\$10,004/month).

** This budget includes programmatic and administrative costs (including labor).

Continuation of Regulatory Waivers

Previously, the Commission approved a temporary partial waiver of the administrative cost limitations under 52 Pa. Code §58.5 for 2018, 2019 and 2020 to allow PGW to develop and implement appropriate marketing, outreach, and internal procedures to effectively promote, identify, and screen all the newly eligible non-CRP and other low-income customers for CRP Home Comfort. The Commission also partially approved a waiver of 52 Pa. Code §58.11 (subsection (a)) for the 2017-2020 USECP. PGW requests a continuation of all waivers granted in its latest Plan through 2022.

Health and Safety Pilot Proposal

PGW's contractors currently install limited health and safety measures that can be cost-effectively included in the overall weatherization project. However, many homes in the worst condition are can't be weatherized cost-effectively, and currently receive only core measures. PGW will pilot a new policy for contractors to spend up to (i) \$2,000 per-project beginning in 2017 through December 2020, and (ii) \$3,000 per-project beginning January 2021 through December 2022 on the installation of health and safety measures, without the cost impacting the project's TRC cost-effectiveness. These repairs are distinguishable from the "incidental" repairs detailed in 52 Pa. Code § 58.12, which PGW classifies as minor repairs necessary to permit proper installation of program measures. PGW will pre-screen all projects included in this pilot. Contractors' must propose a work scope that will achieve at least 15% savings. Projects will be prioritized by the greatest savings opportunities, and target the highest usage homes. The cost of the pilot will be included within the overall LIURP program budget and will not exceed \$100,000 per-year.

Consistent with recent Bureau of Consumer Services (BCS) directives, health and safety costs in this pilot initiative would be tracked separately from other project costs for reporting and evaluation purposes.

Pilot Conservation Incentive Credits Through 2020– PGW's current pilot conservation incentive credit requirements consist of the following:

- i. CRP customers who did not receive PGW provided weatherization services in the prior two (2) years (using November as the start of the 2 year look back), but reduced their weather normalized usage by ten percent (10%) or more during the current November through April period (compared to the weather normalized usage between the prior November through April period), will receive a One Hundred Dollar (\$100) Incentive credit on their bill.
- ii. CRP customers who received PGW provided weatherization services in the prior two (2) years (using November as the start of the 2 year look back), and reduced their weather normalized usage by twenty percent (20%) or more during the current November through April period (compared to the weather normalized usage between the prior November through April period), would receive a One Hundred Dollar (\$100) Incentive credit on their bill.
- iii. PGW will run a query each April to compare gas consumption of CRP customers for the November to April period with usage during that time period the previous year. Usage would be weather normalized and only customers who were on CRP for the

entire November to April time period would be potentially eligible for the Incentive.

PGW has issued communications to encourage participation in the pilot program. PGW will continue to monitor the program as a pilot as described herein. PGW will provide a status update summary on the prior year's award including the number of participants, total dollars paid out, and total MCFs saved each year with the annual LIURP reporting due to the Commission annually by April 30th, beginning April 2018 through April 2020.

Customer Assistance Referral and Evaluation Service Program (CARES)

CARES Description - CARES assists customers with special needs, such as those who have recently experienced a family emergency, unemployment, or age related issues. CARES provides the customer with referral information to internal and external organizations and assistance programs. In some cases, follow-up and on-going services are provided. Information about CARES is distributed through outreach initiatives and contact with PGW customer service representatives. CARES also includes outreach activities related to LIHEAP and Crisis grants, since those grants target many of the same customers who are low-income and seek assistance with paying their utility bills.

CARES Needs Assessment – The need for CARES assistance is assessed based on the customers' self-reported needs. For example, if a customer notifies PGW that he/she is experiencing difficulty paying a bill due to difficulty finding employment, the customer service representative will provide the customer with PGW options to make the bill more affordable (e.g. CRP) and also will provide a referral to external organizations that provide services to the unemployed. PGW uses internal data and census data to estimate the number of customers who are eligible for CARES assistance. Internal data shows that approximately 29% of PGW's residential customer base may be eligible for some of the services provided by CARES (e.g., referrals and case management). The needs assessment set forth in this Plan's description of CRP is incorporated herein.

Some customers are eligible for CARES regardless of income, such as those with a protection from abuse order ("PFA") or an impending life event that may lead to financial hardship. Therefore, any PGW residential customer is potentially eligible for CARES, depending on life circumstances.

CARES Objectives – The objectives of CARES is to help customers resolve issues related to and beyond bill payment and energy affordability and to provide follow-up and case management services as needed. The objectives are achieved mainly by referrals

to programs and organizations that can address customers' specific needs. Some CARES cases require follow-up and ongoing case management.

CARES Eligibility – CARES services are provided to customers who are at or below 150 percent of the FPL and who are having difficulty paying their bills; those who anticipate difficulty paying their bills due to a personal crisis that is likely to result in a financial hardship; and those who have a valid PFA or other court order indicating the customer is a victim of domestic violence - in order to ensure that additional protections are provided, particularly those under relevant PUC regulations.

CARES Projected Enrollment – In fiscal year 2019, PGW handled 429 CARES cases through ongoing case management, which is an average of 35.8 cases per month. Another 5,275 cases were resolved in a “quick-fix” manner by customer service representatives through referrals given to customers.

CARES Components – CARES has two components, quick-fix and case management. The quick-fix component is limited to referrals. Each customer service representative has a resource guide which provides a list of external organizations that offer social services and assistance programs beyond the scope and function of any utility assistance offered by PGW. The purpose of these referrals is to provide information that can assist a customer in resolving an issue impacting their ability to pay their gas bill and maintain service. Referrals are made to a number of programs, including LIHEAP. There is no follow-up action taken by PGW after the referral is made by the customer service representative, but there is no limit to the number of times PGW will make a referral for any customer.

The case management component includes ongoing monitoring and follow-up services for the customer. These cases are handled by the Universal Services department. The case referral may come from customer service representatives, other internal PGW sources, or external sources.

CARES Estimated Budget – CARES budgeting is included in the LIHEAP Outreach budget; the bulk of CARES cases are customers who are unable to pay their utility bills because they are low-income and would benefit from third party assistance.

Table 6: CARES Estimated Budget from Prior Approved Plan

CARES	2017	2018	2019	2020
LIHEAP Administration/Outreach	\$880,800	\$880,800	\$880,800	\$880,800
Average monthly participation (CARES only including “quick fix”)	22.6	22.6	22.6	22.6

CARES	2021	2022
LIHEAP Administration/Outreach	\$1,041,419	\$1,041,419
Average monthly participation (CARES only including "quick fix")	475.3	475.3

CARES Reporting 2017-2020 – PGW will file and serve at Docket No. M-2016-2542415 an annual report detailing the number of customers served through CARES case management and quick-fix referral services during the previous calendar year, starting April 1, 2018 (describing 2017 activity) through April 1, 2020.

Hardship Funds

Hardship Funds Description - PGW provides Hardship Funds by matching grants paid by the Utility Emergency Service Fund (UESF) to customers whose service is terminated or in danger of being terminated. PGW funds are provided in the form of a matching bill credit of up to approximately \$750. Also, PGW receives customer contributions to UESF through the Dollar Plus program throughout the year; PGW expects to do outreach to customers for contributions to Dollar Plus. Contributions received are forwarded to UESF so that it can provide additional grants.

Hardship Funds Needs Assessment – The needs assessment set forth in this Plan's description of CRP is incorporated herein. In addition, PGW determines the need for UESF grants by reviewing the number of grants provided in the prior years and the amount of dollars granted. Since Hardship Funds are matching bill credits, the actual number of grants and the amount of credits provided will depend upon the number of grants and level of funding provided by UESF. In 2018, PGW ratepayers made available up to \$795,500 to match UESF grants.

Table 7: Hardship Fund Estimated Budget from Prior Approved Plan

Hardship Fund	2013	2014	2015
Clients served	1,184	1,324	992
UESF funds	\$620,846	\$674,712	\$594,860
PGW matching credits	\$620,846	\$674,712	\$594,860
Client contributions	\$32,307	\$38,246	\$34,216

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Hardship Funds	2016	2017	2018
Clients Served	1,377	1,344	1,051
UESF Funds	\$766,822	\$724,224	\$585,058
Utility Contribution (PGW)	\$766,822	\$724,224	\$585,058
Grant Recipient Contribution	\$37,991	\$13,293	\$0*

*Previously paid directly by USEF, now paid directly by the customer.

Hardship Funds Objectives – The objective of Hardship Funds is to provide financial assistance to eligible customers whose service is terminated or who are in danger of losing service. The combination of UESF grant dollars and the PGW matching credit are intended to provide the customer with a “fresh start” on their gas bill.

Hardship Funds Eligibility – Eligibility is limited to customers with a gross household income at or below 175% of the FPL. Below is a table showing the income eligibility guidelines for UESF for fiscal years 2016 through 2018 (UESF fiscal year is July 1-June 30).

Table 8: Hardship Fund Eligibility from Prior Approved Plan

Maximum annual gross household income			
Household size	FY13	FY14	FY15
1	\$20,107	\$20,426	\$20,598
2	\$27,142	\$27,524	\$27,878
3	\$34,177	\$34,636	\$35,158
4	\$41,212	\$41,734	\$42,438
each additional	\$7,035	\$7,104	\$7,280

Maximum Annual Gross Household Income			
Household Size	FY16	FY17	FY18
1	\$20,790	\$21,105	\$21,245
2	\$28,035	\$28,420	\$28,805
3	\$35,280	\$35,735	\$36,365
4	\$42,525	\$43,050	\$43,925
Each Additional	\$7,245	\$7,315	\$7,560

Additional eligibility requirements include:

- Service must be off, or threatened to be shut off;
- Customer must not have received assistance from UESF in the past 24 months;

Amended Universal Service and Energy Conservation Plan 2017-2022 Philadelphia Gas Works

- Customer must have applied for LIHEAP Cash and Crisis grants if those programs are open and grants are available;
- The combination of the UESF grant and the PGW matching credit cannot exceed \$1,500 (for City grants) and must eliminate the total amount due (not including frozen arrears if the customer is enrolled in CRP) and, if the customer seeks restoration, any written off debt required for restoration. If the total amount due exceeds \$1,500, the customer must pay the difference, either out of pocket or through other utility assistance grants such as LIHEAP. It is a UESF requirement that such debt be paid in order for a grant to be awarded.

Hardship Funds Projected Enrollment – Enrollment projections are based on three completed prior fiscal years. Between fiscal year 2016 and fiscal year 2019, PGW provided matching funds for an average of 1,183 customers per year. PGW projects it could have the ability to serve an average of at least 1,300 customers per year between 2021 and 2022 and possibly a higher amount of customers, dependent on obtaining necessary grant funds and approvals.

Hardship Funds Components – Hardship funds have at least two, and in some cases, three components: UESF grants, utility contributions, and client contributions. Combined, these components give the customer a fresh start by fully eliminating their total amount due.

Hardship Funds Modifications – None.

Hardship Funds Estimated Budget – The operating support paid to UESF is a fixed amount and is projected to be fully expended. However, the amount expended annually from a projected \$795,500 (dependent on obtaining necessary approvals) for matching funds will depend on other sources of funding obtained by UESF.

Table 9: Hardship Fund Estimated Budget from Prior Approved Plan

Hardship Funds	2017	2018	2019	2020
Operating support (PGW)	\$260,149	\$260,149	\$260,149	\$260,149
UESF grants	\$795,500	\$795,500	\$795,500	\$795,500
Utility contribution (PGW)	\$795,500	\$795,500	\$795,500	\$795,500
Customer/employee contributions (PGW)	\$2,000	\$3,000	\$4,000	\$5,000
Total Program costs	\$1,853,149	\$1,854,149	\$1,855,149	\$1,856,149

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Average annual participation³¹	1,000	1,000	1,000	1,000
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Hardship Funds	2021	2022
Operating Support (PGW)	\$260,149	\$260,149
UESF Grants	\$795,500	\$795,500
Utility Contribution (PGW)	\$795,500	\$795,500
Grant Recipient Contribution	\$0	\$0
Customer/Employee Contributions (PGW)	\$6,000	\$7,000
Total Program Costs	\$1,857,149	\$1,858,149
Average Annual Participation	1,300	1,300

Hardship Funds Reporting 2017-2020 – Beginning October 1, 2017 and ending October 1, 2020, PGW will file and serve at Docket No. M-2016-2542415 an update regarding its discussions with UESF regarding the following potential changes to Hardship Fund eligibility criteria: (i) removal of the 2-year stay out after a UESF grant has been awarded; and (ii) receipt of a UESF grant by a CRP customer without the requirement to have the CRP frozen arrearage paid off.

Senior Citizen Discount (This program has been removed since it is not a PUC regulated Universal Service program)

³¹ This participation projection is based on the most recent projection obtained from UESF for the amount of UESF grants that will be allocated for PGW customers.

Integration of Universal Services Programs; Steps Used to Identify and Enroll Customers in Universal Service Programs; Use of Community Based Organizations

PGW makes a conscious and sustained effort to integrate all universal service programs so that customers receive information and access to all assistance programs for which they may be eligible.

CRP and LIURP- When CRP customers have trouble paying their bills or have a personal crisis that impacts their ability to pay their bills, they are referred to Hardship Funds and the CARES program. When customers have high natural gas usage they are referred to Home Comfort. Customers who receive Home Comfort services are also provided information about other assistance programs, such as the CARES program and LIHEAP and Crisis grants. PGW engages in a significant number of partnerships in support of its Home Comfort program – this coordination is described more fully on Appendix E.

Since enrollment in the senior citizen discount prohibits enrollment in CRP, there is no integration between the two programs. However, customers enrolled in the discount program are permitted to remove themselves from the discount and enroll in CRP if it provides a more affordable bill.

CARES - PGW utilizes many internal and external assistance programs in the implementation of CARES in order to provide referrals to a variety of programs suited to resolve the customer's particular personal crisis or issue. For example, if the issue is job loss, PGW provides the customer with information regarding external grant programs and internal assistance programs that can help them pay their gas bill in the immediate term and makes referrals to employment centers and job services. PGW has long standing relationships with a network of external organizations that provide many types of assistance for individuals and families in need. In Philadelphia, the Neighborhood Energy Centers and UESF intake sites are two networks in which PGW coordinates UESF grants and provides information to caseworkers who are helping PGW customers obtain an affordable bill. PGW refers customers to these organizations in the course of providing CARES assistance; the services provided by these organizations include budget counseling, housing counseling, job placement services, senior services, after-school programs, homelessness prevention, and other health and human services. Additionally, these organizations often provide the outreach and venue for energy conservation workshops that are sponsored annually by PGW and administered by a third party.

PGW also partially funds production and printing of The Energy Directory, which is produced each year by the Energy Coordinating Agency. This directory is an important

resource guide used by social service agencies throughout the City of Philadelphia. Information about PGW's Universal Service Programs is included in the directory.

PGW does not limit itself to the network of organizations with which it already has established relationships. For example, in recent years PGW has partnered with Philabundance, which is an organization that provides food to needy families, by providing outreach at their Fresh for All food distribution events. At those events, PGW provides information to local residents about CRP, LIHEAP, Crisis, and UESF grants, as well as other assistance programs at PGW. PGW also implements an aggressive and comprehensive outreach campaign to inform all of our low-income customers about LIHEAP and Crisis grants and provides direct assistance to customers in applying for grants.

Hardship Funds– In addition to the other efforts described in this section, PGW maintains relationships with the network of UESF intake sites that assist PGW's customers.

Outreach Efforts and Campaigns – PGW engages in significant efforts throughout the year to provide information and referrals to PGW customers who may benefit from Universal Service Programs. Below are the general practices PGW utilizes:

Inbound calls – PGW provides training and updated information to all customer service representatives regarding Universal Service programs. When customers call in to PGW's Call Center or visit PGW's District Offices, PGW representatives are able to provide them with effective assistance. Representatives also have the ability to mail a CRP and LIHEAP application to customers.

District offices – PGW's five District Offices provide a physical location for customers to address issues related to customer service and utilization of Universal Services. At PGW's offices, customers can apply in person for CRP and LIHEAP, and through the CARES and Hardship Funds programs they can obtain referrals to organizations that provide other forms of assistance.

Mailings – PGW does multiple annual mailings to customers who are identified as low-income in order to provide information about LIHEAP and Crisis grants. These mailings are targeted to all low-income customers and provide an opportunity to obtain additional information and assistance about all of PGW's customer assistance programs because they may cause the customer to contact the company.

Outbound message calls – Like mailings, periodic outbound calls provide information about customer assistance programs, particularly LIHEAP, Crisis, and UESF grants.

Community presentations - Each year, PGW attends and presents at more than 100 gatherings of community groups in venues such as neighborhood meetings and fairs. Each appearance has a specific purpose and often includes a 10-minute presentation about PGW's customer assistance programs, answering questions, and distributing information and applications for PGW's programs.

Advertisements – PGW advertises its assistance programs on radio, TV, mass transit, and in community newspapers. Much of the advertising is targeted to communities that have the highest density of customers who can benefit from PGW's programs.

Bill inserts – PGW dedicates space in its monthly newsletter, The Good Gas News, prior to and near the end of the winter shut-off period which is used to provide information about PGW assistance programs.

Organizational Structure and Staff Responsibilities

Staff with direct responsibilities in Universal Services:

- **Director, Regulatory Compliance**
 - Directs policy development and implementation
 - Ensures compliance with PUC regulations and guidance
- **Manager, Universal Services**
 - Ensures that activities related to CRP, CARES, LIHEAP, Senior Citizen Discount and UESF programs are run effectively, efficiently and in compliance with legislative guidelines.
 - Supervises a support staff responsible for ensuring the achievement of specific corporate goals through performing the unit's day-to-day activities.
- **Supervisor, Universal Services**
 - Provides guidance and direction, setting job standards and providing technical support to the representative team.
 - Responsible for the overall quality of work for the group.
- **Universal Services representatives**

Staff with direct responsibilities in LIURP:

- **Director, Customer Programs**

- Directs program development and implementation.
- Ensures compliance with PUC LIURP regulations and guidance.
- **Manager, Energy Efficiency and Emerging Customer Programs**
 - Ensures that the LIURP is run effectively, efficiently and in compliance with regulatory guidelines.
 - Manages the Energy Efficiency Program Analyst and oversees program implementation.
- **Analyst, Energy Efficiency and Emerging Customer Programs**
 - Day-to-day oversight of the program; primary liaison with the conservation service providers and quality assurance vendor.
 - Calculates key performance indicators and prepares reports on program activities.

