



December 29, 2020

VIA E-FILE

Rosemary Chiavetta, Secretary
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105

Re: Duquesne Light Company Universal Service and Energy Conservation Plan for 2020-2025, Docket No. M-2019-3008227

Dear Secretary Chiavetta:

Attached for filing, please find the **Comments of the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania (CAUSE-PA)**, which are being filed for consideration in the Duquesne Light Company Universal Service and Energy Conservation Plan proceeding at Docket M-2019-3008227.

Pursuant to the Commission's Emergency Order issued on March 20, 2020, and as indicated on the attached Certificate of Service, service on the parties was accomplished by email only.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Ria M. Pereira".

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BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Duquesne Light Company Universal Service and Energy Conservation Plan for 2020-2025 : Docket No. M-2019-3008227

CERTIFICATE OF SERVICE

I hereby certify that I have, on this day, served copies of the **Comments of the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania** in the above captioned matter upon the following persons and in accordance with the requirements of 52 Pa. Code § 1.54, as modified by the Commission's Emergency Order issued on March 20, 2020.

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BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Duquesne Light Company Universal Service and Energy Conservation Plan for 2020-2025 : Docket No. M-2019-3008227

**COMMENTS OF THE COALITION FOR AFFORDABLE UTILITY SERVICES
AND ENERGY EFFICIENCY IN PENNSYLVANIA TO THE TENTATIVE ORDER
ENTERED NOVEMBER 19, 2020**

PENNSYLVANIA UTILITY LAW PROJECT

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I. INTRODUCTION

The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), through its counsel at the Pennsylvania Utility Law Project, submits these Comments pursuant to the November 19, 2020 Tentative Order (TO), which invited interested parties to submit comments and reply comments to the Duquesne Light Company's (DLC or the Company) Universal Service and Energy Conservation Plan for 2020 - 2025 (DLC's USECP or Plan).

CAUSE-PA is a statewide unincorporated association of low-income individuals which advocates on behalf of its members to enable consumers of limited economic means to connect to and maintain affordable water, electric, heating, and telecommunication services. CAUSE-PA membership is open to moderate and low-income individuals residing in the Commonwealth of Pennsylvania who are committed to the goal of helping low-income families maintain affordable access to utility services and achieve economic independence and family well-being. CAUSE-PA is therefore interested in and committed to achieving the creation, development, and implementation of effective universal service and energy efficiency programs which promote long term affordability of electricity, natural gas, water, wastewater, and communication services and, in turn, protect the health, safety, and welfare of economically vulnerable households across the state. CAUSE-PA has for many years been an active participant in DLC's USECP proceedings, as well as other related proceedings that affect the ability of low income consumers to access and maintain utility services to their home. CAUSE-PA thanks the Commission for this opportunity to submit comments.

The Commission's TO requested that DLC clarify several aspects of its USECP, and sought comment on DLC's USECP from interested stakeholders. In response thereto, CAUSE-PA offers the following comments.

II. BACKGROUND

DLC's Universal Service and Energy Conservation Plan for 2017-2019

On March 23, 2017, the Commission issued an Order and Opinion in DLC's Universal Service and Energy Conservation Plan proceeding for 2017-2019 (March 23 Order). The March 23 Order addressed a number of issues which required ongoing attention and revision.

First, the March 23 Order found that DLC's CAP exceeded the Commission's maximum energy burden as a result of DLC's CAP design, resulting in chronic unaffordability - especially for those with income at or below 50% FPL.¹ On this matter, the Commission ordered the parties to DLC's Universal Service and Energy Conservation Plan proceeding, including DLC, the Office of Consumer Advocate (OCA), and CAUSE-PA, to collaborate in an attempt to reach a consensus agreement for how to redesign DLC's CAP.² The Commission explained:

Unreasonably high energy burdens affect everyone — not just those receiving assistance — so we encourage Duquesne to collaborate with Commission Staff and other stakeholders in order to realize a CAP redesign proposal that is in line with the CAP Policy Statement.³

The March 23 Order likewise ordered DLC to make a number of additional revisions, and to file an amended USECP for 2017-2019 in compliance with the Commission's Order. DLC filed its amended Plan on May 12, 2017. With the exception of the CAP design issues, for which negotiations

¹ See Duquesne Light Universal Service and Energy Conservation Plan for 2017-2019 Submitted in Companies with 52 Pa. Code § 54.74, Opinion and Order, Docket No. M-2016-2534323, at 61 ¶ 16 (entered March 23, 2017) (hereinafter March 23 Order). The Commission's Order was premised on findings from an independent program review that **86% of non-electric heating and 77% of electric heating CAP participants with income between 0 - 50% FPL had an energy burden in excess of the then-applicable maximum energy burden threshold**; and 49% of non-electric heating and 16% of electric heating CAP participants with income between 50-100% FPL had an energy burden in excess of the then-applicable maximum energy burden threshold. Id. at 28 (emphasis added).

