



Tishekia E. Williams
Director, Regulatory Legal

411 Seventh Avenue
Mail drop 15-7
Pittsburgh, PA 15219

Tel: 412-393-1541
Fax: 412-393-5757
twilliams@duqlight.com

November 6, 2020

Via Electronic Filing

Ms. Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building, 2nd Floor
400 North Street
Harrisburg, Pennsylvania 17120

**Re: Petition of Duquesne Light Company for Implementation of the Percentage of
Income Payment Plan Customer Assistance Program as Proposed on January 6, 2020
Docket No. M-2019-3008227
Docket No. P-2020-_____**

Dear Secretary Chiavetta:

Enclosed for filing please find the Petition of Duquesne Light Company (“Duquesne Light” or the “Company”) for Implementation of the Percentage of Income Payment Plan as Proposed on January 6, 2020. For the reasons set forth in the enclosed Petition, the Company is seeking **expedited approval**.

Duquesne Light respectfully requests that the Pennsylvania Public Utility Commission (“Commission”) direct that Answers to this Petition, if any, be filed within ten (10) calendar days from the date of filing.

Electronic copies of this the Petition have been served on those listed on the Certificate of Service, including the parties to Duquesne Light’s Universal Service filing at docket number M-2019-3008227.

Please contact me with any questions, comments, or concerns.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Tishekia E. Williams". The signature is written in a cursive style and is positioned above the printed name and title.

Tishekia E. Williams
Director, Regulatory Legal

Enclosure

cc: Certificate of Service (w/ encl.)

throughout its certificated service territory, which includes all or portions of Allegheny and Beaver Counties and encompasses approximately 800 square miles in western Pennsylvania.

3. The names, addresses and telephone numbers of Duquesne Light's attorneys authorized to receive all notices and communications regarding this filing are as follows:

Tishekia E. Williams (ID #208997)
Emily M. Farah (ID # 322559)
Duquesne Light Company
411 Seventh Avenue, MD 15-7
Pittsburgh, PA 15219
Phone: 412-393-1541
Email: twilliams@duqlight.com
Email: efarah@duqlight.com

4. The attorneys listed above consent to electronic service of documents related to this proceeding.

II. BACKGROUND

5. The Commission approved Duquesne Light's 2017-2019 USECP by order entered on April 19, 2018 at docket number M-2016-2534323.

6. Pursuant to the 2017-2019 USECP, the Company agreed to implement a PIPP structure for CAP customers as follows:

Income Category	Residential Service Non-Electric Heat Percentage of Income Payment	Residential Electric Heat Percent of Income Payment
0%-50% FPIG	3%	7%
51%-100% FPIG	4%	8%
101%-150% FPIG	5%	9%

7. On February 28, 2019, Duquesne Light filed its 2020-2023 USECP at docket number M-2019-3008227, which included a proposal to implement the new CAP structure as outlined in paragraph 6, above. The Commission did not act on the February 28, 2019 USECP

proposal.

8. Subsequently, after a thorough investigation, the Commission entered a Final Policy Statement and Order adopting CAP Policy Statement at 52 Pa. Code §§ 69.261-69.267 docketed at M-2019-3012599 (“Final Policy Statement and Order”).

9. In its Final Policy Statement and Order, entered on November 5, 2019, the Commission strongly encouraged electric distribution companies (“EDCs”) to establish the following maximum tiered CAP energy burdens:

Income Category	Residential Service Non-Electric Heat Percentage of Income Payment	Residential Electric Heat Percent of Income Payment
0%-50% FPIG	2%	6%
51%-100% FPIG	4%	10%
101%-150% FPIG	4%	10%

10. Notably, the Commission stated in its Final Policy Statement and Order, “[w]e strongly urge the EDCs ... to incorporate these CAP Policy Statement amendments in their USECPs as fully and quickly as possible,” and suggested “amendments should be operational by or before January 1, 2021.”

11. Among others, the Energy Association of Pennsylvania (EAP) sought reconsideration and clarification regarding the Final Policy Statement and Order.

12. On February 6, 2020, the Commission entered an Order on Reconsideration and Clarification, which that required EDCs to “file a cover letter, an addendum reflecting extended terms of a USECP, and an addendum reflecting CAP changes as the utility proposes to implement.”

13. On January 6, 2020, Duquesne Light filed a cover letter and a revised USECP,

reflecting changes to its PIPP to mirror the energy burdens in the Final Policy Statement and Order, among other things. See Exhibit A.

14. The proposed changes to the PIPP tiers included in the Company's January 6th filing provide *greater affordability for Duquesne Light CAP customers in four of the six PIPP tiers* as compared to the February 2019 USECP filing. The details of the CAP program are otherwise nearly identical because Duquesne Light's CAP already included many of the recommendations contained in the Final Policy Statement and Order

15. To date, the Commission has not granted or denied Duquesne Light's January 6, 2020 revised USECP with the energy burden levels that mirror the Final Policy Statement and Order.

16. By this Petition, Duquesne Light is respectfully requesting Commission approval to implement the revised energy burden tiers as outlined in the Company's January 6, 2020 USECP and strongly urged the Commission's Final Policy Statement and Order.

III. PETITION FOR EXPEDITED APPROVAL OF DUQUESNE LIGHT'S PIPP CAP AS PROPOSED ON JANUARY 6, 2020 IS REASONABLE AND IN THE PUBLIC INTEREST

A. The PIPP tiers outlined in the Commission's Final Policy Statement and Order and proposed in Duquesne Light's January 6, 2020 USECP provide greater affordability for low income Duquesne Light customers, which is greatly needed as a result of the pandemic, and does not create an undue burden on non-CAP customers.

17. At the outset, Duquesne Light commends the Commission for its extensive efforts to ensure affordability and access to essential electric and natural gas service. The Commission's examination of energy burdens and affordability "involved a holistic review of universal service and energy conservation programs, including a thorough examination of the effects of the Commission's current energy burden thresholds, focusing on whether existing CAP pricing is affordable for low-income customers."

18. Duquesne Light is supportive of the Commission's overall objectives and seeks to

ensure that its customers, particularly those most in need, have access to affordable electric distribution service.

19. Based on the Commission's years-long review in two proceedings¹ related to energy affordability, it established new maximum tiered CAP energy burdens of 4% for electric non-heating, and 10% for electric heating for FPIG tiers 51%-100% and 101%-150%. For FPIG tier 0% 50%, 2% for electric non-heating, and 6% for electric heating.

20. Based on the Commission's Final Policy Statement and Order, the Company proposed changes to its approved USECP to be consistent with the Commission's Final Policy Statement and Order on January 6, 2020.²

21. The bill impact associated with implementing the PIPP tiers in the Company's January 6, 2020 revised USECP and the Commission's Final Statement and Order is minimal - less than \$5 per year for non-CAP residential customers.

22. The average non-CAP customer would see a monthly bill impact of just \$0.35 in calendar year 2021 and \$0.36 in calendar year 2022.

23. It is reasonable and in the public interest to implement the energy burden tiers in Duquesne Light's proposed USECP, as recommended by the Commission, because the tiers provide greater affordability to many of the Company's most economically vulnerable customers

¹ The two separate proceedings were identified as: (1) Energy Affordability for Low-Income Customers at Docket No. M-2017-2587711, and (2) Review of Universal Service and Energy Conservation Programs, Docket No. M-2017-2596907.

² At the time of the January 2020 filing, Duquesne Light's CC&B upgrade was well underway with an expected go-live date of July 2020. The Commission's Policy Statement and Order strongly suggested that utilities plan to implement CAP changes by January 2021. The Company had no knowledge of when the Commission would review its proposed filing, or the status of other proceeding to which it was not a party. However, Duquesne Light did not believe that the customers' best interest would be served by changing CAP customer bill amounts in July 2020, and then again in January 2021. Accordingly, the Company programmed the new PIPP tiers into the system with in hopes that it may have further guidance before the Commissions' suggested deadline of January 2021. Shortly after the filing, the Company was forced to transition to remote working for most employees as a result of the pandemic. The CC&B implementation was delayed and other operational impacts occurred as result of the pandemic. Historically, the Company maintains its existing USECP until a new plan is approved. The Company will continue that practice in the future.

with minimal cost impact to non-CAP residential customers. Moreover, because Duquesne Light CAP customers will receive complete arrears forgiveness at go-live, implementation of the policy statement will provide the Commission, Company and stakeholders the ability to clearly evaluate the impacts of the policy statement. Without implementation, we can only speculate as to whether the new PIPP tiers will help CAP customer maintain service and reduce arrears.

B. Changes to Duquesne Light's currently planned PIPP implementation will require additional system testing and training, which significantly increases the risk of complications at go-live.

24. Duquesne Light's PIPP CAP is inextricably tied to its planned Customer Care and Billing (CC&B) upgrade, named "Project Spark."

25. In light of the Final Policy Statement and Order's recommendation to amend USECPs with adjusted energy burden tiers as "fully and quickly" as possible, Duquesne Light's filed its revised USECP January 6, 2020 while simultaneously developing Project Spark.

26. Duquesne Light was presented with the unique problem of potentially implementing PIPP tiers in 2020 and then being required to change those tiers shortly thereafter in early 2021.

27. Project Spark was built to be consistent with the Commission's suggestion for the amendments to USECP energy burden tiers to be operational by or before January 1, 2021.

28. Project Spark is expected to be completed in 2020.

29. Generally, changes to the PIPP tiers are not overly time consuming, expensive or complex. However, given the proximity to go-live, a change carries substantial risk. Duquesne Light is in the midst of rigorous testing to ensure that the go-live is as smooth as possible for its employees and customers. As such, a "code freeze" has been implemented to prevent further changes during system testing.

30. Changes to Duquesne Light's planned PIPP implementation will require additional testing and user training, therefore significantly increasing the risk of complications at go-live.

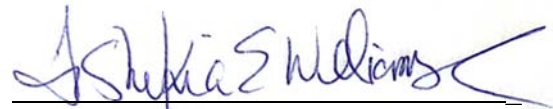
31. Additional testing and user training at this time *may* contribute to delays in the Project Spark go-live.

32. Due to the risk associated changing the PIPP tiers at this juncture, Duquesne Light requests Commission approval allowing Duquesne Light to implement the new energy burden tiers.

IV. CONCLUSION

WHEREFORE, Duquesne Light Company requests that the Pennsylvania Public Utility Commission approve the instant petition on an expedited basis and enter an order authorizing the Company to implement its PIPP CAP in accordance with the energy burden tiers as outlined in its USECP filed on January 6, 2020.

Respectfully submitted,



Tishekia E. Williams (ID #208997)

Duquesne Light Company

411 Seventh Avenue, MD 15-7

Pittsburgh, PA 15211

Telephone: 412-393-1541

Email: twilliams@duqlight.com

Date: November 6, 2020

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Duquesne Light Company for
Implementation of the Percentage of Income
Payment Plan Customer Assistance Program as
Proposed on January 9, 2020

:
:
:
:
:
:
:
:
:

Docket Nos. M-2019-3008227
P-2020-_____

VERIFICATION

I, Katherine Scholl, Director of Customer Experience for Duquesne Light Company, hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements made herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: 11/06/2020



Katherine Scholl
Director, Customer Experience
Duquesne Light Company

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA ELECTRONIC MAILING ONLY

Tanya J. McCloskey
Christy M. Appleby
Pennsylvania Office of Consumer
Advocate
TMcCloskey@paoca.org
CApplby@paoca.org

Joseph Magee
Pennsylvania Public Utility Commission
Bureau of Consumer Services
jmagee@pa.gov

Richard Kanaskie
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
rkanaskie@pa.gov

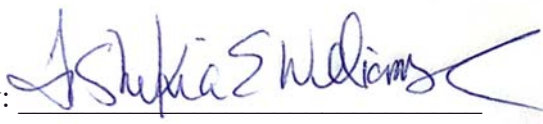
Louise Fink-Smith
Pennsylvania Public Utility Commission
Law Bureau
finksmith@pa.gov

Sharon E. Webb
Pennsylvania Public Utility Commission
Office of Small Business Advocate
swebb@pa.gov

Elizabeth R. Marx
Pennsylvania Utility Law Project
Counsel for CAUSE-PA
emarxPULP@palegalaid.net

Date: 11/06/2020

DUQUESNE LIGHT COMPANY

By: 
Tishekia E. Williams, Esq.



Tishekia E. Williams
Director, Regulatory Legal

411 Seventh Avenue
Mail drop 15-7
Pittsburgh, PA 15219

Tel: 412-393-1541
Fax: 412-393-5757
twilliams@duqlight.com

January 6, 2020

Via Overnight Delivery

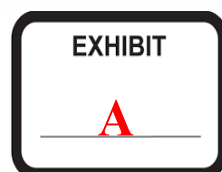
Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building, 2nd Floor
400 North Street
Harrisburg, PA 17120

**Re: Duquesne Light Company Universal Service and Energy Conservation Plan for
2020-2022 Submitted in Compliance with 52 Pa. Code. §54.74
Docket No. M-2019-3008227**

Dear Secretary Chiavetta:

Enclosed please find clean and redlined copies of Duquesne Light Company's ("Duquesne Light" or "Company") proposed amended 2020-2025 Universal Service and Energy Conservation Plan ("USCEP").¹ The Company initially filed its USECP on February 28, 2019. Subsequently, the Pennsylvania Public Utility Commission ("Commission") issued various Opinion and Orders related to universal service programs in Pennsylvania. Relevant to this filing, on November 5, 2019, the Commission entered a Final Policy Statement and Order adopting customer assistance program (CAP) policy changes and amending its existing CAP Policy Statement at 52 Pa. Code § 69.261–69.267 at docket number M-2019-3012599. In its Final Policy Statement and Order, the Commission stated "[w]e strongly urge the EDCs and the

¹On October 3, 2019, the Commission issued an Order implementing a pilot universal service and energy conservation plan (USECP) filing schedule and universal service impact evaluation filing schedule, (Docket No. M-2019-3012601). The pilot extends the duration of USECPs from three (3) years to five (5) years. Accordingly, Duquesne Light's proposed USECP covers the timeframe of 2020-2025.





NGDCs to incorporate the CAP policy amendments in their USECPs as fully and quickly as possible... ”² Specifically, the Commission suggested that electric distribution companies (“EDCs”) and Natural Gas Distribution Companies (“NDGCs”) address the following seventeen (17) changes to the CAP policy statement:

- 1.a Establish new maximum tiered CAP energy burdens of 6% for natural gas heating, 4% for electric non-heating, and 10% for electric 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, 2% for electric non-heating, and 6% for electric heating.
- 1.b. Minimum CAP payment requirements should be set in USECP proceedings. Utilities may propose alternatives to a flat minimum payment for each account type, such as basing them on the household’s FPIG level.
2. Utilities should allow CAP households to retain CAP enrollment when they transfer service within the utility’s (or an affiliate’s) service territory.
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.
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.
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.

² On November 20, 2019, the Energy Association of Pennsylvania (EAP) filed a *Petition for Reconsideration and Clarification of the Final Policy Statement Order Entered on November 5, 2019*. Duquesne Light supports the *Petition* filed by the EAP and is voluntarily submitting the proposed changes contained in the attached USECP.



6. Utilities should exempt CAP customers from late payment charges.
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.
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.
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).
10. Utilities should establish online CAP applications and allow customers to submit documentation electronically.
11. Utilities should use a standardized zero-income form and develop other industry-wide standardized forms.
12. Establish new maximum recertification timeframes for CAPs:
 - CAP households reporting no income should be required to recertify at least every six (6) months regardless of LIHEAP participation;
 - CAP households with income that participate in LIHEAP annually should be required to recertify at least once every three (3) years;
 - 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
 - All other CAP households should recertify at least once every two (2) years.
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.
14. Utilities should evaluate household CAP bills at least quarterly to determine whether the customer's CAP credit amount or billing method is appropriate.



15. Utilities should work with stakeholders to develop Consumer Education and Outreach Plans.
16. Utilities should use the definition of “household income” in Chapter 14 of the Public Utility Code.
17. Utilities should be prepared to address recovery of CAP costs (and other universal service costs) from any ratepayer classes in their individual rate case filing.

Duquesne Light supports the Commission’s efforts to maintain affordable electric and natural service for Pennsylvania electric and natural gas customers. The Commission’s evaluation of low income programs and energy burdens resulted in several policy changes that will benefit low income customers. Indeed, Duquesne Light’s existing USECP is already consistent with many of the proposed changes enumerated above. Specifically, Duquesne Light’s USECP is consistent with items 1b, 2-11 and 14 listed above. Accordingly, the enclosed USECP does not include a material discussion of items 1b, 2-11, or 14 as no additional changes are proposed. The remaining items are addressed below.