Additional Support:

- District office representatives
- Call center representatives

Community Partners

Utility Emergency Services Fund (UESF) – PGW partners with the Utility Emergency Services Fund to implement and administer Hardship Funds. UESF has a network of intake sites that perform the primary outreach duties for Hardship Funds and the completion of grant applications.

See Appendix C for an address list of UESF intake sites and the main office.

Neighborhood Energy Centers –Neighborhood Energy Centers provide a coordinated and comprehensive approach to energy and related problems for low and moderate income households. They provide budget counseling, energy counseling, energy conservation education, and grant application assistance for the communities they serve. They are also a means of outreach for PGW assistance programs. Since the Neighborhood Energy Centers are housed in community organizations that serve a broad mission and many needs in their community, PGW uses them often as a resource when making referrals in our CARES program.

See Appendix D for an address list of the Neighborhood Energy Centers.

Philadelphia County Assistance Office (LIHEAP District) – PGW maintains a partnership with the LIHEAP District of the Philadelphia County Assistance Office that is vital to the efficient and effective coordination of LIHEAP and Crisis grants for our low-income

customers. Even though LIHEAP and Crisis grants are administered independently of our Universal Service programs, these grants serve as an important channel of outreach and referral. Also, LIHEAP grants serve as a proxy for verifying eligibility in CRP on a bi-annual basis.

An important and useful change in this partnership in recent years has been the coordination of LIHEAP, Crisis, and Hardship Funds. Prior to 2011, there was no process to coordinate these grants, although doing so would provide a tremendous benefit for low-income households who faced a heating emergency that could not be resolved by LIHEAP and Crisis alone or UESF alone. PGW helped lead the effort, along with UESF, PECO, and the Philadelphia County Assistance Office, to establish this process. Since that time, more than 300 PGW customers have been served through this process.

See Appendix E for LIURP coordination.

The address for the Philadelphia County Assistance Office is:

PCAO – LIHEAP District
1348 W. Sedgley Avenue
Philadelphia PA 19132
(215) 560-4733

Conclusion

PGW serves a customer base with the highest proportion of poverty in the Commonwealth. Approximately 1 in 3 customers are eligible for assistance from one or more of PGW's Universal Service programs. PGW makes an aggressive effort to ensure that these customers have available robust assistance programs to help them pay their bills and maintain service. The costs and participation levels of these programs are evidence of our efforts.

PGW is pleased to submit this Plan and believes that it presents a comprehensive and balanced approach to addressing the needs of the Company's low-income customers. PGW, therefore, respectfully requests that the Commission implement its Universal Service and Energy Conservation Plan in full, without modification.

Appendices

- A. Consolidated Charts
- B. Recertification Process
- C. UESF Intake Sites
- D. Neighborhood Energy Center locations
- E. LIURP Coordination
- F. Pilot Consumption Limits Customer Notification

Appendix A: Consolidated Charts

Projected Needs Assessments

The following chart provides a consolidated needs assessment for PGW's universal service programs, subject to the limitations as described in the Plan, above.

Needs Assessment

Average monthly count of residential customers	477,533
Number of Identified Low-Income Customers	149,217 ³²
Estimated Number of Low-Income Customers	206,533 ³³
Number of Identified Payment-Troubled, Low-Income Customers	34,627 ³⁴
Number of Customers Needing LIURP	84,630
Cost to Serve the Number Needing LIURP	\$205,312,380
Enrollment Size of CRP to Serve All Eligible Customers ³⁵	N/A

Eligibility Criteria

Program Eligibility Criteria

	Income Criteria	Other Criteria
CRP	150% FPL	<ul style="list-style-type: none"> - May need to make an upfront payment, if a previous CRP agreement was broken, suspended, or inactivated - Must be a residential customer - Premises' account must be primary residence - PGW must be natural gas supplier

³² From 2018 Universal Service Programs and Collection Performance Report. The number of identified low-income customers as of November 2016, used for the LIURP needs assessment, was 120,762.

³³ From 2018 Universal Service Programs and Collection Performance Report. In contrast with this number, APPRISE identified 135,158 eligible heat and non-heat customers.

<http://www.puc.state.pa.us/pdocs/1614503.pdf>.

³⁴ From 2018 Universal Service Programs and Collection Performance Report.

³⁵ PGW does not have a maximum enrollment limit.

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Home Comfort	150% FPL	<p>Single Family Properties:</p> <ul style="list-style-type: none"> - Known to be low income by having i) been on CRP over the prior 24 months; ii) received a LIHEAP, CRISIS or UESF grant over the past 24 months; or iii) been on a level 1 payment arrangement over the prior 24 months - Have weather normalized usage within the top 50% of all known low income customers, and at least twelve months of continuous service at their current property, while removing outliers and anomalies based on the statistical significance of the weather normalized usage. - Have not received LIURP weatherization services over the prior 7 years. - Must reside in a single-family home. If the customer rents the home, their landlord must authorize PGW to perform the weatherization. <p>Multifamily Properties:</p> <p>Initially, buildings with at least 75% of tenants at or below 150% FPL will be targeted. PGW will confirm eligibility by targeting buildings with residents that receive Section 8 housing vouchers or which have Low Income Housing Tax Credits. This program is open to both master metered and individually metered properties.</p>
Hardship Fund (UESF)	175% FPL	<ul style="list-style-type: none"> - Maximum grant is \$1,500 - Combination of grants and customer co-pay must bring the total account balance or CRP cure amount to \$0 - Can receive a grant only once every two years - Must apply for LIHEAP and Crisis first, if they are available
CARES	150% FPL	<ul style="list-style-type: none"> - Must be experiencing difficulty paying a bill due to special circumstances, such as job loss, medical emergency, domestic abuse

Projected Enrollment Levels

The following table shows PGW's projected enrollment levels for the company's CRP, LIURP, CARES, and Hardship fund programs.

**Projected Enrollment Levels
(Through 2020 from Prior Approved Plan)**

Programs	2017	2018	2019	2020	2021	2022
CRP	61,292	77,292	79,292	81,292	75,118	77,118
Home Comfort*	3,553	3,293	3,293	3,293	3,293	3,293
CARES	271	271	271	271	5,000	5,000
Hardship Fund	1,000	1,000	1,000	1,000	1,300	1,300

* Participation for 2017 includes PGW's fiscal year 2017, and spans September 2016 through December 2017. Figures above also include multifamily building participants.

Universal Services Projected Program

Budgets

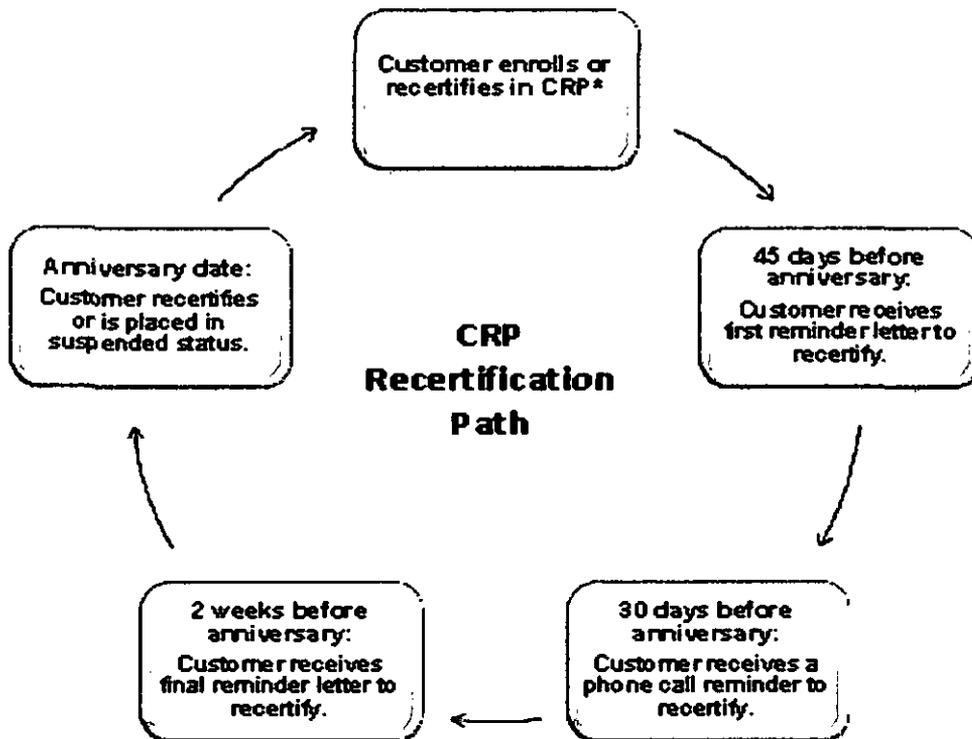
The following table shows PGW's projected program budgets for the company's CRP, LIURP, CARES, and Hardship Fund programs.

**Universal Service Projected Program Budgets
(Through 2020 from Prior Approved Plan)**

	2017	2018	2019	2020	2021	2022
CRP	\$49,973,413	\$56,071,383	\$58,428,965	\$59,694,816	\$87,018,257	\$88,680,328
Home Comfort	\$8,736,926	\$7,988,818	\$7,988,818	\$7,988,818	\$7,988,818	\$7,988,818
CARES	\$880,800	\$880,800	\$880,800	\$880,800	\$1,041,419	\$1,041,419
Hardship Fund	\$1,055,649	\$1,055,649	\$1,055,649	\$1,055,649	\$1,055,649	\$1,055,649
Total	\$60,646,788	\$65,996,650	\$68,354,232	\$69,620,083	\$97,104,143	\$98,766,214

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Appendix B: Notification Schedule for CRP Recertification Process



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Appendix C: UESF Intake Sites

Intake Sites	Address	Phone Number
ACHIEVEability	59 N. 60th Street Philadelphia, PA 19139	(215) 748-8838
Action AIDS	1216 Arch Street 6th Floor Philadelphia, PA 19107	(215) 981-0088
Center in the Park	5818 Germantown Ave Philadelphia, PA	(215) 848-7722
Central Office	1617 J.F.K Blvd Philadelphia, PA 19103	(215) 972-5170
City Hall North	22nd Street and Somerset Ave, Philadelphia, PA	
Concilio	141 E. Hunting Park Ave Philadelphia, PA 19133	(215) 627-3100
Congreso De Latinos Unidos*	216 W. Somerset Street Philadelphia, PA 19124	(215) 763-8870
Dixon House	1920 S. 20th Street Philadelphia, PA 19145	(215) 336-3511
Germantown Avenue Crisis Ministry	35 W. Chelton Ave Philadelphia, PA 19144	(215) 843-2340
Greater Philadelphia Asian Social Service Center**	4943 N. 5th Street Philadelphia, PA 19120	(215) 456-0308
H. A. C. E. *	4907 Frankford Ave Philadelphia, PA 19124	(215) 437-7867
H. A. C. E. *	167 W. Allegheny Ave Philadelphia, PA 19140	(215) 426-8025
Hunting Park N. A. C.	3760 N. Delhi Street Philadelphia, PA 19140	(215) 225-5560
New Kensington CDC*	2515 Frankford Ave Philadelphia, PA 19125	(215) 427-0350
Nicetown CDC	4300 Germantown Ave Philadelphia, PA 19125	(215) 329-1824
People's Emergency Center	325 N. 39th Street Philadelphia, PA 19104	(267) 777-5854

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Strawberry Mansion CDC	2829 W. Diamond Street Philadelphia, PA 19132	(215) 235-7505
Southwest CDC	6328 Paschell Ave Philadelphia, PA 19142	(215) 729-0800
United Communities	2029 S. 8th Street Philadelphia, PA 19148	(215) 468-6111 ext.200
Urban League of Philadelphia	121 S. Broad Street Philadelphia, PA 19107	(215) 985-3220
Water Revenue Bureau	1401 J.F.K Blvd Philadelphia, PA 19101	(215) 686-2717
We Never Say Never	4427 Lancaster Ave Philadelphia, PA 19104	(215) 452-0440

***Spanish speaking assistance available (se habla espanol)**

****Chinese and other language assistance available**

Appendix D: Neighborhood Energy Centers

Energy Center	Address	Phone Number
ACHIEVEability	59 N. 60th Street Philadelphia, PA 19139	(215) 748-8838
Center in the Park	5818 Germantown Ave Philadelphia, PA	(215) 848-7722
Congreso De Latinos Unidos*	216 W. Somerset Street Philadelphia, PA 19124	(215) 763-8870
Diversified Community Services	1920 S. 20th Street Philadelphia, PA 19145	(215) 336-3511
Germantown Avenue Crisis Ministry	35 W. Chelton Ave Philadelphia, PA 19144	(215) 843-2340
Greater Philadelphia Asian Social Service Center**	4943 N. 5th Street Philadelphia, PA 19120	(215) 456-0308
H. A. C. E.*	4907 Frankford Ave Philadelphia, PA 19124	(215) 437-7867
Hunting Park N. A. C.	3760 N. Delhi Street Philadelphia, PA 19140	(215) 225-5560
New Kensington CDC*	2515 Frankford Ave Philadelphia, PA 19125	(215) 427-0350
Nicetown CDC	4300 Germantown Ave Philadelphia, PA 19125	(215) 329-1824
Strawberry Mansion CDC	2829 W. Diamond Street Philadelphia, PA 19132	(215) 235-7505
Southwest CDC	6328 Paschell Ave Philadelphia, PA 19142	(215) 729-0800
United Communities	2029 S. 8th Street Philadelphia, PA 19148	(215) 468-6111 ext.200
We Never Say Never	4427 Lancaster Ave Philadelphia, PA 19104	(215) 452-0440

*Spanish speaking assistance available (se habla espanol)

**Chinese and other language assistance available

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Appendix E: LIURP Coordination

Program/Organization & Description of Coordination
<p>Habitat for Humanity</p> <p>PGW and Habitat for Humanity coordinate services through Habitat's Home Repair and Weatherization Program. Habitat's program focuses on individual neighborhoods and provides weatherization and structural repairs to support housing revitalization. Under this arrangement, PGW and Habitat share data as appropriate and identify customers who are enrolled or eligible for both Habitat's Home Repair and Weatherization Program and Home Comfort. Habitat and PGW contractors identify pre-treatment and structural issues for Habitat to address, and PGW contractors focus on weatherization. Ten projects have been coordinated to date and there are several additional homes under review for coordination.</p>
<p>National Nursing Center Consortium</p> <p>PGW developed collaboration with National Nursing Center Consortium's Lead and Healthy Homes Program. NNCC provides home visits, consultations and home hazard remediation services for homes that have children under seven with asthma conditions, or have the presence of lead paint, pests, or other environmental hazards. PGW will share data to identify homes in both programs, give referrals and coordinate treatment when possible.</p>
<p>Pennsylvania CareerLink Philadelphia</p> <p>PGW has collaborated with the Philadelphia Workforce Investment Board and the Philadelphia Workforce Development Corporation through PA CareerLink Philadelphia to connect local unemployed workers with weatherization training programs and then onto employment with our Home Comfort CSPs. To date, PGW CSPs have hired 32 local, unemployed entry-level workers through this collaboration.</p>
<p>Philadelphia Department of Public Health Green & Healthy Homes and Lead Poison Prevention Programs</p> <p>Through this collaboration, PGW and Healthy Homes share data on customers who are assigned in both programs. Healthy Homes is able to treat many health, safety and structural issues, which then allows Home Comfort CSPs to comprehensively treat homes otherwise not feasible. Five projects have been coordinated to-date.</p> <p>Additionally, through this Green and Healthy Home Initiative collaboration, PDPH has offered to provide free trainings and certifications in identifying relevant health and safety issues to PGW's Home Comfort CSPs. The hope is that this exposure to the relevant issues can be a potential first step in developing a more coordinated in-home collaboration that can achieve significant programmatic savings for all.</p>

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Appendix F: Pilot Consumption Limits Customer Notification

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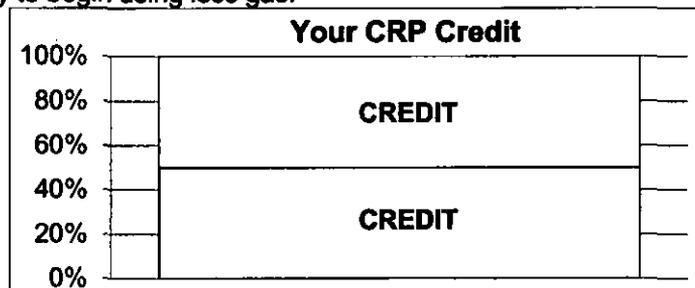
September 15, 2017

PGW Account Number: 999999999
Service Address: 123 Main Street

NOTICE OF LIMITED CRP CREDIT REMAINING

Dear CUSTOMER NAME,

As a participant in PGW's Customer Responsibility Program (CRP) you receive a credit paid for by other PGW customers that covers a portion of your monthly bill. Your current maximum annual credit is \$2,700, subject to changes in PGW's rates. **As of August 2017, you only have 50% of your annual credit remaining.** There is currently no penalty for exceeding your maximum credit, but we encourage you to take steps today to begin using less gas.



You may be eligible for an exemption to the maximum credit if any of the following are true, 1) a family member has recently moved into your household; 2) a member of your household has experienced a serious illness; 3) your house has been condemned or has housing code violations that affect gas use; or, 4) the gas use is otherwise beyond your ability to control. If you wish to request an exemption, please contact PGW at: ###-###-####.

Below are a few steps you can take to save gas to avoid reaching the maximum credit. More savings tips are available at www.pgwenergysense.com/tips-forhomeowners.html.

- During the winter, lower your thermostat to 68°F when you are home and to 58°F if you're going to be away for more than a few hours.
- Lower the temperature of your hot water heater.
- Reduce your shower time, and begin showering immediately after it becomes warm.
- If you have a furnace, check the system's air filter every month and replace if dirty.

You may also conserve natural gas by participating in PGW's Home Comfort program. If you are selected for this free program offering conservation services, be sure to accept the services. It is requirement of CRP and will help you avoid reaching the maximum credit.

Please contact PGW at 215-235-1000 if you require assistance.

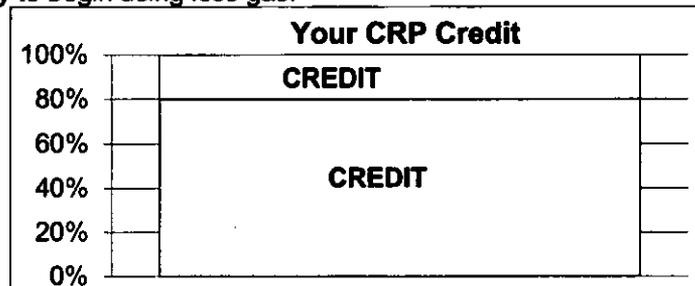
September 15, 2017

PGW Account Number: 999999999
Service Address: 123 Main Street

NOTICE OF LIMITED CRP CREDIT REMAINING

Dear CUSTOMER NAME,

As a participant in PGW's Customer Responsibility Program (CRP) you receive a credit paid for by other PGW customers that covers a portion of your monthly bill. Your current maximum annual credit is \$2,700, subject to changes in PGW's rates. **As of August 2017, you only have 20% of your annual credit remaining.** There is currently no penalty for exceeding your maximum credit, but we encourage you to take steps today to begin using less gas.