² Id. at 31.

³ Id.

amongst the parties were ongoing, DLC's USECP was otherwise approved by Commission Order on July 20, 2017.⁴

On September 15, 2017, Duquesne filed a Joint Petition for Settlement to address the affordability issues with DLC's CAP design identified in the Commission's March 23 Order.⁵ The Joint Petition proposed to convert Duquesne's CAP from a percent of budget bill (POB) program to a percentage of income payment plan (PIPP), and included an in-CAP forgiveness component to alleviate debt accrued by CAP customers as a result of DLC's unaffordable CAP rates.⁶ The proposal also included interim measures to improve the POB discount over the short term while DLC made the necessary system upgrades to transition to a PIPP.⁷ On April 19, 2018, the Commission approved this consensus, multi-component proposal to address longstanding unaffordability within DLC's CAP.⁸

On November 5, 2019, DLC filed a Letter with the Commission, seeking to extend implementation of its PIPP to July 2020, which was approved by the Commission on November 18, 2019.⁹ In approving DLC's request, the Commission required that DLC fully implement the revisions on or before July 31, 2020.¹⁰

⁴ Duquesne Light Company Universal Service and Energy Conservation Plan for 2017-2019, Opinion and Order Docket No. M-2016-2534323 (order entered July 20, 2017) (hereinafter July 20 Order).

⁵ See Duquesne Light Universal Service and Energy Conservation Plan for 2017-2019 Submitted in Compliance with 52 Pa. Code §§ 54.74, Order on Reconsideration, Docket No. M-2016-2534323 (order entered April 19, 2018) (hereinafter April 13 Order).

⁶ Id.

⁷ Id.

⁸ Id.

⁹ Duquesne Light Co. Universal Service and Energy Conservation Plan, Letter of DLC, Docket Nos. M-2016-2534323, M-2013-2350946 (filed Nov. 5, 2019).

¹⁰ Duquesne Light Co. Universal Service and Energy Conservation Plan, Secretarial Letter, Docket Nos. M-2016-2534323 (issued Nov. 18, 2019).

On April 3, 2020, DLC again filed a Letter with the Commission, seeking to extend implementation of its PIPP due to complications and delays associated with the COVID-19 pandemic.¹¹ The Commission approved this request by Secretarial Letter, but ordered DLC to provide monthly updates and to identify a new date for implementation through its monthly updates.¹² In DLC's August 2, 2020 update, DLC indicated that it anticipated full implementation of its PIPP by November 22, 2020. On December 22, 2020, DLC filed yet another request – this time in the form of a formal Petition - seeking approval to further delay implementation of the PIPP to April 1, 2021.¹³

Statewide Universal Service Policy Proceedings

On November 5, 2019, after extensive statewide investigation and inquiry, through two separate proceedings,¹⁴ the Commission concluded that the then-applicable CAP energy burden standards were unreasonable and unaffordable and did not fulfill the Commission's statutory obligation to ensure that universal service programming is appropriately funded and accessible to low income customers.¹⁵ Importantly, the Commission reduced the maximum energy burden standards,

¹¹ Duquesne Light Co. Universal Service and Energy Conservation Plan, Letter of DLC, Docket No. M-2016-2534323 (filed April 3, 2020).

¹² Duquesne Light Co. Universal Service and Energy Conservation Plan, Secretarial Letter, Docket Nos. M-2016-2534323 (issued April 20, 2020).

¹³ Petition of DLC for Implementation of the Percentage of Income Payment Plan Customer Assistance Program, Docket Nos. M-2016-2534323, M-2019-3008227 (filed Dec. 22, 2020).

¹⁴ Energy Affordability for Low-Income Customers, Docket No. M-2017-2587711; Review of Universal Service and Energy Conservation Programs, Docket No. M-2017-2596907.

¹⁵ 2019 Amendments to Policy Statement on Customer Assistance Program, 52 Pa. Code § 69.262-69.267, Final Policy Statement and Order, at 27 (entered Nov. 5, 2019) (hereinafter Final CAP Policy Statement and Order).