Issue No. 1a: Tiered CAP energy burdens based on percentage of income.

The Company plans to implement percentage of payment plan (PIPP) discounts for its CAP customers in July 2020. Pursuant to the Company’s initial USECP filed on February 28, 2019, CAP customers will be billed in one of three ways: 1) a percentage of their monthly gross household income, as outlined in the chart below 2) the average monthly bill; or 3) their actual usage if less than PIPP and average monthly bill.



Method 1: PIPP

Income Category	Residential Service Percent of Income Payment:	Residential Electric Heat Percentage of Income Payment:
Up to 50% FPL	3%	7%
51% to 100% FPL	4%	8%
101% to 150% FPL	5%	9%
*Minimum Payment	\$20	\$40

If the customer's average monthly bill (based on a 12 month rolling average that would otherwise be the budget billing payment) is less than what the CAP bill would be as determined in Method 1 (above), the customer's monthly payment will equal the 12 month average bill. The monthly payment is reviewed and updated (if necessary) every four months to determine whether the customer is best served in the PIPP or in the Average Monthly Bill plan. The average monthly bill is not the budget amount and is not subject to reconciliation.

If the customer's actual usage is less than what the CAP bill would be as determined in Method 1 or Method 2, the customer's payment will equal their actual usage for that month. Customers whose actual usage in any given month results in a bill that is less than the Minimum Payment are billed based on actual usage.

Duquesne Light proposes to modify its percentage of income plan tiers to mirror the policy statement recommendation. Namely, CAP customers at 0-50% of the FGIP will be required to pay 4% for electric non-heating, and 10% for electric heating customers at FPIG tiers 51%-100% and 101%-150%. CAP customers at 0-50% of the FGIP will be required to pay 2% for electric non-heating, and 6% for electric heating FPIG tiers 51%-100% and 101%-150%. The Company is not proposing changes to the average monthly bill or actual usage payment



options. Overall, the cost associated with the proposed change in PIPP tier immaterial and reflected in the Company revised budget.

Issue No. 12: Recertification Timeframes

Under the Company’s existing USECP, customers reporting \$0 household income are required to recertify their income and occupancy information every six months. All other CAP customers are required to recertify their income and occupancy information every two years. The Company proposes to maintain the existing recertification timeframes, which is consistent with the Commission’s policy that all CAP customers recertify their income *at least* once every three years.

Under the Commission’s new CAP policy statement, recertification timeframes for CAPs are as follows:

- At least every six (6) months for customers reporting zero income regardless of LIHEAP participation;
- At least once every three (3) years for households with income that participate in LIHEAP annually;
- At least once every three (3) years for households whose primary source of income is SSI or pensions; and
- At least once every two (2) years for all other CAP households.

Failure to recertify results in removal from the CAP and loss of the associated protections. Accordingly, Duquesne Light believes the recertification requirements should be straightforward and consistent whenever possible. With the exception of customers reporting zero income, all CAP customers will be required to recertify their income every other year.



Issue No. 13: CAP customer collections.

The new CAP policy statement provides that utilities should initiate collection activity for CAP accounts when a customer has no more than two (2) in-program payments in arrears. The policy statement further provides that customers should not be removed or defaulted from CAP as a precursor to termination for non-payment. Presently, Duquesne Light customers are not removed from CAP for failure to make timely payments. The Company is not proposing changes to its default provisions for CAP customers.

Additionally, Duquesne Light is not proposing to change its collections practices for CAP customers, at this time. Duquesne Light intends to evaluate CAP customer payment patterns, account balances and the total costs of the collection process. The Company will make changes to its collection practices as necessary and appropriate based on its findings. The Company notes that EDCs and NGDCs are required to report collection expenses annually. EDCs and NGDCs are required to report high balance accounts, and are also subject to civil penalties if its collection practices are found to be unreasonable or otherwise lacking. The Company has significant concerns regarding including specific collection requirements for CAP customers in its USECP. Collection requirements approved as a part of the USECP review are legally binding and changes would require regulatory approval. The Company's collection practices are holistic and take into account factors such as the geographic location of customers with delinquent accounts, ability to pay, payment history, and other relevant factors. Management must have the discretion and flexibility to evaluate its collections practices in real time and adjust as needed without incurring the administrative cost, burden or delay associated with the regulatory approval process.

Issue No. 15: Utilities should work with stakeholders to develop Consumer Education and Outreach Plans.

Duquesne Light has historically worked its Income Eligible Advisory Committee to develop and review customer education and outreach plans related to its universal services program. Duquesne Light intends to continue this practice.



Issue No. 16: Utilities should use the definition of “household income” in Chapter 14 of the Public Utility Code.

Presently, Duquesne Light considers all income, except income issued in the name of a minor as “household income.” For example, if a CAP customer has a minor child that is employed, that minor’s income would be excluded from the “household income.” Conversely, government benefits issued for the benefit of the child, such as SSI or SSDI are presently included as household income. The Company has not yet determined how current CAP customer discounts would be impacted by excluding all minor income. Historically, the Company has not tracked the number of customers that may have been over the income guidelines for CAP as a result of income issued to a minor. Accordingly, it is difficult to determine how use of the Chapter 14 definition of “household income” would impact customer enrollment and universal service programs costs. The costs and impact of such changes may be significant. Accordingly, Duquesne Light believes it would be prudent to evaluate this issue more closely prior to implementing changes, and proposes to gather additional information prior to proposing changes to the definition of income.

Issue no. 17: Utilities should be prepared to address recovery of CAP costs (and other universal service costs) from any ratepayer classes in their individual rate case filing.

Duquesne Light will be prepared to address recovery of universal services costs from any customer classes in its future rate case filings.



Please feel free to contact me with any questions, comments or concerns.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Tishekia E. Williams", is written over the typed name.

Tishekia E. Williams
Attorney ID#208997

Enclosures

Cc: Certificate of Service via U.S. Postal Service and Electronic Mail
Joseph Magee, via email at jmagee@pa.gov
Jennifer Johnson, via email at jennifjohn@pa.gov
Christina Chase-Pettis, via email at cchasepett@pa.gov
Shari A. Williams, via email at shariwilli@pa.gov
Louise Fink Smith, email at finksmith@pa.gov.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of Pa Code § 1.54 (relating to service by a participant):

FIRST-CLASS MAIL

Bureau of Investigation & Enforcement
Commonwealth Keystone Building
400 North Street, 2nd Floor West
PO Box 3265
Harrisburg, PA 17105-3265

Sharon E. Webb, Esquire
Assistant Small Business Advocate
Office of Small Business Advocate
555 Walnut Street, 1st Floor
Harrisburg, PA 17101

Christine M. Appleby, Esquire
Assistant Consumer Advocate
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923

Elizabeth Marx, Esquire
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101



Tishekia Williams, Esquire.
Duquesne Light Company
411 Seventh Avenue, 16-1
Pittsburgh, PA 15219
Phone: 412-393-1541
Fax: 412-393-5757
Email: twilliams@duqlight.com

Dated: January 6, 2020



**Universal Services
and
Energy Conservation Plan**

~~Three-Year Plan~~

2020-202~~5~~2

Submitted ~~February 28, 2019~~ January 6, 2020

Table of Contents

I. Introduction	3
II. Background	3
III. Customer Assistance Program (CAP).....	5
A. Objectives	5
B. Summary of Proposed Changes.....	65
C. Program Description.....	65
D. Eligibility Requirements	1513
E. Projected Needs Assessment (based on Census data)	1613
F. Projected CAP Enrollment	1715
G. Projected CAP Budget.....	1816
H. Plans to use Community Based Organizations	1916
I. Organizational Structure	2017
IV. Customer Assistance Referral and Evaluation Services (CARES)	2117
A. Program Description.....	2117
B. Program Eligibility.....	2218
C. Enrollment Levels	2218
D. Program Budget.....	2218
E. Needs Assessment.....	2219
F. Community-Based Organizations	2319
G. Organizational Structure of Duquesne Light Staff.....	2320
V. Hardship Fund	2420
A. Program Description.....	2420
B. Eligibility.....	2420
C. Projected Budget.....	2521
D. Needs Assessment	2622
E. Community-Based Organizations	2622
F. Organizational Structure of Duquesne Light Staff	2824
VI. Smart Comfort (LIURP)	2824
A. Program Description.....	2824
B. Program Eligibility.....	3126
C. Program Integration.....	3227
D. Projected Enrollment & Needs Assessment.....	3427
E. Program Budget	3529

I. Introduction

Duquesne Light Company (“Duquesne Light” or “Company”) has a comprehensive Universal Service and Energy Conservation Plan, which consists of its Customer Assistance Program (“CAP”), Customer Assistance and Referral Evaluation Services (“CARES”), Low Income Usage Reduction Program (“LIURP”), and Hardship Fund administered by Dollar Energy. The goals of Duquesne Light’s universal service programs are to provide and maintain affordable service for income qualified customers, to assist income qualified customers to conserve energy and reduce residential utility bills, and to operate its universal service programs in a cost effective and efficient manner.

II. Background

Customer Assistance Program

Duquesne Light’s CAP was first implemented as a pilot in September 1995. CAP is a special payment program for income qualified, payment-troubled customers. The initial CAP pilot was designed to help customers lower their electric consumption to achieve an affordable electric bill. Eligibility for the initial CAP pilot was limited to customers with 1) a gross household income at or below 150 percent of Federal Poverty Level (“FPL”), 2) at least one year of residency at their address, 3) housing expenses that were more than 45 percent of their gross income, 4) customers who made 3 to 9 payments in the past year, and 5) had at least a \$400 arrearage on their electric bill. The program’s case management approach offered significant support and in depth guidance to the customers to change their payment and usage behavior patterns.

In January of 2001, Duquesne Light simplified the program by revising eligibility requirements and removing the residency, arrearage and payment history requirements. The Company also eliminated the 3-year program limit requirement in order to allow all income eligible, payment-troubled customers who maintain a satisfactory payment-history under CAP to stay in the program.

In 2004, Duquesne Light simplified the program further by eliminating the customer co-pay of \$5 per month. The Company also reduced CAP customers’ payment requirements for customers below 50 percent of poverty guidelines, and between 51 percent and 100 percent of poverty guidelines in accordance with the Pennsylvania Public Utility Commission (“Commission”) CAP Compliance Guidelines.

In January 2007, Duquesne Light again adjusted CAP customers’ payment requirements to provide bill affordability. An analysis was done to determine if CAP percentage levels should be adjusted in accordance with FPL guidelines released in February 2006. This analysis was completed using income and occupant information provided to Duquesne Light by the CAP customer. It was found that CAP customers in certain income

categories were able to afford a higher percentage of their budget bill. Accordingly, CAP customers' required payments were increased between 5 percent and 10 percent for the following three income levels.

101%-150% non-heat CAP customers (RS)	(5% Increase)
51%-100% heat CAP customers (RH)	(5% Increase)
101%-150% heat CAP customers (RH)	(10% Increase)

In January 2011, Duquesne Light initiated the "Automatic Enrollment" feature into the CAP Program. Upon receipt of a Low Income Home Energy Assistance Program ("LIHEAP") grant, customers were automatically enrolled in the Company's CAP program at 100% of their budget amount and collections were temporarily halted to permit customers time to complete the CAP enrollment process including income verification. Consistent with the Company's commitment to encouraging energy conservation, in January 2012, Duquesne Light piloted the installation of Smart Strip surge protectors in collaboration with its Energy Efficiency and Conservation Act 129 program, "Watt Choices."

In its 2014-2016 plan and as approved by the Commission in the Company's Rate Case Settlement at Docket No. R-2013-2372129, Duquesne Light increased its maximum annual CAP credits to assist income qualified customers in managing their energy burden. Duquesne Light increased the maximum CAP credit from \$560 to \$700 for non-heating customers and from \$1,400 to \$1,800 for heating customers. The Company also eliminated the requirement for customers to provide their social security number as a requirement for CAP participation provided that customers can provide sufficient alternative identification.

The 2017-2019 Universal Services Three Year Plan, as amended by Commission order entered July 20, 2017, at Docket No. M-2016-2543423, included several program enhancements and modifications, including:

- Allowing customers to complete CAP enrollment via telephone interview;
- Implementing a targeted CAP outreach program for customers that receive a LIHEAP grant in lieu of auto-enrollment; and
- Requiring all CAP customers to recertify their income once every two years.
- An increase in the percentage of budget discounts for CAP customers; and
- An increase in the CAP maximum credits from \$700 to \$1500 per program year for non-heating customers.

In addition, the Percent of Budget Plan CAP tiers were also updated as follows:

Income (% FPL)	Non-Electric Heating	Electric Heating
Up to 50%	15%	25%
51% - 100%	40%	60%
101 - 150%	80%	80%

In that proceeding, the Commission also approved the joint proposal of the Company, the Office of Consumer Advocate and CAUSE-PA to make further changes to the Company's CAP program beginning ~~January 1~~July, 2020.¹

~~Consistent with the Commission's instruction, w~~With this 2020-2025~~2~~ plan, the Company will transition CAP from a Percent of Budget program to a Percent of Income Payment Plan (PIPP), with CAP credit maximums tailored to specific income tiers; increase the minimum bill for non-electric heating customers from \$15 to \$20; require zero-income customers to recertify their income every 6 months; and provide an opportunity for customers to earn forgiveness on existing in-program debt when they transition to the new PIPP. The Company will track and report the average annual deficiency for non-electric and electric heat customers in connection with its ~~triennial~~ universal service and energy conservation filings.

This 2020-2025~~2~~ Universal Services ~~Three-Year~~ Plan includes additional program enhancements and modifications, including:

- The CARES budget will be increased by \$10,000 annually to extend support to the Company's most ~~fragile-vulnerable~~ customers.
- Community Based Organizations administering the CAP program will establish offices in underserved areas in the south and eastern portions of the service territory.
- LIURP will be expanded and updated, consistent with the Company's Rate Case Settlement at Docket No. R-2018-300124.

III. Customer Assistance Program (CAP)

A. Objectives

Duquesne Light has redesigned its CAP with the goal of developing and implementing a program that will:

¹ See *Duquesne Light Company Universal Service and Energy Conservation Plan*, Order on Reconsideration, at Appendix A (entered April 19, 2018, at Docket No. M-2016-2543423).

- Make electric service affordable for income eligible customers
- Be mindful of the burden shared by other residential customers
- Ensure accuracy, clarity and simplicity in customer billing
- Be easy to explain and understand
- Provide a consistent bill amount
- Encourage and support energy conservation
- Be promoted to consumers who are likely to qualify

B. Summary of Proposed Changes

The Company is proposing a redesign of CAP that would become effective ~~January~~ ~~July~~ 2020 and remain in place for a ~~three-five~~ year period after implementation. Effective ~~July~~ ~~January~~ 2020 the Company will:

- Change from a Percent of Budget program to a Percent of Income Payment Plan (PIPP);
- Increase the minimum payment for non-electric heating customers from \$15 to \$20;
- Require zero-income customers to recertify income every 6 months;
- Provide an opportunity for customers to earn forgiveness on existing in-program debt when they transition to the new PIPP in order to maintain affordable energy burdens;
- Develop and implement a revised and simplified bill design;
- Allow customers to submit an online application for enrollment; and
- Track and report the average annual deficiency for non-electric and electric heat customers in connection with its triennial universal service and energy conservation filings.²

C. Program Description

Given the primary goals of enhancing affordability for income eligible customers, minimizing cost to other residential customers, and strengthening the program's integrity, Duquesne Light's proposed program will ultimately depart from the current Percent of Budget Program to a Percent of Income Payment Plan (PIPP). The Company believes that doing so will result in monthly energy bills that are

² This section also incorporates non-substantive changes for the purposes of clarity and readability.

affordable across all income tiers, provide customers with a consistent and manageable bill and an overall better experience.

The primary features of CAP include:

- An affordable, consistent monthly payment based on income;
- An opportunity for arrearage forgiveness over a 24 month period of time;
- CAP credit write off;
- Protection against loss of electric service;
- Referrals to other Duquesne Light and community programs and services.

1. 2020-2025~~2~~ Percent of Income Payment Plan

Effective ~~January~~ July 2020, CAP customers are billed in one of three ways: 1) a percentage of their monthly gross household income, as outlined in the chart below 2) the average monthly bill; or 3) their actual usage if less then PIPP and average monthly bill.

Method 1: PIPP

Income Category	Residential Service Percent of Income Payment:	Residential Electric Heat Percentage of Income Payment:
Up to 50% FPL	<u>23%</u>	<u>67%</u>
51% to 100% FPL	4%	<u>108%</u>
101% to 150% FPL	<u>45%</u>	<u>109%</u>
*Minimum Payment	\$20	\$40

For example, a single customer with gross annual income of \$10,000 (or \$833/month) would fall into the 51% to 100% FPL level, based on 2019 guidelines. The customer’s monthly electric bill would be \$33, which is 4% of \$833.