You may be eligible for an exemption to the maximum credit if any of the following are true, 1) a family member has recently moved into your household; 2) a member of your household has experienced a serious illness; 3) your house has been condemned or has housing code violations that affect gas use; or, 4) the gas use is otherwise beyond your ability to control. If you wish to request an exemption, please contact PGW at: ###-###-####.

Below are a few steps you can take to save gas to avoid reaching the maximum credit. More savings tips are available at www.pgwenergysense.com/tips-forhomeowners.html.

- During the winter, lower your thermostat to 68°F when you are home and to 58°F if you're going to be away for more than a few hours.
- Lower the temperature of the hot water heater.
- Reduce shower time, and begin showering immediately after it becomes warm.
- If you have a furnace, check the system's air filter every month and replace if dirty.

You may also conserve natural gas by participating in PGW's Home Comfort program. If you are selected for this free program offering conservation services, be sure to accept the services. It is requirement of CRP and will help you avoid reaching the maximum credit.

Please contact PGW at 215-235-1000 if you require assistance.

September 15, 2017

PGW Account Number: 9999999999
Service Address: 123 Main Street

NOTICE OF MAXIMUM CREDIT

Dear CUSTOMER NAME,

As a participant in PGW's Customer Responsibility Program (CRP) you receive a credit paid for by other PGW customers that covers a portion of your monthly bill. Your current maximum annual credit is \$2,700, subject to changes in PGW's rates. **As of August 2017, you have reached the maximum annual credit. There is no penalty for exceeding your maximum credit at this time, but we encourage you to take steps today to begin using less gas.** You will continue to be billed for service according to your CRP agreement.

You may be eligible for an exemption to the maximum credit if any of the following are true, 1) a family member has recently moved into your household; 2) a member of your household has experienced a serious illness; 3) your house has been condemned or has housing code violations that affect gas use; or, 4) the gas use is otherwise beyond your ability to control. If you wish to request an exemption, please contact PGW at: ~~###-###-####~~.

Below are a few steps you can take to save gas to avoid reaching the maximum credit. More savings tips are available at www.pgwenergysense.com/tips-forhomeowners.html.

- During the winter, lower your thermostat to 68°F when you are home and to 58°F if you're going to be away for more than a few hours.
- Lower the temperature of the hot water heater.
- Reduce shower time, and begin showering immediately after it becomes warm.
- If you have a furnace, check the system's air filter every month and replace if dirty.

You may also conserve natural gas by participating in PGW's Home Comfort program. If you are selected for this free program offering conservation services, be sure to accept the services. It is requirement of CRP and will help you avoid reaching the maximum credit.

Please contact PGW at 215-235-1000 if you require assistance.

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Appendix G:
Consumer Education and Outreach Plan

JAN - 6 2019



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SECRETARY'S BUREAU

Consumer Education and Outreach Plan

PGW uses various forms of communication to perform outreach regarding our universal service programs. These methods vary from direct communication to mass advertising. As part of our outreach efforts, PGW strives to encourage customers to apply for each program. In addition, the company also makes a diligent effort to educate customers on the many benefits that each program provides. Provided below is an outline of the various types of communication used to interact with our low-income customers.

Direct Contact

- Mailings- PGW conducts multiple direct mailing campaigns annually to encourage income-eligible customers to apply for CRP, UESF, LIHEAP and Crisis. This process entails sending both letters and/or postcards to potentially eligible customers to inform them about the benefits of each program and how to apply.
- Outbound Calls- PGW also utilizes outbound calls to perform direct outreach. These calls consist of providing information about eligibility, as well as how to apply. The outbound call function also provides customers with the ability to request an application be mailed directly to their home.
- CSR Training- PGW routinely trains its entire customer-facing staff such as our Customer Service Representatives (CSRs) regarding the company's universal service programs. As part of their training curriculum, representatives are provided with talking points, manuals and resource guides to ensure that they are properly prepared to educate customers on the importance and benefits of each program.
- Customer Service Centers- PGW currently has five customer service centers throughout the city of Philadelphia. There are CSRs available in each office to assist customers with addressing account inquiries, CRP applications and the completion of LIHEAP applications.
- Bill Inserts- In addition to letters, PGW also dedicates space in its monthly newsletter, The Good Gas News, to perform outreach to customers. These communications include promoting CRP as well as the availability of grants such as LIHEAP, Crisis and UESF.

Mass Media Campaigns

- PGW advertises its assistance programs on the radio, TV, mass transit and in community newspapers. Much of the advertising is targeted to communities that have the highest density of customers who can benefit from PGW's programs. In addition, PGW also promotes its assistance programs on the company's website www.pgworks.com. Throughout the site, there are descriptions of each program, as well as link or direct access to applications for customers to download.

Community Outreach

- Community Events- PGW attends numerous community events throughout the year to promote its assistance programs. These events provide the company with the opportunity to have direct

Universal Service and Energy Conservation Plan 2017-2022 Philadelphia Gas Works

contact with customers to answer questions as well as distribute information. The company is also able to provide application assistance for LIHEAP and enroll customers into CRP onsite.

- **Partnerships-** PGW has developed partnerships with local city officials, low-income advocates and other external stakeholders to increase awareness of the various resources. Through these partnerships, PGW provides outreach materials as well as conduct presentations to staff in order to increase awareness of the company's programs. The company also attends various events held by partners in order to provide information and enroll customers into assistance programs.
- **Workshops/Presentations-** Annually, PGW offers approximately 100 educational workshops to its customers. These workshops include information on how to weatherize their homes as well as provide attendees with kits and information packets about the company's assistance programs. Each attendee also provides their contact information, which allows PGW to add them to the appropriate direct contact campaign to receive additional information regarding other resources that may be available to them.
- **Brochures/Outreach Materials-** PGW has a number of outreach materials explaining the various programs available to its customers. These document and brochures are available in five different languages, and is often distributed at various events and provided to local partners.

M-2016-2542415

Philadelphia Gas Works



Second Amended Universal Service and
Energy Conservation Plan
2017-~~2020~~2022

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Philadelphia Gas Works
800 W. Montgomery Avenue
Philadelphia, PA 19122
6, 20172020

August 31 January

Table of Contents

Table of Contents	2
Introduction	3
Implementation of 2014-2016 Plan Modifications	3
Summary of Proposed Modifications	4
Universal Service Programs and Proposed Modifications	53
Customer Responsibility Program (CRP)	53
CRP Proposed Modifications	18
Low-income Usage Reduction Program (Home Comfort)	2219
Customer Assistance Referral and Evaluation Service Program (CARES)	2824
Hardship Funds	3026
Senior Citizen Discount (This program has been removed since it is not a PUC regulated Universal Service program)	29
Senior Citizen Discount	33
Integration of Universal Services Programs; Steps Used to Identify and Enroll Customers in Universal Service Programs; Use of Community Based Organizations	35
Organizational Structure and Staff Responsibilities	3732
Community Partners	3833
Conclusion	4035
Appendices	4035
Appendix A: Consolidated Charts	4136
Projected Needs Assessments	4136
Eligibility Criteria	4136
Projected Enrollment Levels	4338
Universal Services Projected Program	4338
Budgets	4338
Appendix B: Notification Schedule for CRP Recertification Process	4540
Appendix C: UESF Intake Sites	4641
Appendix D: Neighborhood Energy Centers	4843
Appendix E: LIURP Coordination	4944
Appendix F: Pilot Consumption Limits Customer Notification	5045

Introduction

~~Pursuant to 52 Pa. Code § 62.4 and Pennsylvania Public Utility Commission (“PUC”) Order entered AugustOctober 3, 20172019 at Docket No. M-20162019-25424153012601 (“August Order”), Philadelphia Gas Works (“PGW” or “Company”) hereby submits its proposed addendum to its 2017-2020 Second Amended Universal Service and Energy Conservation Plan (as modified herein “USECP” or “Plan”) for the four-year period January 1, 2017 through December 31, 2020.¹ In compliance with Commission regulations, PGW submitted its prior three-year Plan for 2014-2016, on June 1, 2013. This Plan was later revised and filed on September 22, 2014 (“Compliance Filing”) to reflect requirements set forth in a Final Order entered August 22, 2014 at Docket No. M-2013-2366301 (“USECP 2014-2016 Order”). By Final Order entered November 13, 2014, the Commission approved the revised Plan without any modifications. Details are explained below.~~

i. Impact Evaluation

~~In accordance with 52 Pa. Code § 62.6, PGW contracted an independent, third-party to conduct its last Universal Service Impact Evaluation in November 2012. The Evaluation was submitted to the Bureau of Consumer Services (“BCS”) in December 2012 and both the Evaluation as well as the feedback received from the BCS were incorporated in PGW’s 2014-2016 Plan. PGW’s next Evaluation will be submitted in April 2019. This date is in accordance with the USECP Filing Schedule issued by the BCS in June 2014. The Evaluation along with its recommendations will be addressed in the Company’s 2021-2023 Plan.~~

As set forth in PUC Order entered October 3, 2019 at Docket Number M-2019-3012601, the date for submission of PGW’s next Universal Service Impact Evaluation, including LIURP, has not yet been set by the PUC. PGW proposes to start its next Impact Evaluation (including LIURP) in January 2024, a date which is subsequent to the changes made in this Plan and provides at least two years to establish data which can be used for the impact evaluation. PGW proposes the filing date for this Impact Evaluation as January 31, 2025.

ii. Cost Recovery

Pursuant to its Commission-approved Tariff, PGW recovers all costs associated with the Customer Responsibility Program (“CRP”) discount and arrearage forgiveness, the Senior Citizen Discount and the costs of the Home Comfort Program through a Universal Service and Energy Conservation Surcharge.

¹ All budgets set forth herein are estimated. The original USECP was filed April 30, 2016. The First Amended USECP was filed on November 16, 2016 pursuant to the Order entered November 1, 2016 at Docket No. P-2014-2459362 (“DSM/LIURP Order”).

Implementation of 2014-2016 Plan Modifications

All modifications outlined in the 2014-2016 USECP have been implemented, with the exception of two components within the CRP stay-out provision. They are: 1) customer requested removals, and 2) customer refusals of Home Comfort weatherization services. The implementation of these two program requirements has been delayed due to resource constraints in conjunction with the extensive system programming needed in order to complete the required changes, as well as with the other system changes that had to be implemented under the Plan. The Plan was not approved until over 9 months after the start date of the Plan, thus providing PGW with an abbreviated time to implement all system changes. PGW is in the process of implementing the two additional components and plans to have the necessary changes with respect to these two enhancements implemented by the end of December 2016. PGW would also note that implementation of the pilot Conservation Incentive was also delayed due to the approval date of the Plan since the base measurement time had to be established. However, the pilot Conservation Incentive is in place and the first incentives will be paid out by the end of August 2016.

Summary of Proposed Modifications

The following proposed modifications represent changes to PGW's Customer Responsibility Program and LIURP. These changes are intended to improve CRP participants' experience with these programs as well as to continuously improve the program's overall effectiveness.

Modified Recertification Processes

PGW will be increasing its recertification path from 30 days to 45 days. In addition, PGW will now only require CRP participants to recertify every three years as long as they receive a LIHEAP grant and assign it to PGW annually.

Enhanced Employee Training

PGW will expand its training curriculum to specifically focus on program recertification in order to reduce the number of CRP customers placed in suspended status due to failure to recertify.

Targeted Outreach Activities

PGW will continue to improve its outreach efforts to increase participation—this includes outreach to customers who receive a LIHEAP grant but are not on CRP and low income customers on a low income payment agreement. In addition to using various data points to identify potential applicants, PGW will also increase its outreach efforts for customers who speak Spanish. Upon the implementation of the new CRP rate (budget bill amount), PGW will also enhance its outreach campaigns to include all identified low-income customers that may qualify for CRP based on their budget bill amount.

Consumption Limits

PGW will now impose consumption limits on CRP participants that demonstrate higher than normal usage. Accounts flagged by PGW to have exceeded the predetermined limit will be provided with an educational letter and referred to LIURP for a determination

~~as to whether the property is eligible to receive weatherization services through the Home Comfort Program.~~

LIURP "Pilot" Health and Safety Proposal

~~Beginning in 2017, PGW will pilot a new policy for contractors to spend up to \$2,000 per project on the installation of health and safety measures without the cost impacting the project's TRC cost-effectiveness. This proposal is made as a temporary pilot only, as part of the LIURP total spend, and is not intended as a modification (permanent or otherwise) to LIURP. Thus, this pilot will terminate on December 2020. If the spend for this proposal is not permitted to be included as part of the LIURP spend or the LIURP budget is increased to accommodate this program, this pilot proposal should be deemed withdrawn.~~

PUC Mandated Modifications

~~As addressed further herein, PGW will also implement the modifications mandated by the Commission pursuant to the August Order. These changes include: (i) adding the Average Bill option to CRP; (ii) modifying the CRP cure to: (a) charge a cure amount due based on updated income; and (b) provide customers re-enrolling with retroactive forgiveness for months cured; and (iii) providing customers with "missed" CRP arrearage forgiveness once the balance is paid in full. For these specific changes, PGW expects implementation to take approximately nine (9) months from approval of the USECP 2017-2020. This implementation will include code development, quality assurance testing, user acceptance testing, and training for all PGW customer service representatives. Although this proposed timeframe is slightly longer than the timeframes set forth in the August Order, these modifications entail systematic complexity and will require significant customer service representative training. Further, PGW's proposed automation of the CRP application/recertification process is expected to be implemented by August 2018.~~

Universal Service Programs and Proposed Modifications

Customer Responsibility Program (CRP)

The Customer Responsibility Program was first introduced as a Percent of Income Plan Program ("PIPP") and approved by the Commission in 2003. The objective of CRP is to help low-income residential customers meet their energy needs by offering payment assistance in the form of an affordable bill. The goals of CRP are to prevent loss of service for vulnerable households, improve payment behavior and assist low-income customers with conserving energy. In addition, PGW strives to reduce collection costs as well as minimize the burden placed on other ratepayers. Participants do not need to demonstrate that they are "payment troubled" in order to qualify. Furthermore, there is no limit on the number of customers that can enroll in CRP. As of February 29, 2016November 30, 2019, there were ~~56,006~~53,177 participants enrolled in the program.

Program Eligibility- CRP is available to all low-income residential customers with a gross household income and size at or below 150% of the Federal Poverty Level (“FPL”). In order to apply, customers must submit their application by mail, electronically, or in person at one of PGW’s sixfive customer service centers. At the time of application, PGW will determine eligibility and completeness for processing. PGW does not allow phone, fax or email enrollment. Customers enrolled in CRP will be required to pay a fixed monthly bill that is based on their gross household size and income or average bill. Participants are also required to pay an additional \$5 co-pay which is applied towards their pre-program arrears if they owe a balance at the time of enrollment. Currently, the minimum monthly CRP payment amount is \$25, not including the \$5 co-payment towards the pre-program arrears. At the time of application, the CRP monthly amount will be compared to the customer’s budget bill amount in order to determine the lowest monthly payment option.

The table below shows the 2016 income eligibility guidelines along with the current percentage breakdowns by FPL. As an example, a 2-person household whose gross monthly household income was \$1,200 would fall in the 9% of income category and would have a monthly CRP bill that is 9% of their gross monthly household income, or \$108 per month.

Table 1: CRP Percentage Payment Levels

2016 Maximum Gross Monthly Household Income by Household Size						
% Type	% of FPL	1	2	3	4	Each add.
8%	0-50%	\$495	\$668	\$840	\$1,013	\$173
9%	51-100%	\$990	\$1,335	\$1,680	\$2,025	\$347
10%	101-150%	\$1,485	\$2,003	\$2,520	\$3,038	\$520

CRP participants receive a monthly “discount” which represents the difference between the costs for actual usage, minus the CRP billing amount. If a customer owes any arrears at the time of enrollment, they will receive arrearage forgiveness for each monthly CRP bill that is paid on time and in full regardless of any past due bills. Arrearage forgiveness consists of the customer’s account balance being reduced by 1/36th of the original pre-program balance amount which essentially eliminates the balance within a three-year period. CRP customers can also pay ahead on their bills. If a CRP participant is current on their agreement and pays more than their CRP balance, the overage will show as a credit which will be applied to future bills until exhausted. CRP customers may also receive free conservation services through the Home Comfort Program.

CRP Components -

- (1) CRP discounted bill – the customer’s “asked-to-pay” amount is based on the percentage of income calculation determined by the customer’s household size and income in relation to the FPL or the customer’s budget bill amount, whichever is lower. The difference between the CRP monthly bill amount and the actual bill based on usage is called the CRP discount.
- (2) Arrearage forgiveness – At the time of enrollment in CRP, a customer’s total arrearage is “frozen,” or separated from their asked-to-pay bill, and then forgiven at a fixed rate of 1/36th per month for each month that the customer pays their monthly CRP amount in full and timely regardless of their existing CRP arrearage. Customers will receive retroactive arrearage forgiveness for any months of arrearage forgiveness “missed” once the customer pays the asked to pay bill in full. This forgiveness provides an incentive to make payments of at least their CRP monthly amount. For returning CRP participants, PGW will also provide retroactive forgiveness for months spent outside of the program once the customer satisfies the CRP cure amount in full upon reentry into the program.

In addition to the forgiveness offered, the customer is required to pay \$5/month towards the reduction of any frozen arrears. The \$5/month co-payments made by CRP customers are applied towards the customers’ pre-program arrearage only and are handled differently by PGW than the 1/36th arrearage forgiveness for accounting purposes. The \$5/month co-payment made by CRP customers are directly applied against their pre-program arrearage but is not linked to the same accounting tracking mechanism as the program forgiveness. In contrast, when the 1/36th forgiveness is applied to a customer’s account, the transaction is linked to a specific general ledger account connected with the company’s Universal Service and Energy Conservation surcharge (“USC Surcharge”). This process ensures that the company identifies and recovers only the 1/36th arrearage forgiveness through the USC Surcharge.

CRP Stay-out Provision- PGW will not allow re-enrollment of a customer into CRP (for a one-year period unless specifically identified otherwise below), if the customer:

- i) Has him/herself removed from CRP even though based on household size and income they are still eligible for the program.
- ii) Refuses access to the meter (stay-out until access is granted).