The Commission amended its CAP Policy Statement to reduce the maximum energy burden standards for customers enrolled in a utility-run CAP, setting a maximum *combined* energy burden of 10% for households with income between 51-150% of the Federal Poverty Level (FPL) and 6% for households with income between 0-50% FPL. *Id.* at 32-33. For electric baseload (non-heating) customers, the maximum energy burden was set at 4% for customers with income between 51-150% FPL and 2% for customers with income between 0-50% FPL. *Id.* In reducing the maximum energy burden standards, the Commission found that the existing maximum energy burden standards, originally established in

and made a number of other significant reforms to its CAP Policy Statement to improve the accessibility and affordability of the program for economically vulnerable customers.¹⁶

To implement the Commission's revised CAP Policy Statement, the Commission directed each utility to file and serve an addendum to their existing or proposed Universal Service and Energy Conservation Plan (USECP) within 60 days of entry date of the Final CAP Policy Statement and Order to indicate whether the utility's existing or pending USECP was consistent with the amended CAP Policy Statement and, if not, how the utility planned to effectuate the policy changes included in the amended CAP Policy Statement.¹⁷

DLC's Universal Service and Energy Conservation Plan for 2020-2025

DLC filed its proposed USECP for 2020-2022 (Proposed 2020 USECP) on February 28, 2019. By Order dated October 2, 2019, the Commission extended DLC's proposed USECP through 2025.¹⁸

On January 6, 2020, DLC filed revisions to its Proposed 2020 USECP incorporating the Commission's reduced energy burden standards into its PIPP, in addition to incorporating other amendments to comport with the direction provided in the Final CAP Policy Statement.

On November 6, 2020, DLC filed an Expedited Petition, seeking expedited approval to implement reduced energy burden standards consistent with the Commission's revised CAP Policy Statement and DLC's January 6, 2020 filing.¹⁹ DLC explained in its Expedited Petition that, as a result of programming issues for its PIPP, expedited approval of its request to simultaneously

1992, "do not reflect reasonable or affordable payments for many low-income customers" - especially for those with income at or below 50% FPL. Id. at 27, 29-30.

¹⁶ See id. at 101-104.

¹⁷ Id. at 106.

¹⁸ Universal Service and Energy Conservation Plan (USECP) Filing Schedule and Independent Evaluation Filing Schedule, Order, Docket No. M-2019-3012601 (order entered Oct. 3, 2019).

¹⁹ Expedited Petition of DLC for Implementation of the Percentage of Income Payment Plan Customer Assistance Program as Proposed on January 6, 2020, Docket Nos. M-2019-3008227, P-2020-3022770 (filed Nov. 6, 2020).

implement the Commission's reduced energy burden standards was necessary to allow it to implement its PIPP by November 22, 2020.²⁰ On November 16, 2020, CAUSE-PA filed an Answer in support of DLC's Expedited Petition.²¹ The Commission has not yet acted on DLC's Expedited Petition.

On November 19, 2020, the Commission issued a TO regarding DLC's Proposed 2020 USECP, which requested further information and clarification by the Company and invited comments to the TO within 20 days after the filing deadline for supplemental information. In response to the TO, DLC filed supplemental information on December 10, 2020.²²

DLC has demonstrated, through the multiple filings detailed above, that most aspects of its proposed 2020 USECP are consistent with all applicable laws and policies, are in the public interest, and should be approved. As such, and consistent with the comments below, CAUSE-PA urges the Commission to approve DLC's Proposed 2020 USECP to the extent those revisions are consistent with and in furtherance of the Commission's CAP Policy Statement.

Nevertheless, as we discuss in our comments below, certain aspects of DLC's proposed USECP require further consideration. Specifically, concerns requiring further review include but are not limited to, DLC's CAP recertification timeframes, refunding of security deposits to CAP customers, and inclusion of unearned child income in CAP eligibility considerations. The issues which warrant further clarification and amendment by DLC are discussed in detail below.

²⁰ Id. at paras. 24-32.

²¹ Expedited Petition of DLC for Implementation of the Percentage of Income Payment Plan Customer Assistance Program as Proposed on January 6, 2020, Answer of CAUSE-PA, Docket Nos. M-2019-3008227, P-2020-3022770 (filed Nov. 16, 2020) (hereinafter CAUSE-PA Answer to DLC Expedited Petition).

²² Duquesne Light Company Universal Service and Energy Conservation Plan for 2020-2025, Responses to Public Utility Commission Data Requests, Docket No. M-2019-3008227 (filed December 9, 2020) (hereinafter DLC Response to Commission Data Requests).

While acknowledging the remaining concerns with the USECP as identified above and throughout and the need to fully address and resolve those concerns, CAUSE-PA nevertheless urges swift implementation of DLC's USECP to ensure the important revisions consistent with the Commission's amended CAP Policy Statement are implemented quickly and without delay. We believe all concerns raised in these comments can and should be resolved in a timely fashion for implementation of the USECP to proceed expeditiously.

It is particularly critical that DLC be approved to implement much of the relief contained in its USECP without delay to help respond to the economic crisis which continues to unfold as a result of COVID-19. While always of critical import, the need to address long-standing and intractable unaffordability within CAP is all the more pressing now as hundreds of thousands of Pennsylvanians are struggling to afford basic life necessities in the wake of the COVID-19 crisis. Ongoing unaffordability is only exacerbating this crisis, and must be remediated without delay. We further note that finalizing this USECP will allow the Commission, DLC, and interested stakeholders to obtain important data to inform the pending universal service rulemaking. Implementation and reporting on DLC's progress will provide data necessary to fully vet the rulemaking, allowing for stakeholders to present informed comments and ultimately strengthening USECPs for all utilities. Therefore, following resolution of the issues raised below, we recommend approval of DLC's USECP without delay.