Method 2: Average Monthly Bill

If the customer’s average monthly bill (based on a 12 month rolling average that would otherwise be the budget billing payment) is less than what the CAP bill would be as determined in Method 1 (above), the customer’s monthly payment will equal the 12 month average bill. The monthly payment is reviewed and updated (if necessary) every four months to determine whether the customer is best served in the PIPP or in the Average Monthly Bill plan. The average monthly bill is not the budget amount and is not subject to reconciliation.

In the same example used above in Method 1, if the customer’s average monthly bill is \$28 – which is less than

\$33 – then the customer’s CAP payment would be set to \$28 for 4 months, until the average bill is again compared to the PIPP payment.

Method 3: Actual Usage

If the customer’s bill based on their actual usage is less than what the CAP bill would be as determined in Method 1 or Method 2, the customer’s payment will be based on their actual usage for that month. Customers whose actual usage in any given month results in a bill that is less than the Minimum Payment are billed based on actual usage.

In the same example used above in Method 1 and Method 2, if the customer’s actual usage for the month is \$17 – which is less than the average monthly bill and the PIPP – the customer’s CAP payment will be \$17 monthly until the actual usage is higher than the average monthly usage or the PIPP.

Customers Reporting \$0 Income

Customers who report \$0 income are required to make the minimum CAP payment.

*As a cost containment measure, the Company requires a monthly minimum CAP payment amount of \$20 for residential service customers, and \$40 for residential heating customers (except where a customer’s actual usage in a given month results in a bill that is less than the minimum payment; in which case, the customer is billed based on actual usage). The mandatory minimum payment ensures that CAP customers pay a portion of their energy costs while helping to control costs borne by non-CAP residential service customers.

2. Calculation of CAP Discounts and Maximum Annual CAP Discount

Effective ~~July~~ **January** 2020, the CAP discount amount is the difference between what the bill would be based on actual usage at the full tariff rate and the monthly payment as determined by either the PIPP or the Average Monthly Bill method.

To encourage energy conservation and maintain the cost efficiency of the program, customers will be subject to a maximum annual CAP discount amount. The maximum is set according to income level as follows:

Income Category	Non-Heating Maximum Annual Discount	Electric Heating Maximum Annual Discount
PY 2020-20252		
Up to 50% FPL	\$1,600	\$2,350
51% to 100% FPL	\$1,400	\$1,800
101% to 150% FPL	\$900	\$1,300

When a customer reaches the maximum annual discount within twelve months of the anniversary of the enrollment month, the customer is required to pay the actual bill at the full tariff rate. (The discount will be reset annually after bill month 12.)

In the next triennial-quinquennial filing, the Company will include information regarding the average annual deficiency for heating and non-heating customers.

Exceptions to Income Categories

Percent of income payments and maximum annual CAP discount amounts for CAP participants may be adjusted for extenuating circumstances including, but not limited to, the following:

- Addition to the household;
- Serious illness or medical condition;
- Consumption increase beyond control of customer (health related);
- Severe weather conditions; and
- Structural damage to home.

3. Pre-Program Debt Forgiveness

A major benefit to customers who make full payments in accordance with their CAP payment plan is the complete forgiveness of their pre-program arrears. Customers who enroll in CAP with an outstanding balance have an opportunity to eliminate their pre-program arrears by making full payments of the CAP bill. Customers will receive debt forgiveness of 1/24th of their pre-program arrears with each full monthly payment. Customers also have the ability to receive arrearage forgiveness on catch-up payments made for past due monthly CAP balances. Customers will be granted one pre-program debt forgiveness opportunity, which will remain with the customer as long as he/she is enrolled in CAP. Except for the one-time transition in-program debt forgiveness described in section 5 below, delinquencies acquired within CAP are not eligible for forgiveness. If a customer is terminated or discontinues services prior to earning total forgiveness of their Pre-Program Arrears amount, the customer may resume the pre-program arrears opportunity. For example.-

- A customer enrolls in CAP with \$240 pre-program delinquency. While enrolled in CAP, the customer earns \$140 in arrears forgiveness.

Service is subsequently terminated or discontinued. The customer also has \$100 in CAP rate arrears at the time service ends. The customer subsequently establishes new service and has a total unpaid balance of \$200, which includes \$100 in CAP rate arrears and \$100 prior frozen arrears. When the new service is established and the customer is enrolled in CAP, he or she would be eligible for \$100 in pre-program arrears forgiveness. The \$100 billed at the CAP rate would not be eligible for forgiveness. The customer would earn forgiveness in increments of 1/24th of the original \$240 in pre-program arrears amount. In this example, the customer would receive debt forgiveness in the amount of \$10 for each full payment, up to \$100.

4. One-time Transitional In-Program Debt Forgiveness

The Company's new PIPP is specifically designed to provide greater affordability for CAP customers. The Company's prior CAP plan resulted in unaffordable energy burdens for many income qualified customers. Resultantly, approximately one-quarter of Duquesne Light's CAP customers have accumulated delinquent balances within the CAP program. Requiring existing CAP customers to pay the delinquency, either in full or over time, in addition to the new PIPP amount, would substantially negate the benefits of the new program. Accordingly, customers will be granted forgiveness on their past due balances that exist at the time of enrollment in the new PIPP. The existing delinquency will be forgiven at the rate of 1/24th for each full monthly CAP payment. Providing an opportunity for forgiveness will provide customers who make payments the opportunity to maintain electric service at affordable rates. For additional details, see Appendix A.

5. Intake Processes

Application via Community Based Organizations

Recognizing customers' need for convenience and flexibility in their interactions with the Company, CAP enrollment will be supported in-person, over the phone, and via an online application.

Regardless of the channel through which the customer initiates enrollment, a Community Based Organization (CBO) agent will conduct a follow-up interview with the customer. This interview allows the customer to receive an explanation of CAP, CARES, and other relevant programs such as LIHEAP. The agent will ensure that the customer understands their responsibilities to remain in the program, and will thoroughly explain the various components of the CAP bill.

At the time of the application, Duquesne Light requests that the applicants provide social security numbers on the application; however, in lieu of providing

a social security number, an applicant may provide another acceptable form of identification such as a driver's license or other government issued identification. Customers applying for CAP will be informed that a social security number is not required to complete the application.

Customers Reporting \$0 Household Income

Customers who report \$0 household income at the time of enrollment are required to complete the "Zero Income Form" and give Duquesne Light permission to verify the income with government agencies such as the Internal Revenue Service ("IRS") and through bankruptcy proceedings. Third party information used to verify customer income will apply to the timeframe at issue.

The Company will provide customers with an opportunity to challenge or correct income information provided by third parties prior to dismissal from the program. The Company requests that the customer identify all household members, the address where service is provided and a brief explanation of how household expenses are met on the form. The customer must sign and date the form; however, the Company does not require that the form be notarized. The customer's income status may be reviewed every six months to determine if employment or income status has changed. However, if the customer's income status changes, the customer is required to notify the Company of the change.

LIHEAP Grant Recipients not currently enrolled in CAP

Duquesne Light will conduct targeted outreach for customers who receive LIHEAP grants for enrollment in CAP. These customers will receive a mailing explaining the benefits of CAP and instructing the customer on how to apply. A Benefits Brochure will also be included; this brochure outlines the benefits and responsibilities associated with the CAP program. After a period of one month, if the customer has not enrolled in CAP, a second outreach will be made by the CBO –via phone, mail or electronic mail where the customer has consented to electronic communication. Customers are encouraged to set up an appointment with the CBO – via phone or in-person – to complete the CAP enrollment.

6. Cost Recovery – Rider No. 5

Universal Service Program costs, including CAP costs, are recovered through a reconcilable surcharge found in Duquesne Light's Tariff.

7. Security Deposits

Applicants who are confirmed low-income are not required to make a security deposit.

Security deposits collected prior to a customer being confirmed low-income will be refunded as the Company receives the low-income confirmation, either with or without enrollment into CAP.

The Company shall refund security deposit payments to customers who are confirmed eligible for CAP upon enrollment into CAP after service restoration.

8. Customer Obligations

All customers remain in the program for as long as they are income qualified and comply with the CAP requirements and guidelines. Energy conservation plays an important role in helping CAP customers control their energy costs. Accordingly, customer obligations under CAP include:

Full, on-time monthly payments

- Customers are required to pay their bill each month, on time and in full.

Smart Comfort Visits

- Customers who meet the following criteria must schedule a Smart Comfort (LIURP) visit within 90 days of enrollment:
 - All customers with electric heat
 - All residential service customers who own their home and have a base load usage in excess of 500 kWh per month
 - All residential service customers who are renters, have a base load usage in excess of 500 kWh per month, and have resided at the premise for at least six months. Landlord approval is required prior to any structural modifications.

Additionally, CAP customers whose base load usage exceeds 500 kWh and who have not had a Smart Comfort (LIURP) visit within the last seven years may be required to complete a Smart Comfort visit.

Recertification

Customers reporting \$0 household income are required to recertify their income and occupancy information every six months.

All other CAP customers are required to recertify their income and occupancy information once every other year.

CAP Shopping

Duquesne Light's CAP customers currently are not able eligible to shop for an Electric Generation Supplier ("EGS"). A customer that has an EGS and wishes to participate in CAP will be advised that Duquesne Light can switch the customer back to default service; however, the customer may be subject to a cancellation fee. The customer should check his/her EGS agreement to determine whether there are any fees associated with cancellation.

9. Application of Customer Payments and Assistance Grants

All CAP customers will be encouraged to apply for appropriate grants. Funds received through grants will be applied first to past-due amounts and then to future amounts due. Grant monies will not be used to reduce frozen arrearage.

10. Energy Conservation

Through CAP, Duquesne Light attempts to increase customers' awareness about using energy wisely and to offer ideas for reducing kWh consumption. Company representatives provide consumer education in the following areas:

- Low cost/no cost energy conservation tips;
- Explanation of weatherization measures;
- Home heating and cooling systems; and
- Electric bill and analysis of usage.

The Company analyzes all CAP customers' usage monthly to identify customers whose usage increases to levels outside established norms. This High Consumption Report is provided to Low Income Usage Reduction Program ("LIURP") representatives and the Company's Smart Comfort contractor, who will analyze customer bills, contact the affected customers with additional consumption reduction information and may enroll the customers in Smart Comfort, Act 129 Low Income programs (Watt Choices), or other programs to proactively assist in reducing energy usage to normal levels. Customers participating in CAP consent to share their usage information with third party providers.

The CAP Representatives are responsible for analyzing the individual situations and for recommending changes to consumption or to the Percentage of Income

Payment Plan if warranted by the circumstances. At enrollment, CAP Representatives explain the customer’s responsibility related to annual kWh usage and their billed charges should they exceed their maximum annual CAP Discount allowance. This matter is analyzed and discussed again, if appropriate, during bi-annual program re-certification.

11. Defaulting from CAP

Duquesne Light extends every reasonable consideration to CAP customers to avoid dismissal from the program. Program requirements and benefits are clearly explained during the initial enrollment interview. Extenuating circumstances are carefully evaluated. However, CAP cannot function properly without the commitment and cooperation of customers, social service agencies, and Duquesne Light. Customers’ non-compliance with CAP obligations may lead to dismissal from the program. The grounds for default are summarized in the chart below:

Grounds for Default	Required 1 Year Stay-out	Opportunity to Cure
Failure to recertify	No	Yes
Failure to complete Smart Comfort Visit	No	Yes
Termination for non-pay	No	Yes
Voluntary Removal from Program	No	Yes
Removal for fraud, material misrepresentation, etc.	Yes	No

Customers who have a past-due CAP balance at the time of default may be required to pay the past-due catch-up amount in conjunction with curing the reason for default to be reinstated in CAP.

CAP customers are required to pay their CAP amount in full and on time each month. If payment is not received within five business days after the bill due date, the collection process will begin. If a CAP account is terminated, the customer may be required to pay their entire past due balance as a condition of restoration unless eligible for a payment arrangement. CAP customer restoration agreements will generally be issued in accordance with 66 Pa. C.S. § 1407.

If a CAP account is terminated and service is not restored within 30 days, the ~~customer account will be removed from CAP, will be defaulted from CAP.~~ CAP customers will be permitted to be reinstated in CAP if service is restored within 30 days.

When a CAP customer's base load usage exceeds 500 kWh per month and the customer refuses to complete a Smart Comfort (LIURP) visit, the customer may be defaulted from the CAP program until the cause of the default has been satisfied.

If a customer fails to provide updated household information, the account may be defaulted from CAP. If a CAP customer is found to have greater income than what was originally reported, the customer may be defaulted from the CAP Program and back-billed at the full tariff rate. Customers will be provided an opportunity to provide documentation of their income prior to any adverse action. If the Company determines that the information provided is insufficient, the customer may be removed from CAP. All applicants and CAP customers may appeal the Company determination. Upon receipt of a dispute related to a default or removal from CAP, the Company will investigate and provide the customer with its final position and rights to file a complaint with the Commission.

Customers may also request to be removed from CAP. If a customer requests to be removed from CAP, the customer is advised that she/he will not be able to re-enroll in CAP again unless the customer shows that she/he has paid amounts equivalent to the CAP payment for the time period outside of CAP.

For example: A customer with a monthly CAP payment of \$33 asks to be removed from the program. Two months later, the customer wishes to re-enroll in CAP. The customer has made no payments in the interim. A catch-up payment of \$66 will be required to re-enroll in CAP.

Customers who are determined to have income levels exceeding program limits will be removed from CAP. Customers may also be removed from CAP for fraud, theft, or tampering.

D. Eligibility Requirements

Duquesne Light's CAP is available to residential customers whose total gross household income is at or below 150% of the FPL, and have demonstrated or expressed an inability to pay their electric service bill.

1. Grandfathered Seniors

Certain senior CAP customers with household income between 150% and 200% of the FPL had previously been grandfathered so that they would not be removed from CAP. Continued participation in CAP is permitted for those customers as long as the customer's income levels remains at or below 200% of the FPL and provided they continue to adhere to the requirements of the CAP.

2. Move / Transfer of Service

Customers may not receive the benefits of CAP at multiple service locations simultaneously, except for in the case of a transfer of service. In this case, the customer will be billed at the CAP discounted amount at both premises for a maximum of thirty (30) days to accommodate the move. CAP enrollment is not interrupted when a program participant transfers service from one property to another within 30 days. After 30 days, a CAP customer will be treated as an applicant and required to apply for new service and CAP enrollment.

Outside of a move/transfer situation, a customer with concurrent service at multiple locations may only be billed at the CAP rate for a single location.

E. Projected Needs Assessment (based on Census data)

Enrollment levels are based on data from the U.S. Census Bureau and information identified from the Company's internal billing system.

1. Census Data for Households at or Below 150% of Poverty³

County:	Allegheny	Beaver	Total
Census Total Households:	517,071	68,236	585,307
Duquesne Light Residential Customers:	453,471	61,139	514,610
% Duquesne Light Customers:	87.7%	89.6%	88.65%
Census Low Income:	216,275	31,901	248,176
% Census Low Income:	18.1%	19.4%	18.8%
Estimated Low Income Based on Census:	82,078	13,238	95,316

³Based on 2017 Census data, available [here](#).

County:	Allegheny	Beaver	Total
Census Total Households:	596,504	79,150	675,654
% Low Income per 2013-2017 Census Estimates	19.60%	18.90%	19.25%
Est # Low Income Households	116,915	14,959	130,063
Duquesne Light Residential Households in County:	474,793	64,014	538,807
Est. # Low Income Duquesne Light Households in County	93,059	12,099	103,720

2. Confirmed Low-Income Customers

	CAP:	Non-CAP Low Income :	Confirmed Low- Income:
2016	40,514	6,784	47,298
2017	34,420	14,184	48,604
2018	36,010	13,251	49,261
Average	36,981	11,406	48,387

F. Projected CAP Enrollment

Duquesne Light's average CAP enrollment from the past ~~four~~ five years is displayed below:

2015	2016	2017	2018	Average
35,778	40,514	34,420	36,010	36,680

<u>Year</u>	<u>CAP Enrollment</u>
<u>2015</u>	<u>35,778</u>
<u>2016</u>	<u>40,514</u>
<u>2017</u>	<u>34,420</u>
<u>2018</u>	<u>36,010</u>
<u>2019</u>	<u>36,223</u>
<u>Avg</u>	<u>36,589</u>

Based upon past performance and the needs assessment, the estimated projected net enrollment of active CAP customers by year is shown below:

Year	CAP Enrollment Level
2019	36,770 ⁴ <u>223</u>
2020	<u>36,585</u> <u>7,530</u>
2021	<u>38,290</u> <u>36,951</u>
2022	<u>39,050</u> <u>37,320</u>
2023	<u>37,694</u>
2024	<u>38,070</u>
2025	<u>38,451</u>

G. Projected CAP Budget

A summary of the Company's projected CAP budget is presented below. This summary contains a breakdown of CAP customer arrearages, provided for consistency with the CAP Program Transition Plan (see Addendum A).