- iii) Commits two or more incidents of unauthorized usage.
- iv) Submits fraudulent enrollment or re-certification information/documentation.
- v) Refuses free Home Comfort weatherization services from PGW (stay-out until services are accepted). The process is as follows:
 - (1) Cases that are rejected by program contractors due to pre-existing conditions in the home, rather than customer refusal to accept services, are not affected by the stay-out. The following circumstances may result in the contractor not weatherizing a home: health, safety and structural issues identified by contractors in the pre-screening or audit process, such as roof leaks, mold, bed bugs, asbestos; lack of opportunity for cost-effective energy savings due to previous weatherization.
 - (2) If a customer or the contractor informs PGW that they cannot permit work to be done for any of the following reasons, then the customer will not be removed from CRP but may be contacted again in the future for treatment:
 - i. Serious illness of a household member; or
 - ii. Landlord refusal; or
 - iii. Other severe circumstance outside of the customer's control, and deemed as valid by PGW.
 - (3) All other situations involving CRP customers refusing to accept Home Comfort services will result in multiple communications to the customer reminding them of their CRP obligations. If services continue to be refused, the customer will be removed from CRP and not allow re-enrollment until the Home Comfort services have been accepted.

Treatment of Unauthorized Usage Charges- PGW's policy for unauthorized usage will be applied in the same manner to all customers including those enrolled in CRP (i.e. the customer is responsible for the entire unauthorized usage amount and must pay this amount along with any other applicable charges for restoration of service). In addition, as mentioned in the stay-out provision, all CRP customers who commit two or more incidents of unauthorized usage will not be allowed to re-enter the program for a period of one year.

CRP participants must comply with the following program requirements:

- Make timely payments in full each month
- Apply for LIHEAP each year and assign the grant to PGW
- Report any changes in household size and/or income

- Recertify household size and income each year (customers who receive a LIHEAP grant each year and assign it to PGW are given a ~~three-year waiver~~two-year waiver (two years of recertification are waived) from the recertification requirement)
- Accept Home Comfort Program services (weatherization, conservation and/or educational services) if offered by PGW
- Authorize PGW to use external sources (e.g., government records, credit reporting bureaus, and third party income verification sources) to verify household composition and income
- Make an effort to conserve energy/manage usage within required consumption limits. This requirement is based on the consumption limit proposed in this Plan.
- Do not commit any form of gas theft or fraud
- Provide PGW access to the meter if requested

The following accounts are ineligible for CRP:

- Commercial rate accounts²¹
- Accounts receiving the senior citizen discount
- Accounts that supply service to more than one unit/apartment
- Accounts currently enrolled in choice
- Landlord tenant accounts where the service is in the landlord's name
- Healthcare facilities
- Accounts that are not the customer of record's primary residence
- All accounts deemed by PGW to be excluded due to violation of one of the stay-out provisions
- Non-heat accounts

~~Needs Assessment – PGW uses internal data to determine the number of low-income customers. In Table 2, the data shows that approximately 29% of PGW's residential customer base is income eligible for CRP. However, this needs assessment overstates the low income need since for those (i) low income customers who participate in PGW's Senior Citizen Discount program, and (ii) whom CRP is not more beneficial than a payment agreement/budget, CRP would not be helpful. In its most recent Impact Evaluation, page 21, available on the PUC website at <http://www.puc.state.pa.us/pdocs/1614503.pdf>, Applied Public Policy Research Institute for Study and Evaluation (APPRISE) found that there are 120,197 PGW heating customers eligible for low income universal service programs. APPRISE found~~

²¹ A small residential home business (residential rate only) will not invalidate eligibility as long as the customer is still income eligible (though the rules for consumption limits will apply).

that the CRP heat and non-heat participation rate was between 50-54%. Impact Evaluation at 23-24.

A. NumberHistorical number of low-income customers:

Table 2 provides the estimated historical number of low-income PGW residential customers in the years 2013 through 2015, using internal PGW data, some of which has not been verified.

Table 2: Households	2013	2014	2015
Average monthly count of residential customers	468,943	469,283	470,788
Estimated number of low-income customers ³²	151,911	141,196	137,697
Percent of residential customers eligible for CRP	32%	30%	29%

~~The following table shows data from the U.S. Census Bureau. The U.S. Census Bureau estimates the ratio of income to poverty for individuals.~~

Table 3: Individuals⁴	2012	2013	2014
Total population	1,506,286	1,510,294	1,515,813
Population at or below 150% FPL	599,983	583,024	576,143
Percent of population at or below 150% FPL	40%	39%	38%

B. Number of identified and estimated payment troubled, low-income customers

Table 43 shows the historical number of identified payment troubled, low-income PGW customers in the years 2012 through 2015, as reported in the Annual Universal Service Programs & Collections Performance Report. The number of identified customers is also the estimated number.

³The estimated number of low income PGW customers is determined by counting all active CRP customers, all non-CRP customers who received a utility grant, and all non-CRP customers who have enrolled in a low income payment arrangement.

⁴The Census provides the ratio of income to poverty level for families in poverty, but the term family does not include single member households. <https://www.census.gov/hhes/www/income/about/faqs.html> (J2576783.2)

Table 43: Payment Troubled/Low-Income⁵³

	2012	2013	2014	2015
Average monthly count of residential customers	479,889	468,943	469,283	470,788
Average monthly number of identified payment troubled, low-income customers	22,687	15,695	19,840	25,442
Percent of all residential customers	4.7%	3.3%	4.2%	5.4%

C. Number of customers who still need LIURP and the cost to serve that number.

PGW's LIURP, the Home Comfort Program, is an integral part of CRP because it can help reduce the subsidy cost of CRP.⁶⁴ However, beginning in 2018 PGW ~~will begin~~began offering LIURP to all known low income customers, as defined by 52 Pa. Code § 58.2.

In order to ensure that universal service is appropriately funded and available under 66 Pa.C.S. § 2203(8), PUC regulations on program funding focus on the number of "eligible customers"⁷⁵ and "expected customer participation rate" based on customers who are eligible.⁸⁶ PGW has used as a starting point the total number of confirmed low income customers. The total number of confirmed low income customers as of November 2016 is: 120,762. However, as expressed in the Tentative Order⁹⁷ PGW will utilize the information in the 2015 Universal Service Report as a starting point in the following – thus, PGW will use 161,961 as the starting point. This figure is the number of identified low-income customers included in the 2015 Universal Service Report based on an average of the 12 months of month-end data through December 2015.

From this starting point, PGW has computed the funding level for LIURP by:

- I. Excluding from the following figures to identify expected participation rates based on eligible customers:

⁵³ As defined in the PUC's Universal Service Report.

⁶⁴ PGW currently uses the Total Resource cost ("TRC") test for its LIURP. The most recent LIURP TRC (for FY16 through May 2016) was 1.37. However, given the current cost of gas, the subsidy cost of CRP is currently not being reduced due to LIURP.

⁷⁵ 52 Pa. Code § 58.4(c)(1).

⁸⁶ 52 Pa. Code § 58.4(c)(2).

⁹⁷ Tentative Order at 31.

- i. 80,981 lower usage customers - only high-usage customers where the customer falls into the top 50% consumption tier¹⁰⁸-have been included
- ii. 6,530 customers whose weather normalized usage was not statistically significant and could not be properly evaluated for cost effective treatment¹¹⁹
- iii. 7,354 customers with less than 12-months of concurrent usage (in order to accurately determine usage eligibility)¹²¹⁰; with a termination in the prior year¹³¹¹; with residency in the home for less than a year¹⁴¹²; or customers who were comprehensively treated in the prior 7 years^{1513,1614}

¹⁰⁸ Universal service programs are to be operated in a cost-effective manner. 66 Pa.C.S. § 2203(8).

¹¹⁹ Statistical significance of historical usage is determined by calculating the coefficient of determination (R-squared) between heating consumption and heating degree days. The R-squared indicates the reliability of savings and cost-effectiveness calculations based on the weather normalized usage. This means that the weather normalized results may not be producing a statistically significant confidence level (e.g there may be anomalous usage months; inconsistent or insufficient data; etc.). PGW utilizes a minimum correlation of .9, which indicates strong correlation.

¹²¹⁰ This criteria was accepted in the PUC approved Universal Service Plan of UGI. See Revised Universal Service & Energy Conservation Plan for UGI Gas, UGI PNG, UGI CPG and UGI Electric For the Four-Year Period January 1, 2014 – December 31, 2017, Amended Pursuant to Final Order Entered January 15, 2015 – Docket No. M-2013-2371824, filed February 17, 2015 at 24.

¹³¹¹ This criteria was accepted in the PUC approved Universal Service Plans of Peoples and UGI. See Peoples Natural Gas Company LLC Universal Service and Energy Conservation Plan for 2015-2018, submitted in compliance with Commission Order dated December 17, 2015 at Docket No. M-2014-2432515 dated January 12, 2016 at 20; and, Revised Universal Service & Energy Conservation Plan for UGI Gas, UGI PNG, UGI CPG and UGI Electric For the Four-Year Period January 1, 2014 – December 31, 2017, Amended Pursuant to Final Order Entered January 15, 2015 – Docket No. M-2013-2371824, filed February 17, 2015 at 24.

¹⁴¹² This criteria was accepted in the PUC approved Universal Service Plans of National Fuel and UGI. See National Fuel Gas Distribution Corporation's Universal Service and Energy Conservation Plan for 2014-2016, revised consistent with Commission Orders entered May 22, 2014 and February 12, 2015 Orders, filed March 31, 2015 at 30; and, Revised Universal Service & Energy Conservation Plan for UGI Gas, UGI PNG, UGI CPG and UGI Electric For the Four-Year Period January 1, 2014 – December 31, 2017, Amended Pursuant to Final Order Entered January 15, 2015 – Docket No. M-2013-2371824, filed February 17, 2015 at 24.

¹⁵¹³ This criteria was accepted in the PUC approved Universal Service Plans of Columbia, UGI and PPL. See Columbia Gas of Pennsylvania, Inc. Universal Service and Energy Conservation Plan 2015-2018, submitted in compliance with Commission Order entered July 8, 2015 at Docket No. M-2014-2424462, filed August 12, 2015 at 14; Revised Universal Service & Energy Conservation Plan for UGI Gas, UGI PNG, UGI CPG and UGI Electric For the Four-Year Period January 1, 2014 – December 31, 2017, Amended Pursuant to Final Order Entered January 15, 2015 – Docket No. M-2013-2371824, filed February 17, 2015 at 25; and, PPL Electric Utilities Corporation Universal Service and Energy Conservation Plan for 2014-2016, updated consistent with Commission Order entered September 11, 2014 at Docket No. M-2013-2367021, filed September 20, 2014 at WRAP page 2.

¹⁶¹⁴ Customers removed under this category participated in PGW's Enhanced Low Income Usage Reduction Program ("ELIRP"), which launched in 2011. This data excludes any customers who
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- iv. 3,093 customers who reside in rental premises¹⁷¹⁵ and whose landlords are expected to refuse treatment¹⁸¹⁶
- v. 5,768 customers for whom, based on experience, it is expected that weatherization would not be possible due to issues. Examples of such issues could be:
 - a. there would not be cost-effective treatment
 - b. there would be customer refusal¹⁹¹⁷
 - c. health/safety issues would prohibit services²⁰¹⁸
 - d. the customer can't be home/scheduling conflict hardship²¹¹⁹
 - e. there are prohibitive language barriers²²²⁰
- vi. 680 customers that reside in premises that received weatherization under other weatherization programs²³²¹

participated in PGW's Conservation Works Program between 2009 – 2011; thus, these customers would be eligible for treatment.

¹⁷¹⁵ PGW used Philadelphia Housing Rental License data to determine the estimated number of customers in rental properties. The actual figure is expected to be higher, as not all landlords register their rental property with the City. In the future, PGW also expects to exclude a percentage for building eligibility (multifamily ineligible for non-LIME).

¹⁸¹⁶ Columbia's PUC approved Universal Service Plan uses a 50% refusal rate. See Columbia Gas of Pennsylvania, Inc. Universal Service and Energy Conservation Plan 2015-2018, submitted in compliance with Commission Order entered July 8, 2015 at Docket No. M-2014-2424462, filed August 12, 2015 at 28.

¹⁹¹⁷ This criteria was accepted in the PUC approved Universal Service Plans of all four FirstEnergy companies. See, e.g., West Penn Power Company Universal Service & Energy Conservation Plan Program Years 2015, 2016, 2017 and 2018, submitted in compliance with Commission Order entered May 19, 2015 at Docket No. M-2014-2407728, filed June 18, 2015 at 25. The Docket Numbers for the other FirstEnergy Companies are: M-2014-2407729 (Metropolitan Edison Company); M-2014-2407730 (Pennsylvania Electric Company); M-2014-2407731 (West Penn Power Company).

²⁰¹⁸ This criteria was accepted in the PUC approved Universal Service Plans of all four FirstEnergy companies. See, e.g., West Penn Power Company Universal Service & Energy Conservation Plan Program Years 2015, 2016, 2017 and 2018, submitted in compliance with Commission Order entered May 19, 2015 at Docket No. M-2014-2407728, filed June 18, 2015 at 25.

²¹¹⁹ This criteria was accepted in the PUC approved Universal Service Plans of all four FirstEnergy companies. See, e.g., West Penn Power Company Universal Service & Energy Conservation Plan Program Years 2015, 2016, 2017 and 2018, submitted in compliance with Commission Order entered May 19, 2015 at Docket No. M-2014-2407728, filed June 18, 2015 at 25.

²²²⁰ This criteria was accepted in the PUC approved Universal Service Plans of all four FirstEnergy companies. See, e.g., West Penn Power Company Universal Service & Energy Conservation Plan Program Years 2015, 2016, 2017 and 2018, submitted in compliance with Commission Order entered May 19, 2015 at Docket No. M-2014-2407728, filed June 18, 2015 at 25.

²³²¹ This criteria was accepted in the PUC approved Universal Service Plan of PPL. PPL Electric Utilities Corporation Universal Service and Energy Conservation Plan for 2014-2016, updated consistent with Commission Order entered September 11, 2014 at Docket No. M-2013-2367021, filed September 20, 2014 at WRAP page 4.

II. Adding 9,812 from the remaining low income customers (after the above exclusions are made) to include non-CRP participants.²⁴²²

As a result, PGW's expected participation rate based on eligible customers utilizing the above determinants is 67,367. To obtain the final needs assessment calculation pursuant to the Commission's August Order, PGW obtained an average number of potentially LIURP-eligible customers by adding its figure calculated above (67,367) to the number of potentially eligible customers identified by the Commission (101,893) and divided by two, resulting in 84,630 customers who are potentially eligible for LIURP.²⁵²³ Using data reported in the Annual Universal Service Programs & Collections Performance Report, PGW completed 10,932 Home Comfort treatments in calendar years 2012 through 2015 at an average rate of 2,733 per year. PGW's cost per-job fluctuated over the four years; however the 2015 average job cost of \$1,657 (excluding administrative costs) reflects the best cost estimate for the current blend of comprehensive and core projects. Pursuant to the August Order, PGW has set its average annual number of jobs to 3,293 and the average job cost to \$2,426 (including administrative costs).²⁶²⁴

Needs Assessment Based On Above Factors

Summarizing the results of the above, including the regulatory requirement to make the funding level computation based on eligible customers and expected participation rates, below is PGW's needs assessment:

161,961 - The total number of confirmed low income customers as of December 2015 (before applying any of the adjustments set forth above)

²⁴²² Non-CRP customers were not excluded in the above calculations, however in order to maintain consistency with the revised needs assessment filed in the *Supplemental Information Submitted By Philadelphia Gas Works In Response To January 26, 2017 Tentative Order*, PGW has retained this figure in its final needs assessment calculation.

²⁵²³ This average is based on combined calculations of PGW's needs assessment and the Commission's estimates, for purposes of this Universal Service Plan 2017-2020 only. The figure does not reflect known customers eligible for LIURP.

²⁶²⁴ August Order at 81.

84,630 – Customers currently potentially eligible for LIURP (based on the factors above)²⁷²⁵

\$205,312,380 - The total expense of providing usage reduction services for the currently potentially eligible customers, based on the Commission’s calculated average cost per-job; this expense is recovered through the Universal Service and Energy Conservation Surcharge

25.70 years - Expected period of time to complete services for the currently potentially eligible customers.

CRP Outreach and Intake Efforts – PGW strives to inform all income-eligible customers about CRP by employing various outreach methods such as referrals from our customer service representatives, direct mail, targeted outreach (i.e. Spanish-speaking customers, customers on a low income payment agreement, and customers who receive a LIHEAP grant), community presentations, bill messages, and partnerships with community organizations and social service agencies throughout Philadelphia. Upon the implementation of the new CRP rate (budget bill amount), PGW will enhance its outreach campaigns to include all identified low-income customers who may qualify for CRP based on their budget bill amount.²⁸²⁶ In order to reduce the impact of the CRP subsidy and arrearage forgiveness costs on non-CRP customers, PGW coordinates Home Comfort with CRP to provide free energy conservation services to active participants in CRP. These services are described in more detail in the Home Comfort (“LIURP”) section.

CRP Intake Process – PGW customers can apply or re-certify for CRP by mail, online or in person at any of PGW’s six~~five~~ customer service centers. When a customer applies for CRP, he/she must provide proof of income for the prior 30 days for all household members. For customers that are self-employed, PGW will accept annual federal or state tax returns filed within the last 12 months as proof of self-employment income. PGW also requests a copy of the social security card for each household member listed on the application. If the customer does not have a copy of the social security card, or the customer refuses to provide the social security number, PGW’s requirements will differ depending on the age of the household member, as follows:

²⁷²⁵ Given the nature of Universal Service Plan filings and requirements, this number is a “snap-shot” in time number. By its nature, it is subject to change depending on changing customer needs and scenarios.

²⁸²⁶ This will include customers who are known to be low income by having: i) been on CRP over the prior 24 months; ii) received a LIHEAP, CRISIS or UESF grant over the past 24 months; or iii) been on a level 1 payment arrangement over the prior 24 months.

(i) for an adult household member, PGW will agree to accept some other form of identification that can be documented, such as a state issued driver's license number or an Individual Tax Identification Number. For fraud prevention purposes, PGW may require documentation supporting this number (such as but not limited to a social security number) as part of our periodic review of CRP applications;

(ii) for a non-adult household member, PGW will accept a government/school issued form of identification showing residency, such as a school roster or public assistance benefits letter.

PGW will require a copy of the social security card for each household member as part of our periodic review of CRP applications to prevent fraud (rather than requiring them at the time of application).

When a customer submits an application for CRP online, by mail or in person, the application is reviewed for completeness and eligibility.

