



CITY OF PHILADELPHIA

JAMES F. KENNEY

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August, 17, 2018

The Honorable Gladys Brown Dutrieuille, Chairman
The Honorable David W. Sweet, Vice Chairman
The Honorable John F. Coleman, Commissioner
The Honorable Ralph V. Yanora, Commissioner

Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 3rd Floor
Harrisburg, Pennsylvania 17120

Re: Emergency Order at Docket Number M-2020-3019244

Dear Commissioners,

Philadelphia residents have long faced challenges paying for utilities and the city has the fifth highest energy burden in the country. In certain neighborhoods Philadelphia residents expend 7-10% of their income to afford basic utilities, double to triple the state average of 3%. The COVID-19 pandemic and its economic fallout will both exacerbate this issue already affecting thousands of Philadelphians and pull thousands more into uncertain financial positions. In particular, higher utility bills for cooling in the summer will present untenable costs for many residents, given new and existing financial hardships.

The Pennsylvania Public Utilities Commission's (PUC) mandated moratorium on utility shut-offs has helped protect hundreds of thousands of Philadelphia residents from utility shut-offs during the economic crisis caused by Covid-19. According to a recent letter to the PUC, PECO has indicated that nearly 128,000 residential customers in Philadelphia could be subject to termination of services if the PUC rescinds the shut-off moratorium this summer, compared to only 38,000 at this time last year. Similarly, many water customers could lose access to safe drinking water with a lifting of the moratorium. Currently, over 64,000 Philadelphia Water Department customer accounts are eligible for shutoff due to payment delinquency – including over 58,000 residential customers and over 5,700 commercial customers. This is an increase of 25,000 from this time last year when approximately 39,000 water accounts were eligible for shutoff.

While we understand a moratorium cannot stay in place indefinitely, the circumstances that necessitated the moratorium in the spring have not changed, and in fact, in some ways have worsened. We believe before the moratorium can be safely lifted, a comprehensive plan must be put forward that protects our most vulnerable residents from exorbitant bills and/or shut-offs and that enables utilities to be made whole without burdening low-income customers.

First, an additional allocation of funding through the CARES Act should be directed towards utilities and their customers. For years, LIHEAP funding has been a critical lifeline to thousands of low-income Philadelphians struggling to afford utility bills in the winter months and is now being made available to customers during the summer period for the first time. Water utility customers are also facing unprecedented emergencies and need additional support. An additional allocation of at least \$150 million for Pennsylvania's utility customers will ensure that we have sufficiently funded programs in place to aide our residents during this most challenging of times.

This plan should also ensure that customers can access utility support programs. Utilities would need to confirm their customer service units are able to adequately respond to requests while staff may be working from home and have a plan for filling any staff shortages that may occur. Many organizations such as neighborhood energy centers or housing counseling agencies that serve to connect utility customers with support programs are currently closed or operating at reduced capacity, so a plan should also include strategies and resources to enable these organizations to fully serve their clients. Utilities should also be required to proactively contact their customers to make them aware of new or existing programs they may be eligible for prior to or during the process of a shut-off.

Lastly, we encourage the PUC to push utilities to provide flexibility to customers currently behind on their bills in making new payment agreements or extending existing agreements that may have been broken due to the extraordinary circumstances. The relaxing of requirements to enter into agreements should also be considered.

Thank you for your time and consideration of this issue.

Sincerely,

A handwritten signature in black ink that reads "James F. Kenney". The signature is written in a cursive style with a large, sweeping "J" and "K".

James F. Kenney
Mayor