⁴This Universal Service Plan is for the period 2020-2022-2025 only. Projections for calendar year 2019 are included for illustrative purposes.

Program Budget:	Admin	CAP Credits	Traditional Frozen Arrearage	IPA converted to Frozen Arrearage: Ratepayer⁽¹⁾	Total Cost to Ratepayers	IPA Converted to Frozen Arrearage: Shareholder⁽¹⁾	TOTAL CAP Costs
2020	\$1,877,211	\$24,068,006	\$6,012,272	\$534,233	\$32,491,722	\$437,100	\$32,928,822
2021	\$1,933,527	\$24,549,366	\$6,132,517	\$534,233	\$33,149,644	\$437,100	\$33,586,744
2022	\$1,991,533	\$25,040,353	\$6,255,168	\$534,233	\$33,821,287	\$437,100	\$34,258,387
2023	\$2,112,817	\$26,051,984	\$6,507,876		\$34,672,677		\$34,672,677
2024	\$2,176,202	\$26,573,023	\$6,638,034		\$35,387,259		\$35,387,259
2025	\$2,241,488	\$27,104,484	\$6,770,795		\$36,116,766		\$36,116,766

(1) based on historical data, customers receive ~62% of the total annual frozen arrearage write-off opportunity due to inconsistent payment habits. The model distributes 62% of the IPA (est \$4.7 million) over three years.

Program Budget:	Admin	CAP Credits	Traditional Frozen Arrearage	IPA converted to Frozen Arrearage: Ratepayer⁽¹⁾	Total Cost to Ratepayers	IPA Converted to Frozen Arrearage: Shareholder⁽¹⁾	TOTAL CAP Costs
2020	\$1,877,211	\$24,068,006	\$6,012,272	\$534,233	\$32,491,722	\$437,100	\$32,928,822
2021	\$1,933,527	\$24,549,366	\$6,132,517	\$534,233	\$33,149,644	\$437,100	\$33,586,744
2022	\$1,991,533	\$25,040,353	\$6,255,168	\$534,233	\$33,821,287	\$437,100	\$34,258,387
2023	\$2,112,817	\$26,051,984	\$6,507,876		\$34,672,677		\$34,672,677
2024	\$2,176,202	\$26,573,023	\$6,638,034		\$35,387,259		\$35,387,259
2025	\$2,241,488	\$27,104,484	\$6,770,795		\$36,116,766		\$36,116,766

(1) based on historical data, customers receive ~62% of the total annual frozen arrearage write-off opportunity due to inconsistent payment habits. The model distributes 62% of the IPA (est \$4.7 million) over three years.

H. Plans to use Community Based Organizations

Holy Family Institute and Catholic Charities currently administer Duquesne Light's CAP and CARES Programs. These organizations oversee a network of CBOs with 27 full time employees (FTEs) at 7 sites (main office location and satellite offices). Duquesne Light worked with the CBOs to ensure that the offices were located in areas with concentrations of confirmed income qualified customers and relative proximity to transportation and other such factors.

In 2018, the Company surveyed CAP customers and learned that – while most customers find CAP office locations to be easily accessible -- some felt that the existing locations were not convenient. Additional analysis confirmed that the existing CAP office locations are centrally located near concentrations of low-income customers, but that there are customers in the southern and eastern suburbs of Pittsburgh who could be better served with a more convenient, nearby location.

The Company is currently working with resources in these suburbs to identify locations where a pilot could be conducted to test customer receptivity to these new locations. Existing staff from Holy Family Institute would staff the locations on a limited but consistent basis, allowing customers to enroll or recertify in CAP as well as apply for grants through the Dollar Energy Fund and LIHEAP.

Duquesne Light continues to utilize CBOs in the same manner as in its prior plans. CBOs serve as the CAP administering agencies and accept referrals from various

sources. CBOs also contact customers to perform an initial screening for potential program participation and arrange personal interviews at CBO locations and phone interviews. Though CBOs have scheduled hours, customers unable to visit the CBO within those hours will be accommodated outside of normal business hours by appointment and also by phone. For customers with special needs preventing them from visiting the CBO for an interview, home visits or telephone appointments may also be scheduled.

CBOs serve as a primary Universal Services contact with the customer, which is maintained throughout the customer’s participation in CAP and other Universal Services programs. CBOs will be responsible for attempting to schedule CAP appointments, making timely reminder calls prior to the scheduled appointment and other various assignments that streamline the CAP application/enrollment process and increase efficiency.

CBOs will return calls to customers within two (2) business days. Customers may be provided with a temporary hold and stay of collection to enroll in CAP.

Current administering organizations and the counties they serve are listed below:

<u>Community Based Organizations:</u>	<u>Counties Served:</u>
Catholic Charities	Allegheny
Holy Family Institute, Northside	Allegheny
Holy Family Institute, McKees Rocks	Allegheny
Holy Family Institute, Swissvale	Allegheny
Holy Family Institute, Aliquippa	Beaver
Holy Family Institute, McKeesport	Allegheny
Holy Family Institute, Beaver Falls	Beaver

I. Organizational Structure

Duquesne Light’s Universal Services Department is typically staffed by three dedicated individuals. The department is headed by the Manager of Universal Services, who is supported by Universal Service Analysts as follows:

- Manager Universal Services (1)
- Universal Services Analyst (2)

Duquesne Light continues to evaluate staffing as needs arise and augments staffing as necessary.

IV. Customer Assistance Referral and Evaluation Services (CARES)

A. Program Description

Duquesne Light's Customer Assistance Referral and Evaluation Services ("CARES") program assists payment-troubled and special needs customers obtain necessary social service support and assistance. The primary objectives of the CARES program are to:

- Help customers experiencing payment hardships to manage their electric bills by providing them with information, resources and encouragement;
- Make tailored referrals to company and community assistance programs; and
- Maintain and/or establish partnerships and alliances with social service agencies, government offices, and community organizations to ensure maximum and timely assistance for customers who have personal or family hardships.

The program focuses on residential customers whose income is at or below 150% of the FPL and senior citizens whose income is at or below 200% of the FPL. Customers may be referred to CARES by internal and external sources including but not limited to other Duquesne Light departments, other utility companies, CBOs (e.g., Holy Family and Catholic Charities), the PUC, or word of mouth. An outreach worker or community agency acts as an intermediary between the customer and the Company in an effort to link the customer to the necessary social service programs that will enhance the customer's ability to pay for electric service.

CBOs refer customers to CARES during the initial interview for universal services programs. The CBOs assist these customers in obtaining all available energy assistance for which the household qualifies (e.g., LIHEAP, Crisis, and Dollar Energy Fund) and also make referrals to other programs and services based upon need and availability. For customers with special needs preventing them from visiting the CBO for an interview, home visits may also be scheduled. During home visits, CBO representatives can more quickly determine the basic causes of customers' hardships, as well as verify customers' statements concerning sources of household income. CARES Case Managers also visit identified low-income, multi-family dwellings as well as other gathering places to hold events that encourage and assist CAP enrollment.

B. Program Eligibility

CARES is designed specifically to assist customers who are facing a hardship, such as a loss of income from an illness, the loss of the primary wage earner, or some other household or family problem that prevents them from paying their electric service bills in full. Duquesne Light makes every effort to avoid turning any customer away, regardless of income level.

C. Enrollment Levels

As customers are provided with information on all programs including CARES as part of the CAP enrollment process, Duquesne Light estimates that the enrollment for CARES should approximate the total of CAP new enrollments and eligible customers seeking assistance. Analysis of customer participation shows that enrollment levels for CARES are consistently around 12,000 customers per year.

From 2016 through 2018, an average of 11,745 customers are served each year by enrolling into the CAP program. The CAP Case Managers enroll customers and during the interview also assess their needs and connect them to other resources in their community. Additionally, CARES Case Managers average 641 distinct CARES visits to customers. The CARES program included 1.5 FTE employees distributed throughout the service territory.

D. Program Budget

The specific funding level for 2020 through 202~~5~~² is shown below:

Year	Funding Level
2020	\$145,000
2021	\$145,000
2022	\$145,000
<u>2023</u>	<u>\$145,000</u>
<u>2024</u>	<u>\$145,000</u>
<u>2025</u>	<u>\$145,000</u>

E. Needs Assessment

The projected participation and funding for 2020 through 202~~5~~² is shown below:

Year	Estimated Budget	Projected Participation ⁵
2020	\$145,000	12,640
2021	\$145,000	12,6450
2022	\$145,000	12,6460
<u>2023</u>	<u>\$145,000</u>	<u>12,640</u>
<u>2024</u>	<u>\$145,000</u>	<u>12,640</u>
<u>2025</u>	<u>\$145,000</u>	<u>12,640</u>

F. Community-Based Organizations

Duquesne Light recognizes the importance of establishing and expanding its network of contacts and working relationships with CBOs. Simply put, CARES could not function without the cooperation and assistance of local organizations. The CBOs refer customers to CARES at the time of the CAP intake interview. CARES is administered by the CBOs listed in the section related to CAP.

These organizations act as “brokers” who attempt to match customers’ needs with existing company and/or community programs. The CARES counselors analyze customer accounts and circumstances to determine the basic cause(s) of their bill-payment problems. They refer customers to appropriate programs and services that are offered by social service agencies, community organizations, and Duquesne Light. In addition, they initiate follow-up to determine the outcome of referrals to social agencies and company programs. CARES Counselors can also help customers bridge short-term gaps, including assistance with immediate needs including food, household products and clothing and temporary shelter.

Another key responsibility of the CARES Counselors is to establish close working relationships with external organizations and internal departments at Duquesne Light. Social service agencies and other community groups are essential to the success of CARES because they provide the needed services for payment-troubled customers. The relationship between the CARES counselors and the other agency caseworkers is carefully nurtured and strengthened because the program cannot function effectively without the cooperation of social service organizations.

G. Organizational Structure of Duquesne Light Staff

Please see Section III (I6) on page 2019 for staffing information.

⁵ Reflects distinct customer contacts related to the CARES program specifically, to eliminate double-counting of those customer contacts related to CARES as well as other programs (e.g., CAP).

V. Hardship Fund

A. Program Description

Duquesne Light's Hardship Fund is administered by the Dollar Energy Fund ("DEF"). Begun in March 1983, Dollar Energy was one of the first utility-sponsored fuel funds in the nation and Duquesne was one of the founding utilities. Customers may contribute to the program by pledging monthly to their electric bill payments, by sending in a check or by electing to contribute online.

The primary features of the Dollar Energy Fund include:

- Direct financial assistance for overdue energy bills
- Protection against shutoffs
- Referral to other programs and services

The Hardship Fund operates from October 1st of each year and continues until funds are depleted.

The Company promotes the program through bill inserts, Company website, radio advertisements, direct referrals by Duquesne Light Customer Service Representatives, community based events and the Dollar Energy Fund itself.

1. Key Objectives

The overall objectives of Dollar Energy are as follows:

- Provide financial assistance to qualified low-income families who are having difficulty paying their energy bills.
- Offer financial assistance to low-income households who may be ineligible for the Low Income Home Energy Assistance Program ("LIHEAP").
- Coordinate and expand the activities of community-based organizations that provide energy-related assistance.
- Help customers understand and access community resources to solve energy payment problems as a step toward greater self-sufficiency.

B. Eligibility

Dollar Energy is designed specifically for lower-income residential customers (household income at or below 200% of the FPL) who are unable to pay their electric service. The program focuses on lower-income customers who have overdue balances and an inability to pay the full amount of their energy bills.

To be eligible, customers must:

1. Have a residential account and reside at the premise address.
2. Have paid a minimum of \$150 toward their utility bill within the last 90 days or made three consecutive CAP payments. Senior citizens (age 62 and over) must have paid at least \$100.
3. Have a balance on their electric bill of at least \$100. Senior citizens (age 62 and over) may have a zero balance, as long as there is no existing credit on the account.
4. Provide proof of monthly household income (FPL guidelines apply).

The respective operating dates and service status criterion for each timeframe is as follows:

- October 1 to November 30 -- Electric service off or in threat of termination.
- December 1 to January 31 -- Electric service off only.
- February 1 to February 28 -- Electric service off or in threat of termination.
- March 1 until funds reach 10% budget remaining -- Open to all eligible applicants regardless of service status
- Once budget has 10% remaining, open to applicants whose service has been terminated

The Dollar Energy Fund becomes the “fund of last resort” when the customer has applied to LIHEAP, if LIHEAP is open and the customer qualifies for LIHEAP. Approved applicants will receive a grant of up to \$500 based on overdue balance. A household can receive only one Dollar Energy Fund grant during a program year. Upon receipt of the grant, a 30-day stay on termination is placed on the account and the grant amount will be applied to the customer’s past and current “asked to pay” amounts. Excess payments will be applied to the next month’s billed amount. A Dollar Energy grant may create an excess credit if the customer makes a payment prior to receiving the grant.

C. Projected Budget

Duquesne Light’s Hardship Fund is a partnership with Dollar Energy Fund. Duquesne Light will match customer contributions up to \$375,000 annually. In addition, up to \$75,000 will be provided for administrative support.⁶

⁶ Administrative support is recovered through the Universal Service Charge.

Year:	Estimated Budget	Participation:	Average Grant:
2020	\$750,000	1,880	\$399
2021	\$750,000	1,880	\$399
2022	\$750,000	1,880	\$399
<u>2023</u>	<u>\$750,000</u>	<u>1,880</u>	<u>\$399</u>
<u>2024</u>	<u>\$750,000</u>	<u>1,880</u>	<u>\$399</u>
<u>2025</u>	<u>\$750,000</u>	<u>1,880</u>	<u>\$399</u>

D. Needs Assessment

Estimates for the Hardship Fund are based on past program participation levels as shown below:

Year:	Funding:	Participation:	Average Grant:
2013	\$750,000	1,751	\$ 428
2014	\$750,000	1,843	\$ 407
2015	\$750,000	1,845	\$ 400
2016	\$750,000	1,858	\$ 409
2017	\$750,000	1,555	\$ 373
2018	\$750,000	1,984	\$ 378
2019 ⁷	750,000	845	\$ 228
Average	\$750,000	1880	\$ 399

E. Community-Based Organizations

The Dollar Energy Fund utilizes community based organizations in Duquesne Light’s service territory to validate household income and process applications. These organizations have solid reputations and experience in delivering services to low-income households in the Duquesne Light service area. The administration of the program is a collaborative effort between Dollar Energy and the organizations listed below.

⁷ As of January 22, 2019.

Community Based Organizations:	Counties Served:
Allegheny Center Alliance Church	Allegheny
Allegheny Valley Association of Churches	Allegheny
Brashear Association's Neighborhood Employment Center	Allegheny
Brashear Center	Allegheny
Catholic Charities – Beaver	Beaver
Catholic Charities – Pittsburgh	Allegheny
Coraopolis Community Development Foundation	Allegheny
Energy & Environment Community Outreach (EECO) Center	Allegheny
Goodwill of Southwestern Pennsylvania – McKeesport	Allegheny
Goodwill of Southwestern Pennsylvania – Southside	Allegheny
Hazelwood YMCA	Allegheny
Holy Family Institute – Aliquippa	Beaver
Holy Family Institute – Beaver Falls	Beaver
Holy Family Institute – Edgewood Towne Center	Allegheny and
Holy Family Institute – McKees Rocks	Allegheny and Beaver
Holy Family Institute – Northside Common Ministries	Allegheny
Housing Opportunities of Beaver County	Allegheny and Beaver
Jubilee Association, Inc.	Allegheny
Lincoln Park Family Center	Allegheny
Lutheran Service Society	Allegheny
Ministerium Social Services	Beaver
Mt. Washington Community Development Corporation	Allegheny
Nabhi Christian Ministries – Lincoln Ave	Allegheny
NHCO – Allison Park	Allegheny
NHCO – Millvale	Allegheny
NHCO – North Boroughs	Allegheny
Northern Area Multi-Service Center	Allegheny
Primary Care Health Services – Hill House Health Center	Allegheny
Pittsburgh Community Services Inc.	Allegheny
Roots of Faith	Allegheny
Salvation Army – Beaver Falls	Beaver
Salvation Army – Brackenridge	Allegheny
Salvation Army – Braddock	Allegheny
Salvation Army – Carnegie	Allegheny
Salvation Army – Forbes Avenue	Allegheny
Salvation Army – Homewood/Brushton	Allegheny
Salvation Army – McKeesport	Allegheny
Salvation Army – North Side Community Worship Center	Allegheny

Community Based Organizations:	Counties Served:
Salvation Army – Pittsburgh Temple	Allegheny
Salvation Army – Steel Valley	Allegheny
Salvation Army – West Side Corps	Allegheny
Society of St. Vincent de Paul	Allegheny
South Hills Interfaith Ministries	Allegheny
St. Mark’s Lutheran Church	Allegheny
St. Paul Cathedral	Allegheny
Sto-Rox Neighborhood Health Council	Allegheny
The Franklin Center	Beaver
Veterans Leadership Program	Allegheny
Wilkesburg Community Ministry	Allegheny

F. Organizational Structure of Duquesne Light Staff

Please see Section III (16) on page 1120 for staffing information.