- Customers who are ineligible for CRP are provided/sent a letter explaining why they are ineligible.
- Customers who are eligible for CRP are provided/sent a letter describing the monthly CRP payment and their responsibilities for staying in the program.

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), that support amount reported 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.

~~CRP Future Intake Process~~ PGW is currently developing an enhancement to accept CRP applications online. This enhancement will provide customers with an alternative option to the traditional application methods and will allow customers to securely complete the application process, which includes uploading supporting documentation, through the company's "My Account" services on PGW's website. This functionality will also provide customers with the ability to check the status of their application online as well as receive future correspondence regarding their plan electronically if they elect to do so. The objective of this initiative is to eliminate the need for customers to mail in documentation or visit an office, as they will be able to complete the entire application process from beginning to end electronically (the mail-in and office visit processes will still be available). This project is estimated to be completed by August 2018 consistent with the specifications in PGW's Request for Proposal and due to the need for sufficient time to create the system, conduct testing, train customer service representatives, and implement. This online automation will not automatically enroll customers into electronic billing or electronic notification of regulated notices.

CRP Control Features - At the time of application or recertification, PGW completes an assessment to determine which payment option provides the most affordable bill by comparing the customer's projected monthly CRP PIPP amount to the customer's current budget bill amount. If it is determined that the PIPP provides the lower monthly bill, the customer will be enrolled in CRP at the PIPP amount. Otherwise, the customer will be enrolled in CRP at the customer's budget bill amount.

Provided below are additional CRP control features implemented by PGW:

- PGW also continuously monitors all CRP customer accounts to ensure compliance with the terms of the program (e.g., good payment habits, etc.).
- Although LIURP was expanded to non-CRP customers pursuant to prior PUC Order, some CRP subsidy costs are managed through the provision of LIURP. In addition, customers receive education and outreach regarding energy assistance grants and energy conservation.

CRP Recertification - CRP participants are required to recertify annually (6 months for zero income). See Appendix B for recertification flow. This requirement is waived for threetwo years (2 years of recertification are waived) if the customer receives a LIHEAP grant and assigns it to PGW on an annual basis. However, for each customer who is granted a waiver from the recertification requirement, PGW will review their account annually on their anniversary date during the waiver period to verify if the CRP rate (PIPP or budget bill) continues to provide the most affordable monthly bill amount. If it is determined that the customer is better served on the other CRP rate, the customer will be put on the other (lower) CRP rate.

Recertification Path for Zero Income Participants - CRP participants who report zero income will be required by letter to provide an update of their income every 6 months for

as long as they report zero-income. This process will determine if the participant's income or their means of meeting everyday living expenses has changed and whether their CRP agreement terms should be modified.

CRP Provisions for Non-Compliance - CRP customers who do not comply with the program requirements related to eligibility and payments can be subject to termination after one missed bill.

Whenever a CRP customer is terminated for non-payment the balance currently in the frozen arrears immediately becomes due. To restore service and re-enroll in CRP, the customer must pay the past due CRP bills in full, plus the reconnection fee, and, if applicable, a dig fee. No deposit is required. Once the customer satisfies all payment requirements and reapplies, their balance is placed back in the frozen arrears. PGW will also provide retroactive arrearage forgiveness for months outside of the program once the customer satisfies the CRP cure amount in full. If at the time of re-enrollment the customer reports a change in income, PGW will require documentation of the changed income, and will recalculate the PIPP CRP cure amount from the date of the income change.

CRP and Application of LIHEAP Cash Grants – Any LIHEAP Cash grants (“LIHEAP grants”) received on behalf of CRP participants are applied to the customer's asked-to-pay amount. When the LIHEAP grant is applied, if the grant is greater than the current CRP asked to pay amount, the balance is left as a credit and applied to future bills.

CRP Periodic Review- Periodically, PGW conducts reviews of CRP accounts utilizing credit reporting agencies to verify residency and perform death audits. Upon discovery of fraud or death as a result of using a credit reporting agency, PGW will notify the identified CRP customers in writing of the company's findings, a description of Fair Credit Reporting Act (15 U.S.C. § 1681 et seq.) rights, and of their right to dispute the information gathered from the credit reporting agency with PGW within 30 days prior to being removed from the program.

Annual CRP Review – At least once per year, PGW will review each CRP account at recertification to ensure customers are paying the most affordable rate.

CRP Proposed Modifications

~~The following proposed modifications are based on PGW's experiences with the program as well as results received from a recent survey conducted by a third-party contractor. PGW intends to implement the following modifications to its universal service plan upon Commission approval.~~

~~Modified Recertification Process~~ The CRP recertification path has been increased from 30 days to 45 days (see Appendix B). This extension will afford CRP customers

~~additional time to gather the appropriate documentation to properly recertify their CRP agreement.~~

~~In addition, PGW will extend the waiver period for LIHEAP recipients. The recertification waiver will be increased from a one-year waiver to a three-year waiver as long as the customer receives a LIHEAP grant and assigns it to PGW annually. PGW will still conduct an analysis on the anniversary of each year during the waiver period to ensure that the customer is being billed the most beneficial CRP rate. If it is determined that the customer is not on the most beneficial payment plan, the customer will be notified in writing and instructed to recertify.~~

~~Enhanced Employee Training—PGW will expand its training curriculum to specifically focus on educating participants on program recertification. Currently, all customer service representatives are trained annually on how to properly explain the many benefits of CRP, how to apply, and the customer's responsibilities as a participant. However, in light of the decrease in CRP participation, PGW will modify its training plan to put a greater emphasis on the recertification process in order to ensure that all participants are thoroughly informed of their responsibilities while enrolled on the program.~~

~~Targeted Outreach Activities—PGW will continue to improve its outreach efforts to increase participation. In addition to using various data points to identify potential applicants, PGW will also increase its outreach efforts towards customers that speak Spanish. These improvements will consist of modifying the company's Spanish outreach materials as well as conducting training specifically designed for bilingual customer service representatives. These two efforts will assist PGW in increasing its program awareness as well as educate current CRP participants. In addition, these efforts may help to reduce the number of customers suspended from the program and increase the number of new applicants. Upon the implementation of the new CRP rate (budget bill amount), PGW will also include in its outreach campaigning all identified low-income customers who may qualify for CRP based on their budget bill amount.~~

~~Pilot Consumption Limits - PGW will now impose maximum consumption limits for CRP participants with higher than average usage. It is expected that this Pilot will be implemented within three months after final approval of this USECP 2017-2020. An announcement explaining the consumption limit pilot will be mailed to all active CRP customers, and customers who join CRP will be notified at the time of application. The Pilot will be implemented as follows: CRP participants with a 12-month CRP usage that reaches 50%, 80% and 100% of a new consumption limit (expressed as a maximum CAP credit amount) will be contacted by letter when their consumption exceeds the established limit. The letter will communicate a list of possible exemptions as set forth in the Commission's CAP Policy Statement²⁹²⁷, and provide conservation tips, and information about the Home Comfort Program. (See Appendix F for a preliminary draft~~

²⁹²⁷ 52 Pa. Code § 69.265(3)(vi)(A-E).

of the notification that will be used.) Customers may request an exemption to consumption limits, in accordance with the CAP Policy Statement, if one or more of the below conditions exist:

- a) The household experienced the addition of a family member.
- b) A member of the household experienced a serious illness.
- c) Energy consumption was beyond the household's ability to control.
- d) The household is located in housing that is or has been condemned or has housing code violations that negatively affect energy consumption.

Customers who wish to request an exemption to the consumption limit will be encouraged to make the request to PGW by phone, but will also be able to make the request by mail or in a District Office. In addition, the property will be referred for possible LIURP treatment and related education if the property is eligible for LIURP. If LIURP is offered to the customer, it must be accepted fully³⁰²⁸, or the customer will be removed from CRP. For homes that are inspected through the LIURP program, the homes will be analyzed for the following conditions:

- Home has conditions that explain the extreme energy usage and that can be remedied by provision of weatherization services, which must be accepted in full.
- Home has conditions that explain the extreme energy usages, but conditions exist that are beyond control of the customer and of LIURP. Participants in this group will continue to remain on CRP without application of the maximum credit.
- Some other reason (including no identifiable reason) for extreme energy use. These properties will be used to develop a policy as discussed in the "Reason Analysis" set forth below.

The CAP credit amount for this pilot was determined by examining CRP participants with 12 consecutive months of prior usage and analyzing two years of their consumption history and CRP discount amounts. Based on the results of the analysis, it was determined that the maximum consumption limit for CRP participants should be 2,125 CCF which will ultimately be converted into dollars when expressed to customers. This

³⁰²⁸ LIURP must be accepted fully unless (i) the case is rejected by program contractors due to pre-existing conditions in the home; or (ii) work cannot be done for any of the following reasons:

- i. Serious illness of a household member; or
- ii. Landlord refusal; or
- iii. Other severe circumstance outside of the customer's control, and deemed as valid by PGW.
- iv.

limit was determined by examining the distribution of usage consumed by CRP participants and making the determination that those participants whose usage exceeds the 95th percentile of the usage distribution curve may have excessive use. Those customers identified as exceeding this limit will be considered optimal candidates for conservation education as well as referral for LIURP services.

~~During the 2017-2020 Plan, this pilot will involve PGW developing a "Reason Analysis" for apparent excess energy use and any policy developed will be based on that Reason Analysis. During this pilot phase, customers will not face any "penalty" for exceeding the initially proposed usage maximums. In addition, PGW will analyze the results of its pilot Conservation Incentive as well as the Reason Analysis described above and will propose a final consumption limit policy in its next Universal Service and Energy Conservation Plan (i.e. 2021-2023). PGW also proposes that in 2019 or 2020, it will conduct a stakeholder meeting to examine the consumption incentive program's interests at that time and discuss possible next steps.~~

~~PGW envisions the maximum GAP credit used for the Reason Analysis to be an annual amount, with a new calculation each year. Each yearly recalculation would be based on similar usage distribution analysis, using the most recent years.~~

CRP Estimated Budget – The CRP discount and arrearage forgiveness are funded through the Universal Service and Energy Conservation Surcharge that is paid by all firm customers. Table 54 provides an estimate of CRP administrative costs, CRP discounts, arrearage forgiveness, and participation levels from 2017 through 20202022. These projections are based on the prior three calendar years of actual data and incorporate future outreach efforts.

CRP Projected Enrollment – PGW projects the average monthly enrollment in CRP to be approximately 58,052 by the end of the calendar year 2016 and will increase to approximately 64,29277,118 by 20172022. This projection is based on enrollment trends and future outreach for CRP.

Table 54: CRP Projected Budget Costs and Enrollment (through 2020 is from Prior Approved Plan)

Customer Responsibility Program	2017	2018	2019	2020
Administrative Costs	\$1,365,373	\$1,384,518	\$1,404,142	\$1,424,256
CRP Discount	\$38,369,715	\$42,364,454*	\$44,368,327	\$45,279,978
Arrearage Forgiveness	\$10,238,325	\$12,322,411**	\$12,656,496	\$12,990,582
Total Costs	\$49,973,413	\$56,071,383	\$58,428,965	\$59,694,816
Average Monthly Participation	61,292	77,292***	79,292	81,292

<u>Customer Responsibility Program</u>	<u>2021</u>	<u>2022</u>
<u>Administrative Costs</u>	<u>\$3,000,000</u>	<u>\$3,000,000</u>
<u>CRP Discount</u>	<u>\$69,961,425</u>	<u>\$71,289,413</u>
<u>Arrearage Forgiveness</u>	<u>\$14,056,832</u>	<u>\$14,390,915</u>
<u>Total Costs</u>	<u>\$87,018,257</u>	<u>\$88,680,328</u>
<u>Average Monthly Participation</u>	<u>75,118****</u>	<u>77,118</u>

*This number includes a forecast of 2,000 additional CRP PIPP customers, plus a forecast of \$648,021 for current CRP PIPP customers who would be moved to the average bill CRP.

** Per the Commission's August Order, page 18, forecast of an increase of \$1.75 million, plus a forecast relevant to 2,000 additional CRP PIPP customers.

*** This number is the sum of: the 2017 forecast plus 14,000 (35% of 40,000), plus a forecast of 2,000 additional CRP PIPP customers, per the August Order, page 18. PGW has not forecasted an increase in the administrative costs of CRP although the modifications made pursuant to this USECP may lead to increased administrative costs; related costs encountered will be reflected in PGW's next USECP filing (i.e. 2021-2023-2027).

**** This number reflects the updated projected enrolled as of the end of CY2021 which includes the additional estimated 12,718 that would join as a result of the Pilot Program referenced in PGW's letter dated January 6, 2020.

Low-income Usage Reduction Program (Home Comfort)

The LIURP component of PGW's Universal Services Plan is fulfilled through Home Comfort (formerly named the Enhanced Low Income Retrofit Program, or "ELIRP" and the "CRP Home Comfort Program"). The program was launched in January 2011 as part of PGW's demand side management portfolio at Docket Nos. R-2009-2139884 and P-2009-2097639.

Home Comfort Description – Home Comfort provides free, in-home weatherization and energy conservation education services for eligible single-family low income customers and will provide weatherization and energy conservation and education services for multi-family properties pursuant to the pilot program Low Income Multi-family Efficiency program ("Pilot LIME", as described further below) through the end of December 20202022. Home Comfort seeks to make the homes of eligible low income customers more energy efficient, which improves comfort and reduces the subsidy cost of those customers enrolled in CRP. Currently, Home Comfort utilizes three independent conservation service providers (each a "CSP") to provide services. Work is inspected and audited by an independent party for completeness and quality assurance. Each CSP is evaluated semi-annually based on total natural gas savings, cost-effectiveness, work quality and customer service metrics. The evaluations inform funding allocations for each CSP, which reward the best performers. In accordance with 52 Pa. Code § 62.6, PGW contracted an independent, third-party to conduct a LIURP Impact Evaluation in 2013 and submitted it to the BCS in May 2014. PGW's next Evaluation is expected to be submitted in May 2020.

Pilot LIME - In accordance with the DSM/LIURP Order, a portion of PGW's PUC approved FY17 LIURP budget will be allocated to the Pilot LIME program. PGW will convene a stakeholder collaborative to receive input from interested parties about the Pilot LIME program once this Plan has been approved by a final Order. As set forth in the DSM/LIURP Order, in order for a property to be eligible for LIME it must be 75% confirmed low income residency and PGW reserves the right to decrease this percentage beginning in FY17 - but only after a showing of cause for program incentive budget under-spending, pursuant to a Commission Order.³⁴²⁹ Program costs for the Pilot LIME will be recovered through PGW's Universal Services Charge ("USC") applicable to all volumes of firm gas delivered and Pilot LIME project costs will be recovered (1) 100% of low income customer usage LIME program costs will be recovered 100% through the USC; (2) 33% of project costs for all other customer usage will be recovered through PGW's Efficiency Cost Recovery Surcharge ("ECRS"); and, (3) the

³⁴²⁹ Under a stipulation entered into by the Bureau of Investigation and Enforcement ("I&E") and PGW, which was approved by the DSM/LIURP Order, PGW agreed to obtain I&E approval to decrease the low income residency percentage. Upon consultation with I&E during the preparation of this Second Amended Plan, I&E has agreed to address any concerns in comments to future USECP filings.

remainder of project costs will be funded by property owners. The budget for ~~FY17~~2020-2022 for the Pilot LIME as approved in the DSM/LIURP Order is: \$120,048; consistent with the DSM/LIURP Order this spend is a portion of the ~~FY17~~ LIURP budget. PGW proposes to maintain the same budget through December 2020 for the LIME Pilot which amount would continue to be a portion of the relevant LIURP budget (with September 2017-December 2017 pro-rated by monthly spend). This will enable PGW to subject this pilot to a lessons learned review—particularly in the areas of contactor capacity, cost-effectiveness results and expected participation rate. Recommended modifications/continuation/discontinuance will be included in the ~~2021-2023 USECP~~. annually.

Home Comfort Needs Assessment – Please see the section entitled “Number of customers who still need LIURP and the cost to serve that number.”

Home Comfort Objectives - Home Comfort seeks to provide cost-effective energy savings to eligible low-income customers ~~who participate in CRP~~. A secondary goal of the program is to reduce the overall long-term subsidy cost of CRP.

Home Comfort Eligibility – Under the single family Home Comfort program, CSPs will be provided a list of customers that meet the following criteria:

1. Known to be low income by having i) been on CRP over the prior 24 months; ii) received a LIHEAP, CRISIS or UESF grant over the past 24 months; or iii) been on a level 1 payment arrangement over the prior 24 months.
2. Have weather normalized usage within the top 50% of all eligible customers, and at least twelve months of continuous service at their current property, while removing outliers and anomalies based on the statistical significance of the weather normalized usage; and
3. Have not received LIURP weatherization services over the previous seven years.
4. Must reside in a single-family home. If the customer rents the home, their landlord must authorize PGW to perform the weatherization.

In accordance with 52 Pa. Code § 58.10 and the DSM/LIURP order, prioritization for receipt of services among customers with the same standing under 52 Pa. Code § 58.10(a)(1) shall be attempted for those with the greatest arrearages. Once selected,

an in-home audit and feasibility assessment is made to determine what, if any, cost-effective measures can be made.

PGW also coordinates with other agencies to qualify ~~GRP customer~~ customers in the top 50% usage tier that have had health and safety treatments performed by Philadelphia Department of Public Health's Healthy Homes or Habitat for Humanity coordinating nonprofit and public agencies, but were not assigned to Home Comfort through the automatic assignment process, may be manually assigned to CSPs. PGW is notified of these homes by ~~the two agencies~~ with which it ~~currently~~ coordinates.

Home Comfort Projected Enrollment – PGW projects that it will treat approximately 3,550 homes and 3 multifamily buildings between September 2016 and December 2017, and approximately 9,873 homes and 6 multifamily buildings between January 2018 and December 2020. PGW projects that it will treat approximately 6,582 homes and 4 multifamily buildings between January 2021 and December 2022.

Home Comfort Components – Home Comfort is composed of weatherization measures, such as air sealing, insulation, equipment repair and replacement, hot water reduction measures and energy conservation education.

The Home Comfort treatment begins with an initial assessment made in the home to determine the cost-effectiveness and feasibility of various weatherization measures. During the assessment, customers are educated on ways to reduce their energy use, are provided with basic health and safety information, and low-cost energy saving measures such as low-flow devices, programmable thermostats, and water heater tank turn-downs may be installed. If health and safety issues like mold, asbestos, roof leaks or pests exist and cannot be corrected cost-effectively by the CSP, the home's treatment ends with these low-cost measures. If the house is suitable for weatherization treatment, the CSP may return to the home for comprehensive weatherization treatments, which may include:

- Repairing or replacing older and less energy efficient heating systems; and
- Providing comprehensive weatherization services by air sealing and insulating attics, basements, ducts and the overall building shell.