VI. Smart Comfort (LIURP)

A. Program Description

Smart Comfort is Duquesne Light’s Low-Income Usage Reduction Program (“LIURP”). The program targets residential customers whose gross household income is less than 150% of the FPL and senior citizens whose gross household income is less than 200% of the FPL, with base load electric usage more than 500 kWh per month and who have been residing at their current address for at least six months.

Smart Comfort key objectives are:

- To reduce the energy usage and electric bills of low-income customers.
- To increase the ability to pay for low-income customers.
- To provide safer living conditions for low-income customers through the reduction of secondary heating devices.
- To educate the customer on current conservation practices.
- To make tailored referrals to company and other assistance programs such as CAP, Dollar Energy Fund or private funds, LIHEAP, Watt Choices and other weatherization programs.

Smart Comfort has evolved from strictly weatherization to an “end use” strategy. Usage reduction measures include cost effective appliance and lighting replacements in addition to determining if weatherization is warranted.

1. Summary of Program Process and Installation Measures

The Company, through its service providers, will provide Smart Comfort services generally according to the following procedure, as applicable to each participating customer:

- Prior to entering the home
 - Conduct an energy bill assessment of the home’s previous 12 months of usage.
 - Perform bill disaggregation to determine Baseload, winter, and summer kWh usage.
 - This disaggregation will guide the auditor through the audit process as well as determine the areas of focus for the energy education process.
- Perform walk through audit
 - Investigate potential saving areas within the home.
 - Measure usage of targeted electrical equipment within the home, which may include:
 - Refrigerators
 - Freezers
 - Dehumidifiers
 - Window AC units
 - Electric Water Heaters elements and temperature setting
 - Electric Baseboard Heaters / Wall mount digital thermostats
 - Thermostats
 - Digital wall mounted thermostats for electric baseboard units.
 - Programmable/Connected thermostats for electric heating systems.
- Provide energy education
 - Explain Smart Comfort program.
 - Explain (using the bill disaggregation) current electricity bill in detail to ensure the customer understands the concepts such as monthly kWh usage and usage comparisons.
 - Provide education on ways to reduce electric usage.
 - Explain CAP.

- Determine Smart Comfort measures to provide
 - Health and safety testing to be completed on all homes that qualify for air sealing measures.
 - A blower door test will be conducted if it is determined to be beneficial in ascertaining measures to be installed.
 - Provide standard measures, which may include LEDs, refrigerators and freezers, electric hot water tanks, window/central air-conditioning units, heat pumps, air infiltration measures, smart strips and home insulation.
 - At the discretion of the energy manager, potential measures may also include furnaces, electric dryers, electric ranges and water pumps.
 - The minimum usage requirement for a refrigerator change-out is as follows:

Refrigerator Size	kWh/Hour Minimum	Replacement
15 ft ³ or less	.08 kWh	15 ft ³
16 – 19 ft ³	.10 kWh	17 or 18 ft ³
20 – 21 ft ³	.11 kWh	21 ft ³
22 ft ³ or larger	.12 kWh	20 – 25 ft ³

- The program may include window air-conditioning unit change-outs if the life of the replacement of the unit as well as life of the dwelling will exceed 12 years.
 - The program may include central air-conditioning change-out if the life of the unit as well as the life of the dwelling exceeds 12 years.
 - The program may also include air conditioning load reduction measures such as window film, roof coat, air conditioner replacement,
- Customer monitoring and follow up
 - Energy managers may contact Smart Comfort recipients to discuss their usage and the resulting increase in consumption.
 - Energy Managers may also contact Smart Comfort recipients to reinforce energy education.

Additionally, low-income customers, whose base load usage is less than 500 kWh per month, are referred to Watt Choices (Duquesne’s Energy Efficiency / ACT 129 program).

The Company has established an allowance for health and safety that authorizes LIURP contractors to spend up to \$200 per electric baseload Smart Comfort visit without prior Company approval on incidental repairs including health and safety items when necessary to allow for conservation measures to be installed.

For electric heating customers, the Company will authorize the Smart Comfort contractor an allowance up to \$600 per Smart Comfort visit without prior Company approval where the inclusion of health and safety and incidental repair will remedy situations that would otherwise impede the installation of conservation measures.

Incidental repairs and health and safety items may include the installation of carbon monoxide detectors and smoke alarms. Where a smoke alarm is present, the installer will check for a functioning smoke alarm and replace batteries as necessary.

Duquesne Light Company will report annually health and safety measure costs as a separate category.

2. Third Party Inspections:

Duquesne Light will contract with a third party to perform independent inspections of sampled completed Smart Comfort visits. The Company will sample up to 10% of completed electric heating jobs and up to 5% of electric baseload jobs.

B. Program Eligibility

The following are eligibility requirements for Smart Comfort:

- Low-income customers with a household income at or below 150% of FPL;
- Senior customers with household income at or below 200% of FPL;
- Special needs customers with a household income at or below 200% of FPL;⁸
- Electric base load usage greater than 500 kWh;
- Resident at that premises for at least six months.

Exceptions from the above eligibility requirements:

- Residency and base load requirements are waived for total-electric homeowners;
- Residency requirements are waived for non-heating CAP homeowners.

⁸ Not more than 50% of Smart Comfort participants will be households between 150% and 200% of the FPL and not more than 20% of the budget will be utilized for these customers.

Duquesne Light will continue to focus on total-electric, low-income, multi-family premises as a source to provide conservation measures and education. Duquesne Light will use its best efforts to ensure that at least 10% of its completed LIURP jobs are for electric heat customers. The Company will provide reports on its progress on electric heating jobs to the Income Eligible Advisory Group.

Each year, Duquesne Light will review lists of customers with high CAP credits (over \$1,000) from the prior year and prioritize those customers for LIURP treatment when possible. The Company will also use the high usage CAP customer list as well as eligible customers requesting weatherization.

C. New Initiatives

The Company proposes to implement the following new initiatives as part of its LIRUP programming:

1. De Facto Heating Remediation

The Company proposes provide heating remediation services to income-eligible customers (i.e., customers at or below 150% FPL or, 200% FPL for senior or special needs customers) using inefficient supplemental electric heating (“de-facto heating”). The Company will identify potential candidates for outreach based on winter electric usage patterns, and will prioritize customers enrolled in CAP. The Company will provide heating remediation services and education to eligible customers found to be using de-facto heating. Where applicable, the Company may also engage with local Natural Gas Distribution Companies to coordinate heating remediation services for qualifying customers. The Company will spend up to \$100,000 per year on this initiative. Funds not spent in any given year will not carry over to the following year.

2. Emergency Repair Fund

The Company proposes to establish an Emergency Repair Fund for income eligible customers whose homes are unsafe and are in immediate need of repair. The Emergency Repair Fund will only be available to customers who own their home. The Company or its agents may refer customers to the Emergency Repair Fund where they observe unsafe conditions, and customers may also apply directly to the Company. The Company will prioritize customers enrolled in CAP, but will not turn away any qualifying customer so long as funds are available.

Services funded by the Emergency Repair Fund may include, but are not limited to: whole house air conditioner repair/replace when deemed medically necessary, repair of frayed/unsafe service line drops, upgrades of unsafe/inadequate electrical service panels, and remediation of other health and safety conditions (including electrical inspection) when electric service has been off for a year or more.

The Company will allocate up to \$50,000 of LIURP funding to the Emergency Repair Fund each year. Funds not spent in any given year will not carry over to the following year.

3. Knob and Tube Remediation

The Company proposes to remediate knob and tube home wiring (“K&T”) for income eligible customers referred by local NGDCs, where (i) the NGDC requires the K&T to be remediated to allow for the customer to participate in the NGDC’s gas weatherization programs, (ii) the customer’s home has a central air conditioner that is less than or equal to a 12 Seasonal Energy Efficiency Ratio (SEER); and (iii) the customer owns the home. At present, local NGDCs are often unable to provide such services at a home with K&T until the K&T is remediated. By remediating the customer’s K&T through this initiative, the Company would remove barriers to the customer’s participation in NGDC programs, and would also enable the Company to achieve electric savings through its other Smart Comfort programs by upgrading the customer’s air conditioning systems.

The Company will allocate up to \$100,000 of LIURP funding to this initiative each year. Funds not spent in any given year will not carry over to the following year.

D. Program Integration

Duquesne Light has and will continue to coordinate its Smart Comfort program with its Watt Choices programs, as well as with gas company LIURP programs. The Company refers confirmed low-income customers who participate in any of its general residential programs to its Watt Choices low-income programs, its Universal Service programs, and LIHEAP. Duquesne Light will facilitate this coordination by inviting representatives from the Natural Gas Distribution Companies (“NGDCs”) with overlapping service territories and representatives of the Commonwealth’s Weatherization Assistance Program (“WAP”) to its Act 129 Stakeholder meetings to discuss existing and possible enhancements to its coordination efforts.

When possible, a common weatherization contractor performs an integrated electric and natural gas energy audit at the customer’s home. The cost of the audit is shared and measures installed are financed by the utility benefiting from the energy efficient measure installed. In those situations when the energy audit is scheduled for a household eligible for Smart Comfort, the energy auditor inquires if the customer also would like a referral to the natural gas utility for possible energy-efficient gas heating measurers. If the response is affirmative, the customer is required to sign a consent form permitting Duquesne Light to provide the necessary information to the natural gas utility.

The Company will also coordinate its Smart Comfort Program with its other programs that offer similar services, such as Watt Choices. For example, where a customer is not eligible for services under Smart Comfort, the Company may refer them to a similar service provided through Watt Choices. Additionally, all customers enrolled in the CAP program will be offered enrollment in the Watt Choices Points & Rewards Program (P&R), a marketing program that rewards customers for energy-saving behaviors (such as taking advantage of LIURP offerings).

E. Projected Enrollment & Needs Assessment

Duquesne Light Company’s Smart Comfort enrollment levels are based upon the Rate Case Settlement Agreement at Docket No. R-2013-2372129. Duquesne Light proposes to continue providing Smart Comfort services to up to 3,100 households annually.

Year:	Enrollment Level
2020	3,100
2021	3,100
2022	3,100
<u>2023</u>	<u>3,100</u>
<u>2024</u>	<u>3,100</u>
<u>2025</u>	<u>3,100</u>

The following needs assessment methodology was provided by BCS in early 2001.

2. ~~1.~~ Determine the percentage of residential customers by county based on 2017 Census data poverty rates for households at or below 150 percent of poverty:

Residential Accounts:	Accounts:	Census Data Poverty Rate:
Allegheny County	453,471	18.19%
Beaver County	61,139	19.48%
Total Residential Accounts	514,610	18.83%

3. ~~2.~~ Determine the number of households using less than 500 kWh.

Base Load Month:	Accounts <500 kWh:	Total Accounts:	Percent <500 kWh:
April	322,937	529,416	61.0%
May	338,119	531,923	63.57%
September	242,618	510,344	47.54%
October	285,025	531,575	53.62%
Total	1,188,699	2,103,258	56.52%

4. ~~3.~~ Determine eligible households.

Total Residential Households	514,610
- Households Using <500 kWh	(290,858)
= Net Base Load Eligible Households	223,752
* Average Poverty Rate by Census Data	18.83%
= Eligible Households by Poverty Rate	42,132
- Completions in last 6 years	(17,638)
= Net Eligible Households	24,494
* Average Job Cost	\$585
= Total Costs for All Eligible LIURP Jobs	\$14,328,990

The total costs for completing LIURP jobs for the 24,494 eligible customers would be \$14,328,990.

F. Program Budget

Budget levels for the years 2020 through 202~~5~~² shown below indicate current levels and increased levels based upon the Rate Case Settlement at Docket No. R-2018-3000124. The three year average job costs \$4,425, and \$425 for electric heat and base load service, respectively. The Company estimates the average cost for incidental repairs, new programs, and post inspections would be an additional \$160 per job, which is included in the cost shown below.

	Electric Heat: \$4,585 ea.		Baseload: \$585 ea.		TOTAL	
	# Jobs	Budget \$	# Jobs	Budget \$	# Jobs	Budget \$
2020	310	1,421,350	2,790	1,632,150	3,100	3,053,500
2021	310	1,421,350	2,790	1,632,150	3,100	3,053,500
2022	310	1,421,350	2,790	1,632,150	3,100	3,053,500
<u>2023</u>	<u>310</u>	<u>1,421,350</u>	<u>2,790</u>	<u>1,632,150</u>	<u>3,100</u>	<u>3,053,500</u>
<u>2024</u>	<u>310</u>	<u>1,421,350</u>	<u>2,790</u>	<u>1,632,150</u>	<u>3,100</u>	<u>3,053,500</u>
<u>2025</u>	<u>31</u>	<u>1,421,350</u>	<u>2,790</u>	<u>1,632,150</u>	<u>3,100</u>	<u>3,053,500</u>

G. Organizational Structure of Duquesne Light Staff

Please see Section III (~~16~~) on page ~~2019~~ for staffing information.



**Universal Services
and
Energy Conservation Plan**

2020-2025

Submitted January 6, 2020

Table of Contents

I. Introduction	3
II. Background	3
III. Customer Assistance Program (CAP)	5
A. Objectives	5
B. Summary of Proposed Changes	6
C. Program Description	6
D. Eligibility Requirements	15
E. Projected Needs Assessment (based on Census data)	16
F. Projected CAP Enrollment	17
G. Projected CAP Budget	18
H. Plans to use Community Based Organizations	18
I. Organizational Structure	20
IV. Customer Assistance Referral and Evaluation Services (CARES)	20
A. Program Description	20
B. Program Eligibility	21
C. Enrollment Levels	21
D. Program Budget	22
E. Needs Assessment	22
F. Community-Based Organizations	22
G. Organizational Structure of Duquesne Light Staff	23
V. Hardship Fund	23
A. Program Description	23
B. Eligibility	24
C. Projected Budget	25
D. Needs Assessment	25
E. Community-Based Organizations	26
F. Organizational Structure of Duquesne Light Staff	27
VI. Smart Comfort (LIURP)	27
A. Program Description	27
B. Program Eligibility	31
C. Program Integration	31
D. Projected Enrollment & Needs Assessment	33
E. Program Budget	35

I. Introduction

Duquesne Light Company (“Duquesne Light” or “Company”) has a comprehensive Universal Service and Energy Conservation Plan, which consists of its Customer Assistance Program (“CAP”), Customer Assistance and Referral Evaluation Services (“CARES”), Low Income Usage Reduction Program (“LIURP”), and Hardship Fund administered by Dollar Energy. The goals of Duquesne Light’s universal service programs are to provide and maintain affordable service for income qualified customers, to assist income qualified customers to conserve energy and reduce residential utility bills, and to operate its universal service programs in a cost effective and efficient manner.

II. Background

Customer Assistance Program

Duquesne Light’s CAP was first implemented as a pilot in September 1995. CAP is a special payment program for income qualified, payment-troubled customers. The initial CAP pilot was designed to help customers lower their electric consumption to achieve an affordable electric bill. Eligibility for the initial CAP pilot was limited to customers with 1) a gross household income at or below 150 percent of Federal Poverty Level (“FPL”), 2) at least one year of residency at their address, 3) housing expenses that were more than 45 percent of their gross income, 4) customers who made 3 to 9 payments in the past year, and 5) had at least a \$400 arrearage on their electric bill. The program’s case management approach offered significant support and in depth guidance to the customers to change their payment and usage behavior patterns.

In January of 2001, Duquesne Light simplified the program by revising eligibility requirements and removing the residency, arrearage and payment history requirements. The Company also eliminated the 3-year program limit requirement in order to allow all income eligible, payment-troubled customers who maintain a satisfactory payment-history under CAP to stay in the program.

In 2004, Duquesne Light simplified the program further by eliminating the customer co-pay of \$5 per month. The Company also reduced CAP customers’ payment requirements for customers below 50 percent of poverty guidelines, and between 51 percent and 100 percent of poverty guidelines in accordance with the Pennsylvania Public Utility Commission (“Commission”) CAP Compliance Guidelines.

In January 2007, Duquesne Light again adjusted CAP customers’ payment requirements to provide bill affordability. An analysis was done to determine if CAP percentage levels should be adjusted in accordance with FPL guidelines released in February 2006. This analysis was completed using income and occupant information provided to Duquesne Light by the CAP customer. It was found that CAP customers in certain income

categories were able to afford a higher percentage of their budget bill. Accordingly, CAP customers' required payments were increased between 5 percent and 10 percent for the following three income levels.

101%-150% non-heat CAP customers (RS)	(5% Increase)
51%-100% heat CAP customers (RH)	(5% Increase)
101%-150% heat CAP customers (RH)	(10% Increase)

In January 2011, Duquesne Light initiated the "Automatic Enrollment" feature into the CAP Program. Upon receipt of a Low Income Home Energy Assistance Program ("LIHEAP") grant, customers were automatically enrolled in the Company's CAP program at 100% of their budget amount and collections were temporarily halted to permit customers time to complete the CAP enrollment process including income verification. Consistent with the Company's commitment to encouraging energy conservation, in January 2012, Duquesne Light piloted the installation of Smart Strip surge protectors in collaboration with its Energy Efficiency and Conservation Act 129 program, "Watt Choices."

In its 2014-2016 plan and as approved by the Commission in the Company's Rate Case Settlement at Docket No. R-2013-2372129, Duquesne Light increased its maximum annual CAP credits to assist income qualified customers in managing their energy burden. Duquesne Light increased the maximum CAP credit from \$560 to \$700 for non-heating customers and from \$1,400 to \$1,800 for heating customers. The Company also eliminated the requirement for customers to provide their social security number as a requirement for CAP participation provided that customers can provide sufficient alternative identification.

The 2017-2019 Universal Services Three Year Plan, as amended by Commission order entered July 20, 2017, at Docket No. M-2016-2543423, included several program enhancements and modifications, including:

- Allowing customers to complete CAP enrollment via telephone interview;
- Implementing a targeted CAP outreach program for customers that receive a LIHEAP grant in lieu of auto-enrollment; and
- Requiring all CAP customers to recertify their income once every two years.
- An increase in the percentage of budget discounts for CAP customers; and
- An increase in the CAP maximum credits from \$700 to \$1500 per program year for non-heating customers.

In addition, the Percent of Budget Plan CAP tiers were also updated as follows:

Income (% FPL)	Non-Electric Heating	Electric Heating
Up to 50%	15%	25%
51% - 100%	40%	60%
101 – 150%	80%	80%

In that proceeding, the Commission also approved the joint proposal of the Company, the Office of Consumer Advocate and CAUSE-PA to make further changes to the Company’s CAP program beginning July 2020.¹

With this 2020-2025 plan, the Company will transition CAP from a Percent of Budget program to a Percent of Income Payment Plan (PIPP), with CAP credit maximums tailored to specific income tiers; increase the minimum bill for non-electric heating customers from \$15 to \$20; require zero-income customers to recertify their income every 6 months; and provide an opportunity for customers to earn forgiveness on existing in-program debt when they transition to the new PIPP. The Company will track and report the average annual deficiency for non-electric and electric heat customers in connection with its universal service and energy conservation filings.

This 2020-2025 Universal Services Plan includes additional program enhancements and modifications, including:

- The CARES budget will be increased by \$10,000 annually to extend support to the Company’s most vulnerable customers.
- Community Based Organizations administering the CAP program will establish offices in underserved areas in the south and eastern portions of the service territory.
- LIURP will be expanded and updated, consistent with the Company’s Rate Case Settlement at Docket No. R-2018-300124.

III. Customer Assistance Program (CAP)

A. Objectives

Duquesne Light has redesigned its CAP with the goal of developing and implementing a program that will:

- Make electric service affordable for income eligible customers

¹ See *Duquesne Light Company Universal Service and Energy Conservation Plan*, Order on Reconsideration, at Appendix A (entered April 19, 2018, at Docket No. M-2016-2543423).

- Be mindful of the burden shared by other residential customers
- Ensure accuracy, clarity and simplicity in customer billing
- Be easy to explain and understand
- Provide a consistent bill amount
- Encourage and support energy conservation
- Be promoted to consumers who are likely to qualify

B. Summary of Proposed Changes

The Company is proposing a redesign of CAP that would become effective July 2020 and remain in place for a five year period after implementation. Effective July 2020 the Company will:

- Change from a Percent of Budget program to a Percent of Income Payment Plan (PIPP);
- Increase the minimum payment for non-electric heating customers from \$15 to \$20;
- Require zero-income customers to recertify income every 6 months;
- Provide an opportunity for customers to earn forgiveness on existing in-program debt when they transition to the new PIPP in order to maintain affordable energy burdens;
- Develop and implement a revised and simplified bill design;
- Allow customers to submit an online application for enrollment; and
- Track and report the average annual deficiency for non-electric and electric heat customers in connection with its triennial universal service and energy conservation filings.²

C. Program Description

Given the primary goals of enhancing affordability for income eligible customers, minimizing cost to other residential customers, and strengthening the program's integrity, Duquesne Light's proposed program will ultimately depart from the current Percent of Budget Program to a Percent of Income Payment Plan (PIPP). The Company believes that doing so will result in monthly energy bills that are affordable across all income tiers, provide customers with a consistent and manageable bill and an overall better experience.

² This section also incorporates non-substantive changes for the purposes of clarity and readability.

The primary features of CAP include:

- An affordable, consistent monthly payment based on income;
- An opportunity for arrearage forgiveness over a 24 month period of time;
- CAP credit write off;
- Protection against loss of electric service;
- Referrals to other Duquesne Light and community programs and services.

1. 2020-2025 Percent of Income Payment Plan

Effective July 2020, CAP customers are billed in one of three ways: 1) a percentage of their monthly gross household income, as outlined in the chart below 2) the average monthly bill; or 3) their actual usage if less than PIPP and average monthly bill.

Method 1: PIPP

Income Category	Residential Service Percent of Income Payment:	Residential Electric Heat Percentage of Income Payment:
Up to 50% FPL	2%	6%
51% to 100% FPL	4%	10%
101% to 150% FPL	4%	10%
*Minimum Payment	\$20	\$40

For example, a single customer with gross annual income of \$10,000 (or \$833/month) would fall into the 51% to 100% FPL level, based on 2019 guidelines. The customer's monthly electric bill would be \$33, which is 4% of \$833.

Method 2: Average Monthly Bill

If the customer's average monthly bill (based on a 12 month rolling average that would otherwise be the budget billing payment) is less than what the CAP bill would be as determined in Method 1 (above), the customer's monthly payment will equal the 12 month average bill. The monthly payment is reviewed and updated (if necessary) every four months to determine whether the customer is best served in the PIPP or in the Average Monthly Bill plan. The average monthly bill is not the budget amount and is not subject to reconciliation.

In the same example used above in Method 1, if the customer's average monthly bill is \$28 – which is less than \$33 – then the customer's CAP payment would be set to \$28

for 4 months, until the average bill is again compared to the PIPP payment.

Method 3: Actual Usage

If the customer's bill based on their actual usage is less than what the CAP bill would be as determined in Method 1 or Method 2, the customer's payment will be based on their actual usage for that month. Customers whose actual usage in any given month results in a bill that is less than the Minimum Payment are billed based on actual usage.

In the same example used above in Method 1 and Method 2, if the customer's actual usage for the month is \$17 – which is less than the average monthly bill and the PIPP – the customer's CAP payment will be \$17 monthly until the actual usage is higher than the average monthly usage or the PIPP.

Customers Reporting \$0 Income

Customers who report \$0 income are required to make the minimum CAP payment.

*As a cost containment measure, the Company requires a monthly minimum CAP payment amount of \$20 for residential service customers, and \$40 for residential heating customers (except where a customer's actual usage in a given month results in a bill that is less than the minimum payment; in which case, the customer is billed based on actual usage). The mandatory minimum payment ensures that CAP customers pay a portion of their energy costs while helping to control costs borne by non-CAP residential service customers.

2. Calculation of CAP Discounts and Maximum Annual CAP Discount

Effective July 2020, the CAP discount amount is the difference between what the bill would be based on actual usage at the full tariff rate and the monthly payment as determined by either the PIPP or the Average Monthly Bill method.

To encourage energy conservation and maintain the cost efficiency of the program, customers will be subject to a maximum annual CAP discount amount. The maximum is set according to income level as follows:

Income Category	Non-Heating Maximum Annual Discount	Electric Heating Maximum Annual Discount
PY 2020-2025		
Up to 50% FPL	\$1,600	\$2,350
51% to 100% FPL	\$1,400	\$1,800
101% to 150% FPL	\$900	\$1,300

When a customer reaches the maximum annual discount within twelve months of the anniversary of the enrollment month, the customer is required to pay the actual bill at the full tariff rate. (The discount will be reset annually after bill month 12.)

In the next quinquennial filing, the Company will include information regarding the average annual deficiency for heating and non-heating customers.

Exceptions to Income Categories

Percent of income payments and maximum annual CAP discount amounts for CAP participants may be adjusted for extenuating circumstances including, but not limited to, the following:

- Addition to the household;
- Serious illness or medical condition;
- Consumption increase beyond control of customer (health related);
- Severe weather conditions; and
- Structural damage to home.

3. Pre-Program Debt Forgiveness

A major benefit to customers who make full payments in accordance with their CAP payment plan is the complete forgiveness of their pre-program arrears. Customers who enroll in CAP with an outstanding balance have an opportunity to eliminate their pre-program arrears by making full payments of the CAP bill. Customers will receive debt forgiveness of 1/24th of their pre-program arrears with each full monthly payment. Customers also have the ability to receive arrearage forgiveness on catch-up payments made for past due monthly CAP balances. Customers will be granted one pre-program debt forgiveness opportunity, which will remain with the customer as long as he/she is enrolled in CAP. Except for the one-time transition in-program debt forgiveness described in section 5 below, delinquencies acquired within CAP are not eligible for forgiveness. If a customer is terminated or discontinues services prior to earning total forgiveness of their Pre-Program Arrears amount, the customer may resume the pre-program arrears opportunity. For example.-

- A customer enrolls in CAP with \$240 pre-program delinquency. While enrolled in CAP, the customer earns \$140 in arrears forgiveness.

Service is subsequently terminated or discontinued. The customer also has \$100 in CAP rate arrears at the time service ends. The customer subsequently establishes new service and has a total unpaid balance of \$200, which includes \$100 in CAP rate arrears and \$100 prior frozen arrears. When the new service is established and the customer is enrolled in CAP, he or she would be eligible for \$100 in pre-program arrears forgiveness. The \$100 billed at the CAP rate would not be eligible for forgiveness. The customer would earn forgiveness in increments of 1/24th of the original \$240 in pre-program arrears amount. In this example, the customer would receive debt forgiveness in the amount of \$10 for each full payment, up to \$100.

4. One-time Transitional In-Program Debt Forgiveness

The Company's new PIPP is specifically designed to provide greater affordability for CAP customers. The Company's prior CAP plan resulted in unaffordable energy burdens for many income qualified customers. Resultantly, approximately one-quarter of Duquesne Light's CAP customers have accumulated delinquent balances within the CAP program. Requiring existing CAP customers to pay the delinquency, either in full or over time, in addition to the new PIPP amount, would substantially negate the benefits of the new program. Accordingly, customers will be granted forgiveness on their past due balances that exist at the time of enrollment in the new PIPP. The existing delinquency will be forgiven at the rate of 1/24th for each full monthly CAP payment. Providing an opportunity for forgiveness will provide customers who make payments the opportunity to maintain electric service at affordable rates. For additional details, see Appendix A.

5. Intake Processes

Application via Community Based Organizations

Recognizing customers' need for convenience and flexibility in their interactions with the Company, CAP enrollment will be supported in-person, over the phone, and via an online application.

Regardless of the channel through which the customer initiates enrollment, a Community Based Organization (CBO) agent will conduct a follow-up interview with the customer. This interview allows the customer to receive an explanation of CAP, CARES, and other relevant programs such as LIHEAP. The agent will ensure that the customer understands their responsibilities to remain in the program, and will thoroughly explain the various components of the CAP bill.

At the time of the application, Duquesne Light requests that the applicants provide social security numbers on the application; however, in lieu of providing

a social security number, an applicant may provide another acceptable form of identification such as a driver's license or other government issued identification. Customers applying for CAP will be informed that a social security number is not required to complete the application.

Customers Reporting \$0 Household Income

Customers who report \$0 household income at the time of enrollment are required to complete the "Zero Income Form" and give Duquesne Light permission to verify the income with government agencies such as the Internal Revenue Service ("IRS") and through bankruptcy proceedings. Third party information used to verify customer income will apply to the timeframe at issue.

The Company will provide customers with an opportunity to challenge or correct income information provided by third parties prior to dismissal from the program. The Company requests that the customer identify all household members, the address where service is provided and a brief explanation of how household expenses are met on the form. The customer must sign and date the form; however, the Company does not require that the form be notarized. The customer's income status may be reviewed every six months to determine if employment or income status has changed. However, if the customer's income status changes, the customer is required to notify the Company of the change.

LIHEAP Grant Recipients not currently enrolled in CAP

Duquesne Light will conduct targeted outreach for customers who receive LIHEAP grants for enrollment in CAP. These customers will receive a mailing explaining the benefits of CAP and instructing the customer on how to apply. A Benefits Brochure will also be included; this brochure outlines the benefits and responsibilities associated with the CAP program. After a period of one month, if the customer has not enrolled in CAP, a second outreach will be made by the CBO –via phone, mail or electronic mail where the customer has consented to electronic communication. Customers are encouraged to set up an appointment with the CBO – via phone or in-person – to complete the CAP enrollment.

6. Cost Recovery – Rider No. 5

Universal Service Program costs, including CAP costs, are recovered through a reconcilable surcharge found in Duquesne Light's Tariff.

7. Security Deposits

Applicants who are confirmed low-income are not required to make a security deposit.

Security deposits collected prior to a customer being confirmed low-income will be refunded as the Company receives the low-income confirmation, either with or without enrollment into CAP.

The Company shall refund security deposit payments to customers who are confirmed eligible for CAP upon enrollment into CAP after service restoration.

8. Customer Obligations

All customers remain in the program for as long as they are income qualified and comply with the CAP requirements and guidelines. Energy conservation plays an important role in helping CAP customers control their energy costs. Accordingly, customer obligations under CAP include:

Full, on-time monthly payments

- Customers are required to pay their bill each month, on time and in full.

Smart Comfort Visits

- Customers who meet the following criteria must schedule a Smart Comfort (LIURP) visit within 90 days of enrollment:
 - All customers with electric heat
 - All residential service customers who own their home and have a base load usage in excess of 500 kWh per month
 - All residential service customers who are renters, have a base load usage in excess of 500 kWh per month, and have resided at the premise for at least six months. Landlord approval is required prior to any structural modifications.

Additionally, CAP customers whose base load usage exceeds 500 kWh and who have not had a Smart Comfort (LIURP) visit within the last seven years may be required to complete a Smart Comfort visit.

Recertification

Customers reporting \$0 household income are required to recertify their income and occupancy information every six months.

All other CAP customers are required to recertify their income and occupancy information once every other year.

CAP Shopping

Duquesne Light's CAP customers currently are not able eligible to shop for an Electric Generation Supplier ("EGS"). A customer that has an EGS and wishes to participate in CAP will be advised that Duquesne Light can switch the customer back to default service; however, the customer may be subject to a cancellation fee. The customer should check his/her EGS agreement to determine whether there are any fees associated with cancellation.

9. Application of Customer Payments and Assistance Grants

All CAP customers will be encouraged to apply for appropriate grants. Funds received through grants will be applied first to past-due amounts and then to future amounts due. Grant monies will not be used to reduce frozen arrearage.

10. Energy Conservation

Through CAP, Duquesne Light attempts to increase customers' awareness about using energy wisely and to offer ideas for reducing kWh consumption. Company representatives provide consumer education in the following areas:

- Low cost/no cost energy conservation tips;
- Explanation of weatherization measures;
- Home heating and cooling systems; and
- Electric bill and analysis of usage.

The Company analyzes all CAP customers' usage monthly to identify customers whose usage increases to levels outside established norms. This High Consumption Report is provided to Low Income Usage Reduction Program ("LIURP") representatives and the Company's Smart Comfort contractor, who will analyze customer bills, contact the affected customers with additional consumption reduction information and may enroll the customers in Smart Comfort, Act 129 Low Income programs (Watt Choices), or other programs to proactively assist in reducing energy usage to normal levels. Customers participating in CAP consent to share their usage information with third party providers.