If homes are initially denied comprehensive weatherization because of health and safety issues, and customers are able to successfully remediate the health and safety issues to program standards, CSPs may return to perform air sealing or insulation.

~~Home Comfort Modifications~~—There are three modifications to LIURP in this plan. First, beginning in 2018 PGW will expand LIURP eligibility to include all known low income customers. Customers are known to be low income if they i) were on CRP over the prior 24 months; ii) have received a LIHEAP, CRISIS or UESF grant over the past 24 months; or iii) were on a level 1 payment arrangement over the prior 24 months. All known low income customers will be notified of Home Comfort and the Health and Safety Pilot (detailed below) in accordance with the August Order.

Home Comfort Estimated Budget – Table 5 provides the estimated enrollment and budget for Home Comfort for 2016 through 2022.

~~Second, the name of PGW's LIURP will be changed from the CRP Home Comfort Program to the Home Comfort Program to reflect the change in eligibility. Lastly, PGW has introduced a Health and Safety Pilot Proposal, which is detailed below.~~

~~Home Comfort Estimated Budget~~—Table 6 provides the estimated enrollment and budget for Home Comfort for September 2016 through December 2017, and January 2018 through December 2020. The September 2016 through December 2017 budget has been set at \$8,736,926 including administrative expenses. Given the cost efficiencies that are achieved by handling the portfolio administrative costs of LIURP through the PGW's Demand Side Management ("DSM") Plan, PGW proposed in its response to the Tentative Order entered at the DSM/LIURP Order docket that the administrative costs of the LIURP budget continue to remain combined with the DSM Plan and allocated across the programs proportionally for now. Removing LIURP from PGW's DSM Plan will require PGW to evaluate overall portfolio administrative costs based on the program structure of the USECP and the DSM Plan to determine where efficiencies are best met and will remain combined. Consistent with the Commission's directive in the DSM/LIURP Order, this proposal is consistent with PGW's on-going efforts to reduce administrative costs.

The Home Comfort budget has been set based on a number of reasonable assumptions, and in light of the analysis of the number of customers who still need LIURP and the cost to serve those customers. The below budget was set pursuant to the Commission's Order which utilized an average cost per-job (including contractor installation costs and administrative costs) of \$2,426 and production rate of 3,293.³²³⁰

Table 65: Home Comfort Estimated Budget* (through 2020 is from Prior Approved Plan)

³²³⁰ The Commission's average job cost and production rate calculations included the LIME budget and participation. If LIME were excluded, the average budget used in the calculation would be \$6,514,037, the production rate would be 2,733, and the resultant average job cost would be \$2,383.

Amended Universal Service and Energy Conservation Plan 2017-20202022 Philadelphia Gas Works

	<u>September</u> <u>2016 –</u> <u>December</u> <u>2017</u>	CY 2018**	CY 2019**	CY 2020**	<u>CY</u> <u>2021**</u>	<u>CY</u> <u>2022**</u>
Budget	\$ 8,736,926	\$ 7,988,818	\$ 7,988,818	\$ 7,988,818	<u>7,988,818</u>	<u>7,988,818</u>
Single-Family Enrollment	3,550	3,291	3,291	3,291	<u>3,291</u>	<u>3,291</u>
LIME Enrollment	3	2	2	2	<u>2</u>	<u>2</u>

* Includes LIME costs at \$120,048/year (\$10,004/month). This budget includes a prorated budget of \$2,165,482 for calendar months September 2017 through December 2017 (\$541,370 per month), and a 2017 fiscal year (September 2016 – August 2017) spend of \$6,571,445 (\$547,620 per month).

** This budget includes programmatic and administrative costs (including labor).

Continuation of Regulatory Waivers

In the August Order Previously, the Commission approved a temporary partial waiver of the administrative cost limitations under 52 Pa. Code §58.5 for 2018, 2019 and 2020 to allow PGW to develop and implement appropriate marketing, outreach, and internal procedures to effectively promote, identify, and screen all the newly eligible non-CRP and other low-income customers for CRP Home Comfort. The Commission also partially approved a waiver of 52 Pa. Code §58.11 (subsection (a)) for the 2017-2020 USECP. PGW requests a continuation of all waivers granted in its latest Plan through 2022.

Advisory Panel — 52 Pa Code § 58.16

~~PGW has established an Advisory Panel consistent with the requirements of this regulation.~~

Inter-utility Coordination — 52 Pa. Code § 58.14(c)

~~Pursuant to the DSM/LIURP order, PGW will investigate whether coordination with the local covered electric utility would afford PGW's CSPs the opportunity to coordinate LIURP weatherization efforts with that utility. If so, PGW will work with the electric utility in order to attempt to establish coordination. On or before December 31, 2016 PGW will contact the local covered electric utility to determine whether LIURP coordination is available and to address any inter-utility billing arrangements. PGW will not absorb in its program budget any labor and materials cost for water heating treatments provided pursuant to this regulation.~~

Public Notice — 52 Pa. Code § 58.4(a)

~~Consistent with the DSM/LIURP Order, public notice of the FY2017 LIURP reduced funding has been satisfied and public notice of the proposed funding revisions that are contained herein will be provided when the Commission releases its recommendations regarding PGW's proposal for public comment. To the extent further public notice is directed by the Commission, PGW will work with the Commission's Bureau of Consumer Services to provide such notice.~~

Health and Safety Pilot Proposal

PGW's contractors currently install limited health and safety measures that can be cost-effectively included in the overall weatherization project. However, many homes in the worst condition are can't be weatherized cost-effectively, and currently receive only core measures. Beginning in 2017 (through December 2020), PGW will pilot a new policy for contractors to spend up to (i) \$2,000 per-project beginning in 2017 through December 2020, and (ii) \$3,000 per-project beginning January 2021 through December 2022 on the installation of health and safety measures, without the cost impacting the project's TRC cost-effectiveness. These repairs are distinguishable from the "incidental" repairs detailed in 52 Pa. Code § 58.12, which PGW classifies as minor repairs necessary to permit proper installation of program measures. PGW will pre-screen all projects included in this pilot. Contractors' must propose a work scope that will achieve at least 15% savings. Projects will be prioritized by the greatest savings opportunities, and target the highest usage homes. The cost of the pilot will be included within the overall LIURP program budget and will not exceed \$100,000 per-year.

Consistent with recent Bureau of Consumer Services (BCS) directives, health and safety costs in this pilot initiative would be tracked separately from other project costs for reporting and evaluation purposes.

Pilot Conservation Incentive Credits Through 2020— PGW's current pilot conservation incentive credit requirements consist of the following:

- i. CRP customers who did not receive PGW provided weatherization services in the prior two (2) years (using November as the start of the 2 year look back), but reduced their weather normalized usage by ten percent (10%) or more during the current November through April period (compared to the weather normalized usage between the prior November through April period), will receive a One Hundred Dollar (\$100) Incentive credit on their bill.
- ii. CRP customers who received PGW provided weatherization services in the prior two (2) years (using November as the start of the 2 year look back), and reduced their weather normalized usage by twenty percent (20%) or more during the current November through April period (compared to the weather normalized usage between the prior November through April period), would receive a One Hundred Dollar (\$100) Incentive credit on their bill.
- iii. PGW will run a query each April to compare gas consumption of CRP customers for the November to April period with usage during that time period the previous year. Usage would be weather normalized and only customers who were on CRP for the entire November to April time period would be potentially eligible for the Incentive.

PGW has issued communications to encourage participation in the pilot program. PGW will continue to monitor the program as a pilot as described herein. PGW will provide a status update summary on the prior year's award including the number of participants, total dollars paid out, and total MCFs saved each year with the annual LIURP reporting due to the Commission annually by April 30th, beginning April 2018 through April 2020. ~~PGW will notify the Commission and other parties to the August Order proceeding at least 30 days in advance of a meeting in 2019 or 2020 to discuss the Conservation Incentive Credit pilot.~~

Customer Assistance Referral and Evaluation Service Program (CARES)

CARES Description - CARES assists customers with special needs, such as those who have recently experienced a family emergency, unemployment, or age related issues. CARES provides the customer with referral information to internal and external organizations and assistance programs. In some cases, follow-up and on-going services are provided. Information about CARES is distributed through outreach initiatives and contact with PGW customer service representatives. CARES also includes outreach activities related to LIHEAP and Crisis grants, since those grants

target many of the same customers who are low-income and seek assistance with paying their utility bills.

CARES Needs Assessment – The need for CARES assistance is assessed based on the customers' self-reported needs. For example, if a customer notifies PGW that he/she is experiencing difficulty paying a bill due to difficulty finding employment, the customer service representative will provide the customer with PGW options to make the bill more affordable (e.g. CRP) and also will provide a referral to external organizations that provide services to the unemployed. PGW uses internal data and census data to estimate the number of customers who are eligible for CARES assistance. Internal data shows that approximately 29% of PGW's residential customer base may be eligible for some of the services provided by CARES (e.g., referrals and case management). The needs assessment set forth in this Plan's description of CRP is incorporated herein.

Some customers are eligible for CARES regardless of income, such as those with a protection from abuse order ("PFA") or an impending life event that may lead to financial hardship. Therefore, any PGW residential customer is potentially eligible for CARES, depending on life circumstances.

CARES Objectives – The objectives of CARES is to help customers resolve issues related to and beyond bill payment and energy affordability and to provide follow-up and case management services as needed. The objectives are achieved mainly by referrals to programs and organizations that can address customers' specific needs. Some CARES cases require follow-up and ongoing case management.

CARES Eligibility – CARES services are provided to customers who are at or below 150 percent of the FPL and who are having difficulty paying their bills; those who anticipate difficulty paying their bills due to a personal crisis that is likely to result in a financial hardship; and those who have a valid PFA or other court order indicating the customer is a victim of domestic violence - in order to ensure that additional protections are provided, particularly those under relevant PUC regulations.

CARES Projected Enrollment – In fiscal year ~~2013 through 2015~~2019, PGW handled ~~81,242~~29 CARES cases through ongoing case management, which is an average of ~~22,635.8~~ cases per month. ~~Many more~~Another 5,275 cases ~~are~~were resolved in a "quick-fix" manner by customer service representatives through referrals given to customers. ~~These quick-fix referrals are currently not tracked. We do not project any change in enrollment for CARES case management services, or in the cases resolved through "quick-fix" referrals.~~

CARES Components – CARES has two components, quick-fix and case management. The quick-fix component is limited to referrals. Each customer service representative has a resource guide which provides a list of external organizations that offer social services and assistance programs beyond the scope and function of any utility assistance offered by PGW. The purpose of these referrals is to provide information that can assist a customer in resolving an issue impacting their ability to pay their gas bill and maintain service. Referrals are made to a number of programs, including LIHEAP. There is no follow-up action taken by PGW after the referral is made by the customer service representative, but there is no limit to the number of times PGW will make a referral for any customer.

The case management component includes ongoing monitoring and follow-up services for the customer. These cases are handled by the Universal Services department. The case referral may come from customer service representatives, other internal PGW sources, or external sources.

~~CARES Estimated Budget – CARES budgeting is included in the LIHEAP Outreach budget; the bulk of CARES cases are customers who are unable to pay their utility bills because they are low-income and would benefit from third party assistance. The average monthly participation provided below is an estimate of the discrete number of customers for whom PGW customer service representatives provide a (non-LIHEAP) “quick fix” referral as well as those referred for case management. It does not include the customers who are likely to receive a LIHEAP and/or Crisis grant.~~

Table 76: CARES Estimated Budget from Prior Approved Plan

CARES	2017	2018	2019	2020
LIHEAP Administration/Outreach	\$880,800	\$880,800	\$880,800	\$880,800
Average monthly participation (CARES only including “quick fix”)	22.6	22.6	22.6	22.6

<u>CARES</u>	<u>2021</u>	<u>2022</u>
<u>LIHEAP Administration/Outreach</u>	<u>\$1,041,419</u>	<u>\$1,041,419</u>
<u>Average monthly participation (CARES only including “quick fix”)</u>	<u>475.3</u>	<u>475.3</u>

CARES Reporting 2017-2020 – PGW will file and serve at Docket No. M-2016-2542415 an annual report detailing the number of customers served through CARES case management and quick-fix referral services during the previous calendar year, starting April 1, 2018 (describing 2017 activity) through April 1, 2020.

Hardship Funds

Hardship Funds Description - PGW provides Hardship Funds by matching grants paid by the Utility Emergency Service Fund (UESF) to customers whose service is terminated or in danger of being terminated. PGW funds are provided in the form of a matching bill credit of up to approximately \$750. Also, PGW receives customer contributions to UESF through the Dollar Plus program throughout the year; PGW expects to do outreach to customers for contributions to Dollar Plus. Contributions received are forwarded to UESF so that it can provide additional grants.

Hardship Funds Needs Assessment – The needs assessment set forth in this Plan’s description of CRP is incorporated herein. In addition, PGW determines the need for UESF grants by reviewing the number of grants provided in the prior years and the amount of dollars granted. Since Hardship Funds are matching bill credits, the actual number of grants and the amount of credits provided will depend upon the number of grants and level of funding provided by UESF. In ~~2015~~2018, PGW ratepayers made available up to \$795,500 to match UESF grants. ~~UESF has not obtained sufficient funding to utilize all of the available funds.~~

Table 87: Hardship Fund Estimated Budget from Prior Approved Plan

Hardship Fund	2013	2014	2015
Clients served	1,184	1,324	992
UESF funds	\$620,846	\$674,712	\$594,860
PGW matching credits	\$620,846	\$674,712	\$594,860
Client contributions	\$32,307	\$38,246	\$34,216

<u>Hardship Funds</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>Clients Served</u>	<u>1,377</u>	<u>1,344</u>	<u>1,051</u>
<u>UESF Funds</u>	<u>\$766,822</u>	<u>\$724,224</u>	<u>\$585,058</u>
<u>Utility Contribution (PGW)</u>	<u>\$766,822</u>	<u>\$724,224</u>	<u>\$585,058</u>
<u>Grant Recipient Contribution</u>	<u>\$37,991</u>	<u>\$13,293</u>	<u>\$0*</u>

*Previously paid directly by USEF, now paid directly by the customer.

Hardship Funds Objectives – The objective of Hardship Funds is to provide financial assistance to eligible customers whose service is terminated or who are in danger of losing service. The combination of UESF grant dollars and the PGW matching credit are intended to provide the customer with a “fresh start” on their gas bill.

Hardship Funds Eligibility – Eligibility is limited to customers with a gross household income at or below 175% of the FPL. Below is a table showing the income eligibility guidelines for UESF for fiscal years 20132016 through 20152018 (UESF fiscal year is July 1-June 30).

Table 98: Hardship Fund Eligibility from Prior Approved Plan

Maximum annual gross household income			
Household size	FY13	FY14	FY15
1	\$20,107	\$20,426	\$20,598
2	\$27,142	\$27,524	\$27,878
3	\$34,177	\$34,636	\$35,158
4	\$41,212	\$41,734	\$42,438
each additional	\$7,035	\$7,104	\$7,280

Maximum Annual Gross Household Income			
Household Size	FY16	FY17	FY18
<u>1</u>	<u>\$20,790</u>	<u>\$21,105</u>	<u>\$21,245</u>
<u>2</u>	<u>\$28,035</u>	<u>\$28,420</u>	<u>\$28,805</u>
<u>3</u>	<u>\$35,280</u>	<u>\$35,735</u>	<u>\$36,365</u>
<u>4</u>	<u>\$42,525</u>	<u>\$43,050</u>	<u>\$43,925</u>
<u>Each Additional</u>	<u>\$7,245</u>	<u>\$7,315</u>	<u>\$7,560</u>

Additional eligibility requirements include:

- Service must be off, or threatened to be shut off;
- Customer must not have received assistance from UESF in the past 24 months;
- Customer must have applied for LIHEAP Cash and Crisis grants if those programs are open and grants are available;
- The combination of the UESF grant and the PGW matching credit cannot exceed \$1,500 (for City grants) and must eliminate the total amount due, (not including frozen arrears if the customer is enrolled in CRP) and, if the customer seeks restoration, any written off debt required for restoration. If the total amount due exceeds \$1,500, the customer must pay the difference, either out of pocket or through other utility assistance grants such as LIHEAP. It is a UESF requirement that such debt be paid in order for a grant to be awarded.

Hardship Funds Projected Enrollment – Enrollment projections are based on three completed prior fiscal years. Between fiscal year 20132016 and fiscal year 20152019,

PGW provided matching funds for an average of 4,1671,183 customers per year. PGW projects it could have the ability to serve an average of at least 4,0001,300 customers per year between 20172021 and 20202022 and possibly a higher amount of customers, dependent on obtaining necessary grant funds and approvals.

Hardship Funds Components – Hardship funds have at least two, and in some cases, three components: UESF grants, utility contributions, and client contributions. Combined, these components give the customer a fresh start by fully eliminating their total amount due.

Hardship Funds Modifications – None.

Hardship Funds Estimated Budget – The operating support paid to UESF is a fixed amount and is projected to be fully expended. However, the amount expended annually from a projected \$795,500 (dependent on obtaining necessary approvals) for matching funds will depend on other sources of funding obtained by UESF.

Table 409: Hardship Fund Estimated Budget from Prior Approved Plan

Hardship Funds	2017	2018	2019	2020
Operating support (PGW)	\$260,149	\$260,149	\$260,149	\$260,149
UESF grants	\$795,500	\$795,500	\$795,500	\$795,500
Utility contribution (PGW)	\$795,500	\$795,500	\$795,500	\$795,500
Customer/employee contributions (PGW)	\$2,000	\$3,000	\$4,000	\$5,000
Total Program costs	\$1,853,149	\$1,854,149	\$1,855,149	\$1,856,149
Average annual participation ³³³¹	1,000	1,000	1,000	1,000

<u>Hardship Funds</u>	<u>2021</u>	<u>2022</u>
<u>Operating Support (PGW)</u>	<u>\$260,149</u>	<u>\$260,149</u>
<u>UESF Grants</u>	<u>\$795,500</u>	<u>\$795,500</u>
<u>Utility Contribution (PGW)</u>	<u>\$795,500</u>	<u>\$795,500</u>

³³³¹ This participation projection is based on the most recent projection obtained from UESF for the amount of UESF grants that will be allocated for PGW customers.