The CAP Representatives are responsible for analyzing the individual situations and for recommending changes to consumption or to the Percentage of Income

Payment Plan if warranted by the circumstances. At enrollment, CAP Representatives explain the customer’s responsibility related to annual kWh usage and their billed charges should they exceed their maximum annual CAP Discount allowance. This matter is analyzed and discussed again, if appropriate, during bi-annual program re-certification.

11. Defaulting from CAP

Duquesne Light extends every reasonable consideration to CAP customers to avoid dismissal from the program. Program requirements and benefits are clearly explained during the initial enrollment interview. Extenuating circumstances are carefully evaluated. However, CAP cannot function properly without the commitment and cooperation of customers, social service agencies, and Duquesne Light. Customers’ non-compliance with CAP obligations may lead to dismissal from the program. The grounds for default are summarized in the chart below:

Grounds for Default	Required 1 Year Stay-out	Opportunity to Cure
Failure to recertify	No	Yes
Failure to complete Smart Comfort Visit	No	Yes
Termination for non-pay	No	Yes
Voluntary Removal from Program	No	Yes
Removal for fraud, material misrepresentation, etc.	Yes	No

Customers who have a past-due CAP balance at the time of default may be required to pay the past-due catch-up amount in conjunction with curing the reason for default to be reinstated in CAP.

CAP customers are required to pay their CAP amount in full and on time each month. If payment is not received within five business days after the bill due date, the collection process will begin. If a CAP account is terminated, the customer may be required to pay their entire past due balance as a condition of restoration unless eligible for a payment arrangement. CAP customer restoration agreements will generally be issued in accordance with 66 Pa. C.S. § 1407.

If a CAP account is terminated and service is not restored within 30 days, the account will be removed from CAP. CAP customers will be permitted to be reinstated in CAP if service is restored within 30 days.

When a CAP customer's base load usage exceeds 500 kWh per month and the customer refuses to complete a Smart Comfort (LIURP) visit, the customer may be defaulted from the CAP program until the cause of the default has been satisfied.

If a customer fails to provide updated household information, the account may be defaulted from CAP. If a CAP customer is found to have greater income than what was originally reported, the customer may be defaulted from the CAP Program and back-billed at the full tariff rate. Customers will be provided an opportunity to provide documentation of their income prior to any adverse action. If the Company determines that the information provided is insufficient, the customer may be removed from CAP. All applicants and CAP customers may appeal the Company determination. Upon receipt of a dispute related to a default or removal from CAP, the Company will investigate and provide the customer with its final position and rights to file a complaint with the Commission.

Customers may also request to be removed from CAP. If a customer requests to be removed from CAP, the customer is advised that she/he will not be able to re-enroll in CAP again unless the customer shows that she/he has paid amounts equivalent to the CAP payment for the time period outside of CAP.

For example: A customer with a monthly CAP payment of \$33 asks to be removed from the program. Two months later, the customer wishes to re-enroll in CAP. The customer has made no payments in the interim. A catch-up payment of \$66 will be required to re-enroll in CAP.

Customers who are determined to have income levels exceeding program limits will be removed from CAP. Customers may also be removed from CAP for fraud, theft, or tampering.

D. Eligibility Requirements

Duquesne Light's CAP is available to residential customers whose total gross household income is at or below 150% of the FPL, and have demonstrated or expressed an inability to pay their electric service bill.

1. Grandfathered Seniors

Certain senior CAP customers with household income between 150% and 200% of the FPL had previously been grandfathered so that they would not be removed from CAP. Continued participation in CAP is permitted for those customers as long as the customer's income levels remains at or below 200% of the FPL and provided they continue to adhere to the requirements of the CAP.

2. Move / Transfer of Service

Customers may not receive the benefits of CAP at multiple service locations simultaneously, except for in the case of a transfer of service. In this case, the customer will be billed at the CAP discounted amount at both premises for a maximum of thirty (30) days to accommodate the move. CAP enrollment is not interrupted when a program participant transfers service from one property to another within 30 days. After 30 days, a CAP customer will be treated as an applicant and required to apply for new service and CAP enrollment.

Outside of a move/transfer situation, a customer with concurrent service at multiple locations may only be billed at the CAP rate for a single location.

E. Projected Needs Assessment (based on Census data)

Enrollment levels are based on data from the U.S. Census Bureau and information identified from the Company's internal billing system.

1. Census Data for Households at or Below 150% of Poverty

County:	Allegheny	Beaver	Total
Census Total Households:	596,504	79,150	675,654
% Low Income per 2013-2017 Census Estimates	19.60%	18.90%	19.25%
Est # Low Income Households	116,915	14,959	130,063
Duquesne Light Residential Households in County:	474,793	64,014	538,807
Est. # Low Income Duquesne Light Households in County	93,059	12,099	103,720

2. Confirmed Low-Income Customers

	CAP:	Non-CAP Low Income :	Confirmed Low- Income:
2016	40,514	6,784	47,298
2017	34,420	14,184	48,604
2018	36,010	13,251	49,261
Average	36,981	11,406	48,387

F. Projected CAP Enrollment

Duquesne Light's average CAP enrollment from the past five years is displayed below:

Year	CAP Enrollment
2015	35,778
2016	40,514
2017	34,420
2018	36,010
2019	36,223
Avg	36,589

Based upon past performance and the needs assessment, the estimated projected net enrollment of active CAP customers by year is shown below:

Year	CAP Enrollment Level
2019	36,223
2020	36,585
2021	36,951
2022	37,320
2023	37,694
2024	38,070
2025	38,451

G. Projected CAP Budget

A summary of the Company's projected CAP budget is presented below. This summary contains a breakdown of CAP customer arrearages, provided for consistency with the CAP Program Transition Plan (see Addendum A).

Program Budget:	Admin	CAP Credits	Traditional Frozen Arrearage	IPA converted to Frozen Arrearage: Ratepayer ⁽¹⁾	Total Cost to Ratepayers	IPA Converted to Frozen Arrearage: Shareholder ⁽¹⁾	TOTAL CAP Costs
2020	\$1,877,211	\$24,068,006	\$6,012,272	\$534,233	\$32,491,722	\$437,100	\$32,928,822
2021	\$1,933,527	\$24,549,366	\$6,132,517	\$534,233	\$33,149,644	\$437,100	\$33,586,744
2022	\$1,991,533	\$25,040,353	\$6,255,168	\$534,233	\$33,821,287	\$437,100	\$34,258,387
2023	\$2,112,817	\$26,051,984	\$6,507,876		\$34,672,677		\$34,672,677
2024	\$2,176,202	\$26,573,023	\$6,638,034		\$35,387,259		\$35,387,259
2025	\$2,241,488	\$27,104,484	\$6,770,795		\$36,116,766		\$36,116,766

(1) based on historical data, customers receive ~62% of the total annual frozen arrearage write-off opportunity due to inconsistent payment habits. The model distributes 62% of the IPA (est \$4.7 million) over three years.

H. Plans to use Community Based Organizations

Holy Family Institute and Catholic Charities currently administer Duquesne Light's CAP and CARES Programs. These organizations oversee a network of CBOs with 27 full time employees (FTEs) at 7 sites (main office location and satellite offices). Duquesne Light worked with the CBOs to ensure that the offices were located in areas with concentrations of confirmed income qualified customers and relative proximity to transportation and other such factors.

In 2018, the Company surveyed CAP customers and learned that – while most customers find CAP office locations to be easily accessible -- some felt that the existing locations were not convenient. Additional analysis confirmed that the existing CAP office locations are centrally located near concentrations of low-income customers, but that there are customers in the southern and eastern suburbs of Pittsburgh who could be better served with a more convenient, nearby location.

The Company is currently working with resources in these suburbs to identify locations where a pilot could be conducted to test customer receptivity to these new locations. Existing staff from Holy Family Institute would staff the locations on a limited but consistent basis, allowing customers to enroll or recertify in CAP as well as apply for grants through the Dollar Energy Fund and LIHEAP.

Duquesne Light continues to utilize CBOs in the same manner as in its prior plans. CBOs serve as the CAP administering agencies and accept referrals from various sources. CBOs also contact customers to perform an initial screening for potential program participation and arrange personal interviews at CBO locations and phone interviews. Though CBOs have scheduled hours, customers unable to visit the CBO within those hours will be accommodated outside of normal business hours by appointment and also by phone. For customers with special needs preventing them from visiting the CBO for an interview, home visits or telephone appointments may also be scheduled.

CBOs serve as a primary Universal Services contact with the customer, which is maintained throughout the customer’s participation in CAP and other Universal Services programs. CBOs will be responsible for attempting to schedule CAP appointments, making timely reminder calls prior to the scheduled appointment and other various assignments that streamline the CAP application/enrollment process and increase efficiency.

CBOs will return calls to customers within two (2) business days. Customers may be provided with a temporary hold and stay of collection to enroll in CAP.

Current administering organizations and the counties they serve are listed below:

<u>Community Based Organizations:</u>	<u>Counties Served:</u>
Catholic Charities	Allegheny
Holy Family Institute, Northside	Allegheny
Holy Family Institute, McKees Rocks	Allegheny
Holy Family Institute, Swissvale	Allegheny
Holy Family Institute, Aliquippa	Beaver
Holy Family Institute, McKeesport	Allegheny
Holy Family Institute, Beaver Falls	Beaver

I. Organizational Structure

Duquesne Light's Universal Services Department is typically staffed by three dedicated individuals. The department is headed by the Manager of Universal Services, who is supported by Universal Service Analysts as follows:

- Manager Universal Services (1)
- Universal Services Analyst (2)

Duquesne Light continues to evaluate staffing as needs arise and augments staffing as necessary.

IV. Customer Assistance Referral and Evaluation Services (CARES)

A. Program Description

Duquesne Light's Customer Assistance Referral and Evaluation Services ("CARES") program assists payment-troubled and special needs customers obtain necessary social service support and assistance. The primary objectives of the CARES program are to:

- Help customers experiencing payment hardships to manage their electric bills by providing them with information, resources and encouragement;
- Make tailored referrals to company and community assistance programs; and
- Maintain and/or establish partnerships and alliances with social service agencies, government offices, and community organizations to ensure maximum and timely assistance for customers who have personal or family hardships.

The program focuses on residential customers whose income is at or below 150% of the FPL and senior citizens whose income is at or below 200% of the FPL. Customers may be referred to CARES by internal and external sources including but not limited to other Duquesne Light departments, other utility companies, CBOs (e.g., Holy Family and Catholic Charities), the PUC, or word of mouth. An outreach worker or community agency acts as an intermediary between the customer and the Company in an effort to link the customer to the necessary social service programs that will enhance the customer's ability to pay for electric service.

CBOs refer customers to CARES during the initial interview for universal services programs. The CBOs assist these customers in obtaining all available energy assistance for which the household qualifies (e.g., LIHEAP, Crisis, and Dollar Energy Fund) and also make referrals to other programs and services based upon need and availability. For customers with special needs preventing them from visiting the CBO for an interview, home visits may also be scheduled. During home visits, CBO representatives can more quickly determine the basic causes of customers' hardships, as well as verify customers' statements concerning sources of household income. CARES Case Managers also visit identified low-income, multi-family dwellings as well as other gathering places to hold events that encourage and assist CAP enrollment.

B. Program Eligibility

CARES is designed specifically to assist customers who are facing a hardship, such as a loss of income from an illness, the loss of the primary wage earner, or some other household or family problem that prevents them from paying their electric service bills in full. Duquesne Light makes every effort to avoid turning any customer away, regardless of income level.

C. Enrollment Levels

As customers are provided with information on all programs including CARES as part of the CAP enrollment process, Duquesne Light estimates that the enrollment for CARES should approximate the total of CAP new enrollments and eligible customers seeking assistance. Analysis of customer participation shows that enrollment levels for CARES are consistently around 12,000 customers per year.

From 2016 through 2018, an average of 11,745 customers are served each year by enrolling into the CAP program. The CAP Case Managers enroll customers and during the interview also assess their needs and connect them to other resources in their community. Additionally, CARES Case Managers average 641 distinct CARES visits to customers. The CARES program included 1.5 FTE employees distributed throughout the service territory.

D. Program Budget

The specific funding level for 2020 through 2025 is shown below:

Year	Funding Level
2020	\$145,000
2021	\$145,000
2022	\$145,000
2023	\$145,000
2024	\$145,000
2025	\$145,000

E. Needs Assessment

The projected participation and funding for 2020 through 2025 is shown below:

Year	Estimated Budget	Projected Participation ³
2020	\$145,000	12,640
2021	\$145,000	12,640
2022	\$145,000	12,640
2023	\$145,000	12,640
2024	\$145,000	12,640
2025	\$145,000	12,640

F. Community-Based Organizations

Duquesne Light recognizes the importance of establishing and expanding its network of contacts and working relationships with CBOs. Simply put, CARES could not function without the cooperation and assistance of local organizations. The CBOs refer customers to CARES at the time of the CAP intake interview. CARES is administered by the CBOs listed in the section related to CAP.

These organizations act as “brokers” who attempt to match customers’ needs with existing company and/or community programs. The CARES counselors analyze customer accounts and circumstances to determine the basic cause(s) of their bill-payment problems. They refer customers to appropriate programs and services that are offered by social service agencies, community organizations, and

³ Reflects distinct customer contacts related to the CARES program specifically, to eliminate double-counting of those customer contacts related to CARES as well as other programs (e.g., CAP).

Duquesne Light. In addition, they initiate follow-up to determine the outcome of referrals to social agencies and company programs. CARES Counselors can also help customers bridge short-term gaps, including assistance with immediate needs including food, household products and clothing and temporary shelter.

Another key responsibility of the CARES Counselors is to establish close working relationships with external organizations and internal departments at Duquesne Light. Social service agencies and other community groups are essential to the success of CARES because they provide the needed services for payment-troubled customers. The relationship between the CARES counselors and the other agency caseworkers is carefully nurtured and strengthened because the program cannot function effectively without the cooperation of social service organizations.

G. Organizational Structure of Duquesne Light Staff

Please see Section III (I) on page 20 for staffing information.

V. Hardship Fund

A. Program Description

Duquesne Light's Hardship Fund is administered by the Dollar Energy Fund ("DEF"). Begun in March 1983, Dollar Energy was one of the first utility-sponsored fuel funds in the nation and Duquesne was one of the founding utilities. Customers may contribute to the program by pledging monthly to their electric bill payments, by sending in a check or by electing to contribute online.

The primary features of the Dollar Energy Fund include:

- Direct financial assistance for overdue energy bills
- Protection against shutoffs
- Referral to other programs and services

The Hardship Fund operates from October 1st of each year and continues until funds are depleted.

The Company promotes the program through bill inserts, Company website, radio advertisements, direct referrals by Duquesne Light Customer Service Representatives, community based events and the Dollar Energy Fund itself.

1. Key Objectives

The overall objectives of Dollar Energy are as follows:

- Provide financial assistance to qualified low-income families who are having difficulty paying their energy bills.
- Offer financial assistance to low-income households who may be ineligible for the Low Income Home Energy Assistance Program (“LIHEAP”).
- Coordinate and expand the activities of community-based organizations that provide energy-related assistance.
- Help customers understand and access community resources to solve energy payment problems as a step toward greater self-sufficiency.

B. Eligibility

Dollar Energy is designed specifically for lower-income residential customers (household income at or below 200% of the FPL) who are unable to pay their electric service. The program focuses on lower-income customers who have overdue balances and an inability to pay the full amount of their energy bills.

To be eligible, customers must:

1. Have a residential account and reside at the premise address.
2. Have paid a minimum of \$150 toward their utility bill within the last 90 days or made three consecutive CAP payments. Senior citizens (age 62 and over) must have paid at least \$100.
3. Have a balance on their electric bill of at least \$100. Senior citizens (age 62 and over) may have a zero balance, as long as there is no existing credit on the account.
4. Provide proof of monthly household income (FPL guidelines apply).

The respective operating dates and service status criterion for each timeframe is as follows:

- October 1 to November 30 – Electric service off or in threat of termination.
- December 1 to January 31 – Electric service off only.
- February 1 to February 28 – Electric service off or in threat of termination.
- March 1 until funds reach 10% budget remaining – Open to all eligible applicants regardless of service status
- Once budget has 10% remaining, open to applicants whose service has been terminated

The Dollar Energy Fund becomes the “fund of last resort” when the customer has applied to LIHEAP, if LIHEAP is open and the customer qualifies for LIHEAP. Approved applicants will receive a grant of up to \$500 based on overdue balance. A household can receive only one Dollar Energy Fund grant during a program year. Upon receipt of the grant, a 30-day stay on termination is placed on the account and the grant amount will be applied to the customer’s past and current

“asked to pay” amounts. Excess payments will be applied to the next month’s billed amount. A Dollar Energy grant may create an excess credit if the customer makes a payment prior to receiving the grant.

C. Projected Budget

Duquesne Light’s Hardship Fund is a partnership with Dollar Energy Fund. Duquesne Light will match customer contributions up to \$375,000 annually. In addition, up to \$75,000 will be provided for administrative support.⁴

Year:	Estimated Budget	Participation:	Average Grant:
2020	\$750,000	1,880	\$399
2021	\$750,000	1,880	\$399
2022	\$750,000	1,880	\$399
2023	\$750,000	1,880	\$399
2024	\$750,000	1,880	\$399
2025	\$750,000	1,880	\$399

D. Needs Assessment

Estimates for the Hardship Fund are based on past program participation levels as shown below:

Year:	Funding:	Participation:	Average Grant:
2013	\$750,000	1,751	\$ 428
2014	\$750,000	1,843	\$ 407
2015	\$750,000	1,845	\$ 400
2016	\$750,000	1,858	\$ 409
2017	\$750,000	1,555	\$ 373
2018	\$750,000	1,984	\$ 378
2019 ⁵	750,000	845	\$ 228
Average	\$750,000	1880	\$ 399

⁴ Administrative support is recovered through the Universal Service Charge.

⁵ As of January 22, 2019.

E. Community-Based Organizations

The Dollar Energy Fund utilizes community based organizations in Duquesne Light's service territory to validate household income and process applications. These organizations have solid reputations and experience in delivering services to low-income households in the Duquesne Light service area. The administration of the program is a collaborative effort between Dollar Energy and the organizations listed below.

Community Based Organizations:	Counties Served:
Allegheny Center Alliance Church	Allegheny
Allegheny Valley Association of Churches	Allegheny
Brashear Association's Neighborhood Employment Center	Allegheny
Brashear Center	Allegheny
Catholic Charities – Beaver	Beaver
Catholic Charities – Pittsburgh	Allegheny
Coraopolis Community Development Foundation	Allegheny
Energy & Environment Community Outreach (EECO) Center	Allegheny
Goodwill of Southwestern Pennsylvania – McKeesport	Allegheny
Goodwill of Southwestern Pennsylvania – Southside	Allegheny
Hazelwood YMCA	Allegheny
Holy Family Institute – Aliquippa	Beaver
Holy Family Institute – Beaver Falls	Beaver
Holy Family Institute – Edgewood Towne Center	Allegheny and
Holy Family Institute – McKees Rocks	Allegheny and Beaver
Holy Family Institute – Northside Common Ministries	Allegheny
Housing Opportunities of Beaver County	Allegheny and Beaver
Jubilee Association, Inc.	Allegheny
Lincoln Park Family Center	Allegheny
Lutheran Service Society	Allegheny
Ministerium Social Services	Beaver
Mt. Washington Community Development Corporation	Allegheny
Nabhi Christian Ministries – Lincoln Ave	Allegheny
NHCO – Allison Park	Allegheny
NHCO – Millvale	Allegheny

Community Based Organizations:	Counties Served:
NHCO – North Boroughs	Allegheny
Northern Area Multi-Service Center	Allegheny
Primary Care Health Services – Hill House Health Center	Allegheny
Pittsburgh Community Services Inc.	Allegheny
Roots of Faith	Allegheny
Salvation Army – Beaver Falls	Beaver
Salvation Army – Brackenridge	Allegheny
Salvation Army – Braddock	Allegheny
Salvation Army – Carnegie	Allegheny
Salvation Army – Forbes Avenue	Allegheny
Salvation Army – Homewood/Brushton	Allegheny
Salvation Army – McKeesport	Allegheny
Salvation Army – North Side Community Worship Center	Allegheny
Salvation Army – Pittsburgh Temple	Allegheny
Salvation Army – Steel Valley	Allegheny
Salvation Army – West Side Corps	Allegheny
Society of St. Vincent de Paul	Allegheny
South Hills Interfaith Ministries	Allegheny
St. Mark’s Lutheran Church	Allegheny
St. Paul Cathedral	Allegheny
Sto-Rox Neighborhood Health Council	Allegheny
The Franklin Center	Beaver
Veterans Leadership Program	Allegheny
Wilkesburg Community Ministry	Allegheny

F. Organizational Structure of Duquesne Light Staff

Please see Section III (I) on page 20 for staffing information.

VI. Smart Comfort (LIURP)

A. Program Description

Smart Comfort is Duquesne Light’s Low-Income Usage Reduction Program (“LIURP”). The program targets residential customers whose gross household income is less than 150% of the FPL and senior citizens whose gross household

income is less than 200% of the FPL, with base load electric usage more than 500 kWh per month and who have been residing at their current address for at least six months.

Smart Comfort key objectives are:

- To reduce the energy usage and electric bills of low-income customers.
- To increase the ability to pay for low-income customers.
- To provide safer living conditions for low-income customers through the reduction of secondary heating devices.
- To educate the customer on current conservation practices.
- To make tailored referrals to company and other assistance programs such as CAP, Dollar Energy Fund or private funds, LIHEAP, Watt Choices and other weatherization programs.

Smart Comfort has evolved from strictly weatherization to an “end use” strategy. Usage reduction measures include cost effective appliance and lighting replacements in addition to determining if weatherization is warranted.

1. Summary of Program Process and Installation Measures

The Company, through its service providers, will provide Smart Comfort services generally according to the following procedure, as applicable to each participating customer:

- Prior to entering the home
 - Conduct an energy bill assessment of the home’s previous 12 months of usage.
 - Perform bill disaggregation to determine Baseload, winter, and summer kWh usage.
 - This disaggregation will guide the auditor through the audit process as well as determine the areas of focus for the energy education process.
- Perform walk through audit
 - Investigate potential saving areas within the home.
 - Measure usage of targeted electrical equipment within the home, which may include:
 - Refrigerators
 - Freezers
 - Dehumidifiers
 - Window AC units
 - Electric Water Heaters elements and temperature setting

- Electric Baseboard Heaters / Wall mount digital thermostats
 - Thermostats
 - Digital wall mounted thermostats for electric baseboard units.
 - Programmable/Connected thermostats for electric heating systems.
- Provide energy education
 - Explain Smart Comfort program.
 - Explain (using the bill disaggregation) current electricity bill in detail to ensure the customer understands the concepts such as monthly kWh usage and usage comparisons.
 - Provide education on ways to reduce electric usage.
 - Explain CAP.
- Determine Smart Comfort measures to provide
 - Health and safety testing to be completed on all homes that qualify for air sealing measures.
 - A blower door test will be conducted if it is determined to be beneficial in ascertaining measures to be installed.
 - Provide standard measures, which may include LEDs, refrigerators and freezers, electric hot water tanks, window/central air-conditioning units, heat pumps, air infiltration measures, smart strips and home insulation.
 - At the discretion of the energy manager, potential measures may also include furnaces, electric dryers, electric ranges and water pumps.
 - The minimum usage requirement for a refrigerator change-out is as follows:

Refrigerator Size	kWh/Hour Minimum	Replacement
15 ft ³ or less	.08 kWh	15 ft ³
16 – 19 ft ³	.10 kWh	17 or 18 ft ³
20 – 21 ft ³	.11 kWh	21 ft ³
22 ft ³ or larger	.12 kWh	20 – 25 ft ³

- The program may include window air-conditioning unit change-outs if the life of the replacement of the unit as well as life of the dwelling will exceed 12 years.
- The program may include central air-conditioning change-out if the life of the unit as well as the life of the dwelling exceeds 12 years.

- The program may also include air conditioning load reduction measures such as window film, roof coat, air conditioner replacement,
- Customer monitoring and follow up
 - Energy managers may contact Smart Comfort recipients to discuss their usage and the resulting increase in consumption.
 - Energy Managers may also contact Smart Comfort recipients to reinforce energy education.

Additionally, low-income customers, whose base load usage is less than 500 kWh per month, are referred to Watt Choices (Duquesne's Energy Efficiency / ACT 129 program).

The Company has established an allowance for health and safety that authorizes LIURP contractors to spend up to \$200 per electric baseload Smart Comfort visit without prior Company approval on incidental repairs including health and safety items when necessary to allow for conservation measures to be installed.

For electric heating customers, the Company will authorize the Smart Comfort contractor an allowance up to \$600 per Smart Comfort visit without prior Company approval where the inclusion of health and safety and incidental repair will remedy situations that would otherwise impede the installation of conservation measures.

Incidental repairs and health and safety items may include the installation of carbon monoxide detectors and smoke alarms. Where a smoke alarm is present, the installer will check for a functioning smoke alarm and replace batteries as necessary.

Duquesne Light Company will report annually health and safety measure costs as a separate category.

2. Third Party Inspections:

Duquesne Light will contract with a third party to perform independent inspections of sampled completed Smart Comfort visits. The Company will sample up to 10% of completed electric heating jobs and up to 5% of electric baseload jobs.

B. Program Eligibility

The following are eligibility requirements for Smart Comfort:

- Low-income customers with a household income at or below 150% of FPL;
- Senior customers with household income at or below 200% of FPL;
- Special needs customers with a household income at or below 200% of FPL;⁶
- Electric base load usage greater than 500 kWh;
- Resident at that premises for at least six months.

Exceptions from the above eligibility requirements:

- Residency and base load requirements are waived for total-electric homeowners;
- Residency requirements are waived for non-heating CAP homeowners.

Duquesne Light will continue to focus on total-electric, low-income, multi-family premises as a source to provide conservation measures and education. Duquesne Light will use its best efforts to ensure that at least 10% of its completed LIURP jobs are for electric heat customers. The Company will provide reports on its progress on electric heating jobs to the Income Eligible Advisory Group.

Each year, Duquesne Light will review lists of customers with high CAP credits (over \$1,000) from the prior year and prioritize those customers for LIURP treatment when possible. The Company will also use the high usage CAP customer list as well as eligible customers requesting weatherization.

C. New Initiatives

The Company proposes to implement the following new initiatives as part of its LIURP programming:

1. De Facto Heating Remediation

The Company proposes provide heating remediation services to income-eligible customers (i.e., customers at or below 150% FPL or, 200% FPL for senior or special needs customers) using inefficient supplemental electric heating (“de-facto heating”). The Company will identify potential candidates for outreach based on winter electric usage patterns, and will prioritize customers enrolled in CAP. The Company will provide heating remediation services and education to eligible customers found to be using de-facto heating. Where applicable, the Company may also engage with local Natural Gas Distribution Companies to

⁶ Not more than 50% of Smart Comfort participants will be households between 150% and 200% of the FPL and not more than 20% of the budget will be utilized for these customers.

coordinate heating remediation services for qualifying customers. The Company will spend up to \$100,000 per year on this initiative. Funds not spent in any given year will not carry over to the following year.

2. Emergency Repair Fund

The Company proposes to establish an Emergency Repair Fund for income eligible customers whose homes are unsafe and are in immediate need of repair. The Emergency Repair Fund will only be available to customers who own their home. The Company or its agents may refer customers to the Emergency Repair Fund where they observe unsafe conditions, and customers may also apply directly to the Company. The Company will prioritize customers enrolled in CAP, but will not turn away any qualifying customer so long as funds are available.

Services funded by the Emergency Repair Fund may include, but are not limited to: whole house air conditioner repair/replace when deemed medically necessary, repair of frayed/unsafe service line drops, upgrades of unsafe/inadequate electrical service panels, and remediation of other health and safety conditions (including electrical inspection) when electric service has been off for a year or more.

The Company will allocate up to \$50,000 of LIURP funding to the Emergency Repair Fund each year. Funds not spent in any given year will not carry over to the following year.

3. Knob and Tube Remediation

The Company proposes to remediate knob and tube home wiring (“K&T”) for income eligible customers referred by local NGDCs, where (i) the NGDC requires the K&T to be remediated to allow for the customer to participate in the NGDC’s gas weatherization programs, (ii) the customer’s home has a central air conditioner that is less than or equal to a 12 Seasonal Energy Efficiency Ratio (SEER); and (iii) the customer owns the home. At present, local NGDCs are often unable to provide such services at a home with K&T until the K&T is remediated. By remediating the customer’s K&T through this initiative, the Company would remove barriers to the customer’s participation in NGDC programs, and would also enable the Company to achieve electric savings through its other Smart Comfort programs by upgrading the customer’s air conditioning systems.

The Company will allocate up to \$100,000 of LIURP funding to this initiative each year. Funds not spent in any given year will not carry over to the following year.

D. Program Integration

Duquesne Light has and will continue to coordinate its Smart Comfort program with its Watt Choices programs, as well as with gas company LIURP programs. The Company refers confirmed low-income customers who participate in any of its general residential programs to its Watt Choices low-income programs, its Universal Service programs, and LIHEAP. Duquesne Light will facilitate this coordination by inviting representatives from the Natural Gas Distribution Companies (“NGDCs”) with overlapping service territories and representatives of the Commonwealth’s Weatherization Assistance Program (“WAP”) to its Act 129 Stakeholder meetings to discuss existing and possible enhancements to its coordination efforts.

When possible, a common weatherization contractor performs an integrated electric and natural gas energy audit at the customer’s home. The cost of the audit is shared and measures installed are financed by the utility benefiting from the energy efficient measure installed. In those situations when the energy audit is scheduled for a household eligible for Smart Comfort, the energy auditor inquires if the customer also would like a referral to the natural gas utility for possible energy-efficient gas heating measurers. If the response is affirmative, the customer is required to sign a consent form permitting Duquesne Light to provide the necessary information to the natural gas utility.

The Company will also coordinate its Smart Comfort Program with its other programs that offer similar services, such as Watt Choices. For example, where a customer is not eligible for services under Smart Comfort, the Company may refer them to a similar service provided through Watt Choices. Additionally, all customers enrolled in the CAP program will be offered enrollment in the Watt Choices Points & Rewards Program (P&R), a marketing program that rewards customers for energy-saving behaviors (such as taking advantage of LIURP offerings).

E. Projected Enrollment & Needs Assessment

Duquesne Light Company’s Smart Comfort enrollment levels are based upon the Rate Case Settlement Agreement at Docket No. R-2013-2372129. Duquesne Light proposes to continue providing Smart Comfort services to up to 3,100 households annually.

Year:	Enrollment Level
2020	3,100
2021	3,100
2022	3,100
2023	3,100
2024	3,100
2025	3,100

The following needs assessment methodology was provided by BCS in early 2001.

2. Determine the percentage of residential customers by county based on 2017 Census data poverty rates for households at or below 150 percent of poverty:

Residential Accounts:	Accounts:	Census Data Poverty Rate:
Allegheny County	453,471	18.19%
Beaver County	61,139	19.48%
Total Residential Accounts	514,610	18.83%

3. Determine the number of households using less than 500 kWh.

Base Load Month:	Accounts <500 kWh:	Total Accounts:	Percent <500 kWh:
April	322,937	529,416	61.0%
May	338,119	531,923	63.57%
September	242,618	510,344	47.54%
October	285,025	531,575	53.62%
Total	1,188,699	2,103,258	56.52%

4. Determine eligible households.

Total Residential Households	514,610
- Households Using <500 kWh	(290,858)
= Net Base Load Eligible Households	223,752
* Average Poverty Rate by Census Data	18.83%
= Eligible Households by Poverty Rate	42,132
- Completions in last 6 years	(17,638)
= Net Eligible Households	24,494
* Average Job Cost	\$585
= Total Costs for All Eligible LIURP Jobs	\$14,328,990

The total costs for completing LIURP jobs for the 24,494 eligible customers would be \$14,328,990.

F. Program Budget

Budget levels for the years 2020 through 2025 shown below indicate current levels and increased levels based upon the Rate Case Settlement at Docket No. R-2018-3000124. The three year average job costs \$4,425, and \$425 for electric heat and base load service, respectively. The Company estimates the average cost for incidental repairs, new programs, and post inspections would be an additional \$160 per job, which is included in the cost shown below.

	Electric Heat: \$4,585 ea.		Baseload: \$585 ea.		TOTAL	
	# Jobs	Budget \$	# Jobs	Budget \$	# Jobs	Budget \$
2020	310	1,421,350	2,790	1,632,150	3,100	3,053,500
2021	310	1,421,350	2,790	1,632,150	3,100	3,053,500
2022	310	1,421,350	2,790	1,632,150	3,100	3,053,500
2023	310	1,421,350	2,790	1,632,150	3,100	3,053,500
2024	310	1,421,350	2,790	1,632,150	3,100	3,053,500
2025	31	1,421,350	2,790	1,632,150	3,100	3,053,500

G. Organizational Structure of Duquesne Light Staff

Please see Section III (I) on page 20 for staffing information.