Amended Universal Service and Energy Conservation Plan 2017-20202022 Philadelphia Gas Works

<u>Grant Recipient Contribution</u>	<u>\$0</u>	<u>\$0</u>
<u>Customer/Employee Contributions (PGW)</u>	<u>\$6,000</u>	<u>\$7,000</u>
<u>Total Program Costs</u>	<u>\$1,857,149</u>	<u>\$1,858,149</u>
<u>Average Annual Participation</u>	<u>1,300</u>	<u>1,300</u>

Hardship Funds Reporting 2017-2020 – Beginning October 1, 2017 and ending October 1, 2020, PGW will file and serve at Docket No. M-2016-2542415 an update regarding its discussions with UESF regarding the following potential changes to Hardship Fund eligibility criteria: (i) removal of the 2-year stay out after a UESF grant has been awarded; and (ii) receipt of a UESF grant by a CRP customer without the requirement to have the CRP frozen arrearage paid off.

Senior Citizen Discount (This program has been removed since it is not a PUC regulated Universal Service program)

~~Senior Citizen Discount Description – The senior citizen discount provides a 20 percent discount off the monthly bill to eligible senior citizen participants. The program is audited regularly to verify eligibility. As of February 29, 2016, there were 17,202 customers enrolled in the senior citizen discount. This program was grandfathered as of August 31, 2003.~~

~~Senior Citizen Discount Needs Assessment – Since the senior discount program is being phased out, a needs assessment has not been conducted. However, the needs of all senior citizen customers are addressed through other Universal Services programs, such as CRP and CARES.~~

~~Senior Citizen Discount Objectives – The objective of the discount is to provide a more affordable bill to senior citizens, who often are on a fixed and limited income.~~

~~Senior Citizen Discount Eligibility – To receive the discount, the customer of record must have been 65 or older and enrolled in the program before September 1, 2003. In addition, individuals who were 65 years or older before September 1, 2003 and who lived in a household that was receiving the discount on that date can continue receiving the discount upon the death of the customer of record, provided they agree to take over responsibility for the bill. The program does not have income limits, asset tests, or usage caps. However, customers enrolled in the senior citizen discount program cannot also be enrolled in CRP.~~

~~Senior Citizen Discount Projected Enrollment – Based on recent trends, the number of customers enrolled in the senior discount program is expected to decline by approximately 3,000 enrollments per year. Using the average decline and the current~~

enrollment, PGW projects that the average monthly enrollment in the discount program will be 14,444 in 2017, 11,898 in 2018, 9,452 in 2019 and 7,106 in 2020.

~~Senior Citizen Discount Components—The primary component of the senior citizen discount is the 20 percent discount received by those enrolled. The discount is applied to each monthly bill. In many cases, surviving family members notify PGW that the customer of record is deceased. In those cases, we determine if any surviving household member is eligible to have the discount transferred to them. If so, after verifying eligibility, we put the service at the premise into the name of the eligible surviving family member and transfer the discount to them. If no family member is eligible, then we remove the discount and close the account.~~

~~For cases in which the customer's death is not reported to PGW by the surviving family members, PGW conducts periodic audits of the Social Security Death Index through a third party vendor. When the name, address, date of birth, and social security number match a person identified in the Social Security Death Index, PGW initiates contact with the customer of record/current occupant at the premise. The letter gives the person 30 days to verify eligibility for the senior discount. If verification is not provided, a follow-up letter is sent to inform them that within 15 days the senior citizen discount will be removed.~~

~~Senior Citizen Discount Modifications—None.~~

~~Senior Citizen Discount Estimated Budget—The estimated budget for the Senior Discount program is based on recent trends in enrollment and discounts received. In fiscal year 2015, the projected average discount per customer is \$276 per year. Applying the average discount to the projected enrollment, we expect the program to yield bill discounts of \$4.1 million, \$3.3 million, \$2.6 million and \$1.9 million in 2017, 2018, 2019 and 2020, respectively. The administrative cost reflects the estimated costs for third party verification of eligibility and materials and postage related to communications to resolve discrepancies in eligibility.~~

Table 11: Senior Discount Estimated Budget

Senior Citizen Discount	2017	2018	2019	2020
Administration	\$8,000	\$8,000	\$8,000	\$8,000
Discounts	\$4,060,76 3	\$3,322,48 6	\$2,613,46 0	\$1,933,68 4
Total	\$4,068,76 3	\$3,330,48 6	\$2,621,46 0	\$1,941,68 4
Average Monthly Participation	14,444	11,898	9,452	7,106

Integration of Universal Services Programs; Steps Used to Identify and Enroll Customers in Universal Service Programs; Use of Community Based Organizations

PGW makes a conscious and sustained effort to integrate all universal service programs so that customers receive information and access to all assistance programs for which they may be eligible.

CRP and LIURP- When CRP customers have trouble paying their bills or have a personal crisis that impacts their ability to pay their bills, they are referred to Hardship Funds and the CARES program. When customers have high natural gas usage they are referred to Home Comfort. Customers who receive Home Comfort services are also provided information about other assistance programs, such as the CARES program and LIHEAP and Crisis grants. PGW engages in a significant number of partnerships in support of its Home Comfort program – this coordination is described more fully on Appendix E.

Since enrollment in the senior citizen discount prohibits enrollment in CRP, there is no integration between the two programs. However, customers enrolled in the discount program are permitted to remove themselves from the discount and enroll in CRP if it provides a more affordable bill.

CARES - PGW utilizes many internal and external assistance programs in the implementation of CARES in order to provide referrals to a variety of programs suited to resolve the customer's particular personal crisis or issue. For example, if the issue is job loss, PGW provides the customer with information regarding external grant programs and internal assistance programs that can help them pay their gas bill in the immediate term and makes referrals to employment centers and job services. PGW has long standing relationships with a network of external organizations that provide many types of assistance for individuals and families in need. In Philadelphia, the Neighborhood Energy Centers and UESF intake sites are two networks in which PGW coordinates UESF grants and provides information to caseworkers who are helping PGW customers obtain an affordable bill. PGW refers customers to these organizations in the course of providing CARES assistance; the services provided by these organizations include budget counseling, housing counseling, job placement services, senior services, after-school programs, homelessness prevention, and other health and human services. Additionally, these organizations often provide the outreach and venue for energy conservation workshops that are sponsored annually by PGW and administered by a third party.

PGW also partially funds production and printing of The Energy Directory, which is produced each year by the Energy Coordinating Agency. This directory is an important

resource guide used by social service agencies throughout the City of Philadelphia. Information about PGW's Universal Service Programs is included in the directory.

PGW does not limit itself to the network of organizations with which it already has established relationships. For example, in recent years PGW has partnered with Philabundance, which is an organization that provides food to needy families, by providing outreach at their Fresh for All food distribution events. At those events, PGW provides information to local residents about CRP, LIHEAP, Crisis, and UESF grants, as well as other assistance programs at PGW. PGW also implements an aggressive and comprehensive outreach campaign to inform all of our low-income customers about LIHEAP and Crisis grants and provides direct assistance to customers in applying for grants.

Hardship Funds— In addition to the other efforts described in this section, PGW maintains relationships with the network of UESF intake sites that assist PGW's customers.

~~Senior Citizen Discount~~—PGW integrates the senior citizen discount with LIHEAP and Crisis outreach, as well as CARES and Hardship Funds when appropriate. For LIHEAP and Crisis outreach, PGW has specifically targeted outreach to senior citizen discount customers. When a senior citizen contacts PGW regarding a CARES issue, PGW makes referrals as appropriate to organizations that provide services to senior citizens, such as Philadelphia Corporation for Aging and Center in the Park. Externally, PGW does many community presentations about its programs at venues that serve senior citizens.

Outreach Efforts and Campaigns – PGW engages in significant efforts throughout the year to provide information and referrals to PGW customers who may benefit from Universal Service Programs. Below are the general practices PGW utilizes:

Inbound calls – PGW provides training and updated information to all customer service representatives regarding Universal Service programs. When customers call in to PGW's Call Center or visit PGW's District Offices, PGW representatives are able to provide them with effective assistance. Representatives also have the ability to mail a CRP and LIHEAP application to customers.

District offices – PGW's five District Offices provide a physical location for customers to address issues related to customer service and utilization of Universal Services. At PGW's offices, customers can apply in person for CRP and LIHEAP, and through the CARES and Hardship Funds programs they can obtain referrals to organizations that provide other forms of assistance.

Mailings – PGW does multiple annual mailings to customers who are identified as low-income in order to provide information about LIHEAP and Crisis grants. These mailings are targeted to all low-income customers and provide an opportunity to obtain additional information and assistance about all of PGW's customer assistance programs because they may cause the customer to contact the company.

Outbound message calls – Like mailings, periodic outbound calls provide information about customer assistance programs, particularly LIHEAP, Crisis, and UESF grants.

Community presentations - Each year, PGW attends and presents at more than 100 gatherings of community groups in venues such as neighborhood meetings and fairs. Each appearance has a specific purpose and often includes a 10-minute presentation about PGW's customer assistance programs, answering questions, and distributing information and applications for PGW's programs.

Advertisements – PGW advertises its assistance programs on radio, TV, mass transit, and in community newspapers. Much of the advertising is targeted to communities that have the highest density of customers who can benefit from PGW's programs.

Bill inserts – PGW dedicates space in its monthly newsletter, The Good Gas News, prior to and near the end of the winter shut-off period which is used to provide information about PGW assistance programs.

Organizational Structure and Staff Responsibilities

Staff with direct responsibilities in Universal Services:

- **Director, Regulatory Compliance**
 - Directs policy development and implementation
 - Ensures compliance with PUC regulations and guidance
- **Manager, Universal Services**
 - Ensures that activities related to CRP, CARES, LIHEAP, Senior Citizen Discount and UESF programs are run effectively, efficiently and in compliance with legislative guidelines.
 - Supervises a support staff responsible for ensuring the achievement of specific corporate goals through performing the unit's day-to-day activities.
- **Supervisor, Universal Services**

- Provides guidance and direction, setting job standards and providing technical support to the representative team.
- Responsible for the overall quality of work for the group.
- Universal Services representatives

Staff with direct responsibilities in LIURP:

- Director, Customer Programs
 - Directs program development and implementation.
 - Ensures compliance with PUC LIURP regulations and guidance.
- Manager, Energy Efficiency and Emerging Customer Programs
 - Ensures that the LIURP is run effectively, efficiently and in compliance with regulatory guidelines.
 - Manages the Energy Efficiency Program Analyst and oversees program implementation.
- Analyst, Energy Efficiency and Emerging Customer Programs
 - Day-to-day oversight of the program; primary liaison with the conservation service providers and quality assurance vendor.
 - Calculates key performance indicators and prepares reports on program activities.

Additional Support:

- District office representatives
- Call center representatives

Community Partners

Utility Emergency Services Fund (UESF) – PGW partners with the Utility Emergency Services Fund to implement and administer Hardship Funds. UESF has a network of intake sites that perform the primary outreach duties for Hardship Funds and the completion of grant applications.

See Appendix C for an address list of UESF intake sites and the main office.

Neighborhood Energy Centers –Neighborhood Energy Centers provide a coordinated and comprehensive approach to energy and related problems for low and moderate income households. They provide budget counseling, energy counseling, energy conservation education, and grant application assistance for the communities they serve. They are also a means of outreach for PGW assistance programs. Since the Neighborhood Energy Centers are housed in community organizations that serve a

broad mission and many needs in their community, PGW uses them often as a resource when making referrals in our CARES program.

See Appendix D for an address list of the Neighborhood Energy Centers.

Philadelphia County Assistance Office (LIHEAP District) – PGW maintains a partnership with the LIHEAP District of the Philadelphia County Assistance Office that is vital to the efficient and effective coordination of LIHEAP and Crisis grants for our low-income customers. Even though LIHEAP and Crisis grants are administered independently of our Universal Service programs, these grants serve as an important channel of outreach and referral. Also, LIHEAP grants serve as a proxy for verifying eligibility in CRP on a bi-annual basis.

An important and useful change in this partnership in recent years has been the coordination of LIHEAP, Crisis, and Hardship Funds. Prior to 2011, there was no process to coordinate these grants, although doing so would provide a tremendous benefit for low-income households who faced a heating emergency that could not be resolved by LIHEAP and Crisis alone or UESF alone. PGW helped lead the effort, along with UESF, PECO, and the Philadelphia County Assistance Office, to establish this process. Since that time, more than 300 PGW customers have been served through this process.

See Appendix E for LIURP coordination.

The address for the Philadelphia County Assistance Office is:

PCAO – LIHEAP District
1348 W. Sedgley Avenue
Philadelphia PA 19132
(215) 560-4733

Conclusion

PGW serves a customer base with the highest proportion of poverty in the Commonwealth. Approximately 1 in 3 customers are eligible for assistance from one or more of PGW's Universal Service programs. PGW makes an aggressive effort to ensure that these customers have available robust assistance programs to help them pay their bills and maintain service. The costs and participation levels of these programs are evidence of our efforts.

PGW is pleased to submit this Plan and believes that it presents a comprehensive and balanced approach to addressing the needs of the Company's low-income customers. PGW, therefore, respectfully requests that the Commission implement its Universal Service and Energy Conservation Plan in full, without modification.

Appendices

- A. Consolidated Charts
- B. Recertification Process
- C. UESF Intake Sites
- D. Neighborhood Energy Center locations
- E. LIURP Coordination
- F. Pilot Consumption Limits Customer Notification

Appendix A: Consolidated Charts

Projected Needs Assessments

The following chart provides a consolidated needs assessment for PGW's universal service programs, subject to the limitations as described in the Plan, above.

Needs Assessment

Needs Assessment	
	-
Average monthly count of residential customers	470,788477,533
Number of Identified Low-Income Customers	137,697 ³⁴ 149,217 ₃₂
Estimated Number of Low-Income Customers	178,899206,533 ³³
Number of Identified Payment-Troubled, Low-Income Customers	25,44234,627 ³⁴
Number of Customers Needing LIURP	84,630
Cost to Serve the Number Needing LIURP	\$205,312,380
Enrollment Size of CRP to Serve All Eligible Customers ³⁵	N/A

Eligibility Criteria

Program Eligibility Criteria

	Income Criteria	Other Criteria
CRP	150% FPL	- May need to make an upfront payment, if a previous CRP agreement was broken, suspended, or inactivated - Must be a residential customer

³⁴ The number of identified low-income customers as of November 2016, used for the LIURP needs assessment, was 120,762.

³² From 2018 Universal Service Programs and Collection Performance Report. The number of identified low-income customers as of November 2016, used for the LIURP needs assessment, was 120,762.

³³ From 2018 Universal Service Programs and Collection Performance Report. In contrast with this number, APPRISE identified 135,158 eligible heat and non-heat customers. <http://www.puc.state.pa.us/pdocs/1614503.pdf>.

³⁴ From 2018 Universal Service Programs and Collection Performance Report.

³⁵ PGW does not have a maximum enrollment limit.

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		<ul style="list-style-type: none"> - Premises' account must be primary residence - PGW must be natural gas supplier
Home Comfort	150% FPL	<p>Single Family Properties:</p> <ul style="list-style-type: none"> - Known to be low income by having i) been on CRP over the prior 24 months; ii) received a LIHEAP, CRISIS or UESF grant over the past 24 months; or iii) been on a level 1 payment arrangement over the prior 24 months - Have weather normalized usage within the top 50% of all known low income customers, and at least twelve months of continuous service at their current property, while removing outliers and anomalies based on the statistical significance of the weather normalized usage. - Have not received LIURP weatherization services over the prior 7 years. - Must reside in a single-family home. If the customer rents the home, their landlord must authorize PGW to perform the weatherization. <p>Multifamily Properties:</p> <p>Initially, buildings with at least 75% of tenants at or below 150% FPL will be targeted. PGW will confirm eligibility by targeting buildings with residents that receive Section 8 housing vouchers or which have Low Income Housing Tax Credits. This program is open to both master metered and individually metered properties.</p>
Hardship Fund (UESF)	175% FPL	<ul style="list-style-type: none"> - Maximum grant is \$1,500 - Combination of grants and customer co-pay must bring the total account balance <u>or CRP cure amount</u> to \$0 - Can receive a grant only once every two years - Must apply for LIHEAP and Crisis first, if they are available
CARES	150% FPL	<ul style="list-style-type: none"> - Must be experiencing difficulty paying a bill due to special circumstances, such as job loss, medical emergency, domestic abuse

Projected Enrollment Levels

The following table shows PGW's projected enrollment levels for the company's CRP, LIURP, CARES, and Hardship fund programs.

**Projected Enrollment Levels
(Through 2020 from Prior Approved Plan)**

Programs	2017	2018	2019	2020	<u>2021</u>	<u>2022</u>
CRP	61,292	77,292	79,292	81,292	<u>75,118</u>	<u>77,118</u>
Home Comfort*	3,553	3,293	3,293	3,293	<u>3,293</u>	<u>3,293</u>
CARES	271	271	271	271	<u>5,000</u>	<u>5,000</u>
Hardship Fund	1,000	1,000	1,000	1,000	<u>1,300</u>	<u>1,300</u>

* Participation for 2017 includes PGW's fiscal year 2017, and spans September 2016 through December 2017. Figures above also include multifamily building participants.

Universal Services Projected Program

Budgets

The following table shows PGW's projected program budgets for the company's CRP, LIURP, CARES, and Hardship Fund programs.

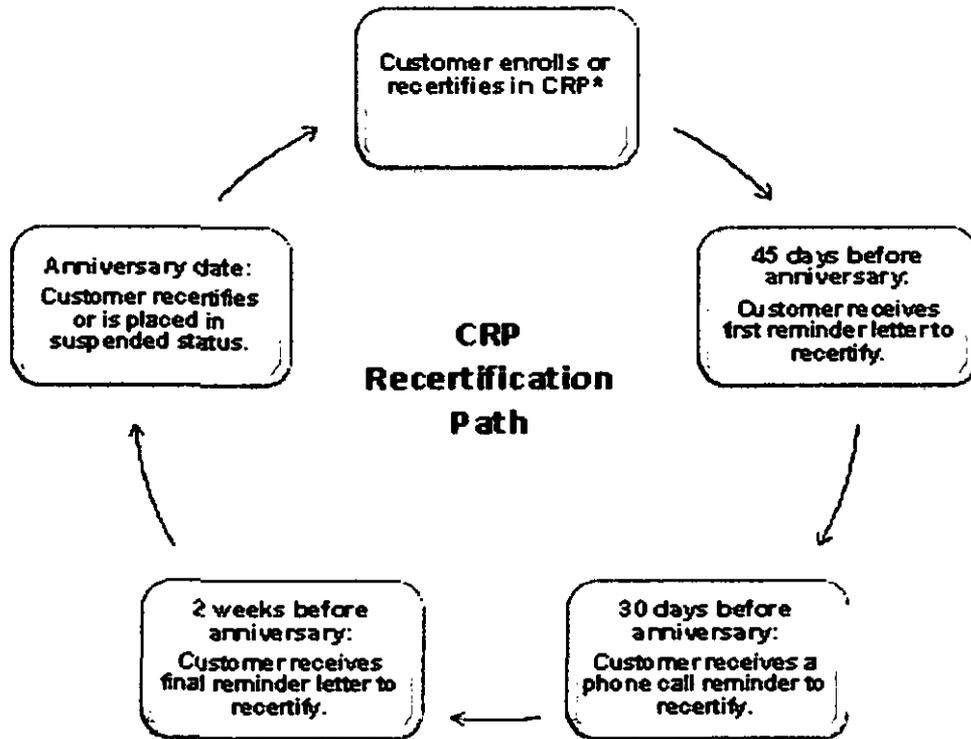
**Universal Service Projected Program Budgets
(Through 2020 from Prior Approved Plan)**

	2017	2018 [±]	2019	2020	<u>2021</u>	<u>2022</u>
CRP	\$49,973,413	\$56,071,383	\$ 58,428,965	\$59,694,816	<u>\$87,018,257</u>	<u>\$88,680,328</u>
Home Comfort	\$8,736,926	\$7,988,818	\$7,988,818	\$7,988,818	<u>\$7,988,818</u>	<u>\$7,988,818</u>
CARES	\$880,800	\$880,800	\$880,800	\$880,800	<u>\$1,041,419</u>	<u>\$1,041,419</u>
Hardship Fund	\$1,055,649	\$1,055,649	\$1,055,649	\$1,055,649	<u>\$1,055,649</u>	<u>\$1,055,649</u>
Total	\$ 60,646,788	\$ 65,996,650	\$ 68,354,232	\$ 69,620,083	<u>\$97,104,143</u>	<u>\$98,766,214</u>

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* For LIURP, this budget includes a prorated budget of \$2,165,482 for calendar months September 2017 through December 2017 (\$541,370 per month), and a PGW 2017 fiscal year (September 2016—August 2017) spend of \$6,571,445 (\$547,620 per month).

Appendix B: Notification Schedule for CRP Recertification Process ³⁶



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³⁶ Customers that do not receive a LIHEAP grant and assign it to PGW are required to recertify annually. (J2576783.2)

Appendix C: UESF Intake Sites

Intake Sites	Address	Phone Number
ACHIEVEability	59 N. 60th Street Philadelphia, PA 19139	(215) 748-8838
Action AIDS	1216 Arch Street 6th Floor Philadelphia, PA 19107	(215) 981-0088
Center in the Park	5818 Germantown Ave Philadelphia, PA	(215) 848-7722
Central Office	1617 J.F.K Blvd Philadelphia, PA 19103	(215) 972-5170
City Hall North	22nd Street and Somerset Ave, Philadelphia, PA	
Concilio	141 E. Hunting Park Ave Philadelphia, PA 19133	(215) 627-3100
Congreso De Latinos Unidos*	216 W. Somerset Street Philadelphia, PA 19124	(215) 763-8870
Dixon House	1920 S. 20th Street Philadelphia, PA 19145	(215) 336-3511
Germantown Avenue Crisis Ministry	35 W. Chelten Ave Philadelphia, PA 19144	(215) 843-2340
Greater Philadelphia Asian Social Service Center**	4943 N. 5th Street Philadelphia, PA 19120	(215) 456-0308
H. A. C. E. *	4907 Frankford Ave Philadelphia, PA 19124	(215) 437-7867
H. A. C. E. *	167 W. Allegheny Ave Philadelphia, PA 19140	(215) 426-8025
Hunting Park N. A. C.	3760 N. Delhi Street Philadelphia, PA 19140	(215) 225-5560
New Kensington CDC*	2515 Frankford Ave Philadelphia, PA 19125	(215) 427-0350
Nicetown CDC	4300 Germantown Ave Philadelphia, PA 19125	(215) 329-1824

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People's Emergency Center	325 N. 39th Street Philadelphia, PA 19104	(267) 777-5854
Strawberry Mansion CDC	2829 W. Diamond Street Philadelphia, PA 19132	(215) 235-7505
Southwest CDC	6328 Paschell Ave Philadelphia, PA 19142	(215) 729-0800
United Communities	2029 S. 8th Street Philadelphia, PA 19148	(215) 468-6111 ext.200
Urban League of Philadelphia	121 S. Broad Street Philadelphia, PA 19107	(215) 985-3220
Water Revenue Bureau	1401 J.F.K Blvd Philadelphia, PA 19101	(215) 686-2717
We Never Say Never	4427 Lancaster Ave Philadelphia, PA 19104	(215) 452-0440

***Spanish speaking assistance available (se habla espanol)**

****Chinese and other language assistance available**

Appendix D: Neighborhood Energy Centers

Energy Center	Address	Phone Number
ACHIEVEability	59 N. 60th Street Philadelphia, PA 19139	(215) 748-8838
Center in the Park	5818 Germantown Ave Philadelphia, PA	(215) 848-7722
Congreso De Latinos Unidos*	216 W. Somerset Street Philadelphia, PA 19124	(215) 763-8870
Diversified Community Services	1920 S. 20th Street Philadelphia, PA 19145	(215) 336-3511
Germantown Avenue Crisis Ministry	35 W. Chelton Ave Philadelphia, PA 19144	(215) 843-2340
Greater Philadelphia Asian Social Service Center**	4943 N. 5th Street Philadelphia, PA 19120	(215) 456-0308
H. A. C. E.*	4907 Frankford Ave Philadelphia, PA 19124	(215) 437-7867
Hunting Park N. A. C.	3760 N. Delhi Street Philadelphia, PA 19140	(215) 225-5560
New Kensington CDC*	2515 Frankford Ave Philadelphia, PA 19125	(215) 427-0350
Nicetown CDC	4300 Germantown Ave Philadelphia, PA 19125	(215) 329-1824
Strawberry Mansion CDC	2829 W. Diamond Street Philadelphia, PA 19132	(215) 235-7505
Southwest CDC	6328 Paschell Ave Philadelphia, PA 19142	(215) 729-0800
United Communities	2029 S. 8th Street Philadelphia, PA 19148	(215) 468-6111 ext.200
We Never Say Never	4427 Lancaster Ave Philadelphia, PA 19104	(215) 452-0440

*Spanish speaking assistance available (se habla espanol)

**Chinese and other language assistance available

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Appendix E: LIURP Coordination

Program/Organization & Description of Coordination
<p>Habitat for Humanity</p> <p>PGW and Habitat for Humanity coordinate services through Habitat's Home Repair and Weatherization Program. Habitat's program focuses on individual neighborhoods and provides weatherization and structural repairs to support housing revitalization. Under this arrangement, PGW and Habitat share data as appropriate and identify customers who are enrolled or eligible for both Habitat's Home Repair and Weatherization Program and Home Comfort. Habitat and PGW contractors identify pre-treatment and structural issues for Habitat to address, and PGW contractors focus on weatherization. Ten projects have been coordinated to date and there are several additional homes under review for coordination.</p>
<p>National Nursing Center Consortium</p> <p>PGW developed collaboration with National Nursing Center Consortium's Lead and Healthy Homes Program. NNCC provides home visits, consultations and home hazard remediation services for homes that have children under seven with asthma conditions, or have the presence of lead paint, pests, or other environmental hazards. PGW will share data to identify homes in both programs, give referrals and coordinate treatment when possible.</p>
<p>Pennsylvania CareerLink Philadelphia</p> <p>PGW has collaborated with the Philadelphia Workforce Investment Board and the Philadelphia Workforce Development Corporation through PA CareerLink Philadelphia to connect local unemployed workers with weatherization training programs and then onto employment with our Home Comfort CSPs. To date, PGW CSPs have hired 32 local, unemployed entry-level workers through this collaboration.</p>
<p>Philadelphia Department of Public Health Green & Healthy Homes and Lead Poison Prevention Programs</p> <p>Through this collaboration, PGW and Healthy Homes share data on customers who are assigned in both programs. Healthy Homes is able to treat many health, safety and structural issues, which then allows Home Comfort CSPs to comprehensively treat homes otherwise not feasible. Five projects have been coordinated to-date.</p> <p>Additionally, through this Green and Healthy Home Initiative collaboration, PDPH has offered to provide free trainings and certifications in identifying relevant health and safety issues to PGW's Home Comfort CSPs. The hope is that this exposure to the relevant issues can be a potential first step in developing a more coordinated in-home collaboration that can achieve significant programmatic savings for all.</p>

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Appendix F: Pilot Consumption Limits Customer Notification

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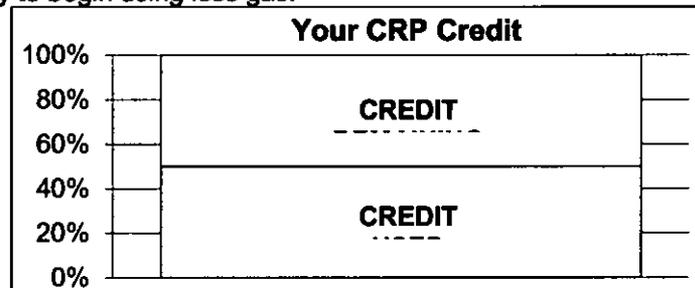
September 15, 2017

PGW Account Number: 999999999
Service Address: 123 Main Street

NOTICE OF LIMITED CRP CREDIT REMAINING

Dear CUSTOMER NAME,

As a participant in PGW's Customer Responsibility Program (CRP) you receive a credit paid for by other PGW customers that covers a portion of your monthly bill. Your current maximum annual credit is \$2,700, subject to changes in PGW's rates. **As of August 2017, you only have 50% of your annual credit remaining.** There is currently no penalty for exceeding your maximum credit, but we encourage you to take steps today to begin using less gas.



You may be eligible for an exemption to the maximum credit if any of the following are true, 1) a family member has recently moved into your household; 2) a member of your household has experienced a serious illness; 3) your house has been condemned or has housing code violations that affect gas use; or, 4) the gas use is otherwise beyond your ability to control. If you wish to request an exemption, please contact PGW at: ###-###-####.

Below are a few steps you can take to save gas to avoid reaching the maximum credit. More savings tips are available at www.pgwenergysense.com/tips-forhomeowners.html.

- During the winter, lower your thermostat to 68°F when you are home and to 58°F if you're going to be away for more than a few hours.
- Lower the temperature of your hot water heater.
- Reduce your shower time, and begin showering immediately after it becomes warm.
- If you have a furnace, check the system's air filter every month and replace if dirty.

You may also conserve natural gas by participating in PGW's Home Comfort program. If you are selected for this free program offering conservation services, be sure to accept the services. It is requirement of CRP and will help you avoid reaching the maximum credit.

Please contact PGW at 215-235-1000 if you require assistance.

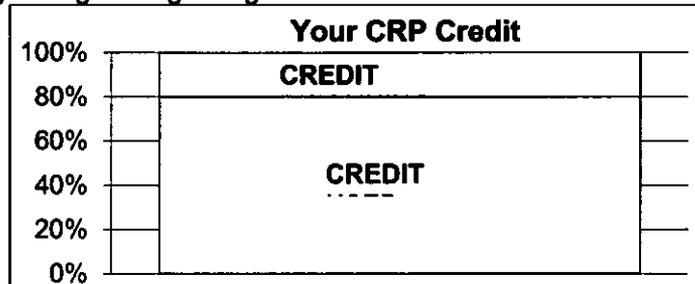
September 15, 2017

PGW Account Number: 999999999
Service Address: 123 Main Street

NOTICE OF LIMITED CRP CREDIT REMAINING

Dear CUSTOMER NAME,

As a participant in PGW's Customer Responsibility Program (CRP) you receive a credit paid for by other PGW customers that covers a portion of your monthly bill. Your current maximum annual credit is \$2,700, subject to changes in PGW's rates. **As of August 2017, you only have 20% of your annual credit remaining.** There is currently no penalty for exceeding your maximum credit, but we encourage you to take steps today to begin using less gas.



You may be eligible for an exemption to the maximum credit if any of the following are true, 1) a family member has recently moved into your household; 2) a member of your household has experienced a serious illness; 3) your house has been condemned or has housing code violations that affect gas use; or, 4) the gas use is otherwise beyond your ability to control. If you wish to request an exemption, please contact PGW at: ###-###-####.

Below are a few steps you can take to save gas to avoid reaching the maximum credit. More savings tips are available at www.pgwenergysense.com/tips-forhomeowners.html.

- During the winter, lower your thermostat to 68°F when you are home and to 58°F if you're going to be away for more than a few hours.
- Lower the temperature of the hot water heater.
- Reduce shower time, and begin showering immediately after it becomes warm.
- If you have a furnace, check the system's air filter every month and replace if dirty.

You may also conserve natural gas by participating in PGW's Home Comfort program. If you are selected for this free program offering conservation services, be sure to accept the services. It is requirement of CRP and will help you avoid reaching the maximum credit.

Please contact PGW at 215-235-1000 if you require assistance.

September 15, 2017

PGW Account Number: 999999999
Service Address: 123 Main Street

NOTICE OF MAXIMUM CREDIT

Dear CUSTOMER NAME,

As a participant in PGW's Customer Responsibility Program (CRP) you receive a credit paid for by other PGW customers that covers a portion of your monthly bill. Your current maximum annual credit is \$2,700, subject to changes in PGW's rates. **As of August 2017, you have reached the maximum annual credit. There is no penalty for exceeding your maximum credit at this time, but we encourage you to take steps today to begin using less gas.** You will continue to be billed for service according to your CRP agreement.

You may be eligible for an exemption to the maximum credit if any of the following are true, 1) a family member has recently moved into your household; 2) a member of your household has experienced a serious illness; 3) your house has been condemned or has housing code violations that affect gas use; or, 4) the gas use is otherwise beyond your ability to control. If you wish to request an exemption, please contact PGW at: ###-###-####.

Below are a few steps you can take to save gas to avoid reaching the maximum credit. More savings tips are available at www.pgwenergysense.com/tips-forhomeowners.html.

- During the winter, lower your thermostat to 68°F when you are home and to 58°F if you're going to be away for more than a few hours.
- Lower the temperature of the hot water heater.
- Reduce shower time, and begin showering immediately after it becomes warm.
- If you have a furnace, check the system's air filter every month and replace if dirty.

You may also conserve natural gas by participating in PGW's Home Comfort program. If you are selected for this free program offering conservation services, be sure to accept the services. It is requirement of CRP and will help you avoid reaching the maximum credit.

Please contact PGW at 215-235-1000 if you require assistance.

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Appendix G:
Consumer Education and Outreach Plan
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Consumer Education and Outreach Plan

PGW uses various forms of communication to perform outreach regarding our universal service programs. These methods vary from direct communication to mass advertising. As part of our outreach efforts, PGW strives to encourage customers to apply for each program. In addition, the company also makes a diligent effort to educate customers on the many benefits that each program provides. Provided below is an outline of the various types of communication used to interact with our low-income customers.

Direct Contact

- Mailings- PGW conducts multiple direct mailing campaigns annually to encourage income-eligible customers to apply for CRP, UESF, LIHEAP and Crisis. This process entails sending both letters and/or postcards to potentially eligible customers to inform them about the benefits of each program and how to apply.
- Outbound Calls- PGW also utilizes outbound calls to perform direct outreach. These calls consist of providing information about eligibility, as well as how to apply. The outbound call function also provides customers with the ability to request an application be mailed directly to their home.
- CSR Training- PGW routinely trains its entire customer-facing staff such as our Customer Service Representatives (CSRs) regarding the company's universal service programs. As part of their training curriculum, representatives are provided with talking points, manuals and resource guides to ensure that they are properly prepared to educate customers on the importance and benefits of each program.
- Customer Service Centers- PGW currently has five customer service centers throughout the city of Philadelphia. There are CSRs available in each office to assist customers with addressing account inquiries, CRP applications and the completion of LIHEAP applications.
- Bill Inserts- In addition to letters, PGW also dedicates space in its monthly newsletter, The Good Gas News, to perform outreach to customers. These communications include promoting CRP as well as the availability of grants such as LIHEAP, Crisis and UESF.

Mass Media Campaigns

- PGW advertises its assistance programs on the radio, TV, mass transit and in community newspapers. Much of the advertising is targeted to communities that have the highest density of customers who can benefit from PGW's programs. In addition, PGW also promotes its assistance programs on the company's website www.pgworks.com. Throughout the site, there are descriptions of each program, as well as link or direct access to applications for customers to download.

Community Outreach

- Community Events- PGW attends numerous community events throughout the year to promote its assistance programs. These events provide the company with the opportunity to have direct

Universal Service and Energy Conservation Plan 2014-20162017-2022 Philadelphia Gas Works

contact with customers to answer questions as well as distribute information. The company is also able to provide application assistance for LIHEAP and enroll customers into CRP onsite.

- Partnerships- PGW has developed partnerships with local city officials, low-income advocates and other external stakeholders to increase awareness of the various resources. Through these partnerships, PGW provides outreach materials as well as conduct presentations to staff in order to increase awareness of the company's programs. The company also attends various events held by partners in order to provide information and enroll customers into assistance programs.
- Workshops/Presentations- Annually, PGW offers approximately 100 educational workshops to its customers. These workshops include information on how to weatherize their homes as well as provide attendees with kits and information packets about the company's assistance programs. Each attendee also provides their contact information, which allows PGW to add them to the appropriate direct contact campaign to receive additional information regarding other resources that may be available to them.
- Brochures/Outreach Materials- PGW has a number of outreach materials explaining the various programs available to its customers. These document and brochures are available in five different languages, and is often distributed at various events and provided to local partners.

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of the **Addendum to PGW's Universal Service and Energy Conservation Plan 2017-2022** upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

Via Email and/or First Class Mail

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Darryl Lawrence, Esq.
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Harrisburg, PA 17101-1921

Joseph Magee
Sarah Dewey
Bureau of Consumer Services
PA Public Utility Commission
PO Box 3265
Harrisburg, PA 17105-3265

Sharon Webb, Esq.
Office of Small Business Advocate
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Harrisburg, PA 17101

Josie B. H. Pickens, Esq.
Robert W. Ballenger, Esq.
Community Legal Service, Inc.
North Philadelphia Law Center
1410 West Erie Avenue
Philadelphia, PA 19102

Joseph Minott
Logan Welde
Clean Air Council of Philadelphia
135 South 19th St., Suite 300
Philadelphia, PA 19103

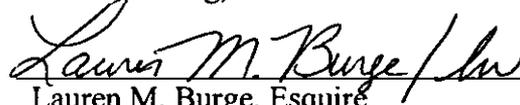
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Date: January 6, 2020



Lauren M. Burge, Esquire
Attorney for Philadelphia Gas Works