III. COMMENTS

CAUSE-PA submits the following comments to Section B of the Commission's TO for consideration regarding the various program amendments provided in the DLC USECP. For ease of review, CAUSE-PA's comments follow the structure of the Commission's Tentative Order, Section B, and responds in turn to the issues and analysis included therein.

1. Customer Assistance Program (CAP)

a. PIPP Energy Burden Levels – CAUSE-PA supports swift implementation of DLC's CAP PIPP and revised energy burden standards.

On January 6, 2020, in response to the Commission's final amended CAP Policy Statement, DLC revised its proposed maximum energy burden standards for CAP non-heating and heating customers in its Proposed 2020 USECP. (TO at 2; 21).²³

In its TO, the Commission directed DLC to provide estimates of how its proposed reduction in energy burden levels will increase CAP costs for each year of the proposed USECP, how customers will be notified about changes to the PIPP levels, and identify potential impact of the proposed PIPP energy burden levels on unused LIHEAP grants returned to DHS. (TO at 21-22).

In response to the Commission's TO, DLC explained that the incremental increase in the monthly cost of CAP for non-CAP residential customers ranges from \$0.29 in 2021 to \$0.41 in 2025. (DLC Response to Commission Data Requests at a; Attachment A1). Even at its highest estimate in 2025, the cost to other residential customers to address deep and long-standing unaffordability within CAP is projected to be less than a single postage stamp. Notably, this cost would be further reduced

²³ At the time the TO was issued, DLC proposed to implement the reduced energy burden standards by December 31, 2020, along with implementation of its PIPP. TO at 21. As noted above in discussing the lengthy background of this proceeding, DLC filed a Petition on December 22, 2020, to again delay implementation of its PIPP to April 1, 2021. CAUSE-PA intends to file a separate Answer to DLC's latest Petition, and will not address the merits of DLC's subsequent Petition in the context of these Comments because we have not yet had adequate time to review.

if DLC were to equitably recover CAP costs from all customers, rather than allocating the cost of the programs to residential customers alone.²⁴

In response to the other related questions posed in the Commission’s TO, DLC indicates that customers will be informed of the energy burden changes through a variety of channels, including but not limited to letters, bill inserts, and educational materials. (DLC Response to Commission Data Requests at a). In providing a breakdown of LIHEAP grants returned to DHS, the Company explained that it did not project that the new CAP program would yield a meaningful change in LIHEAP grants returned to DHS – noting the refunded amount would remain in the range of \$20-25,000 annually through the end of 2024. (Id.) It is important to keep in mind that any dollars refunded to LIHEAP are not returned to the federal government - the returned funds are merely redistributed by DHS to other Pennsylvanians in need of energy assistance. Also, as the Commission is aware, LIHEAP is a federal program with a finite budget, and relies on an annual appropriation that could be eliminated or changed in any given year.²⁵

CAUSE-PA strongly supports DLC’s proposal to implement the Commission’s revised energy burden standards set forth in its Proposed 2020 USECP, along with implementation of the long-delayed PIPP. (See TO at 21). Indeed, approval of DLC’s proposal is just and reasonable, consistent with clear Commission policy, and squarely in the public interest. As the Commission concluded in adopting its CAP Policy Statement, the prior energy burden standards “do not reflect reasonable or affordable payments for many low-income customers” – especially for those with

²⁴ Final CAP Policy Statement and Order at 97; see also 66 Pa. C.S. § 2804(9).

²⁵ Pa. Dept. of Human Services, Low-Income Home Energy Assistance Program Final State Plan, Fiscal Year 2021, at i (2020); see also Final CAP Policy Statement and Order at 50-53.

income at or below 50% of the Federal Poverty Level (FPL).²⁶ In other words, failure to approve the revised energy burdens would impose rates on economically vulnerable consumers that the Commission has already concluded to be both unreasonable and unaffordable.

CAUSE-PA previously set forth detailed discussion of the critical need for improved affordability within CAP through the Commission’s statewide evaluation of universal service programing and its study of energy affordability for low income customers in Pennsylvania.²⁷ As discussed in further detail in those lengthy Comments, income levels for low income families have largely remained stagnant, while the costs of basic living expenses – including for energy and other utilities – have increased exponentially year after year.²⁸ Low income households face the daily reality of having inadequate income to cover the costs of basic life necessities, and each month must decide which basic necessity (medicine, rent, food, water, childcare, etc.) they will forego in order to make ends meet.²⁹ Continuing to charge CAP customers categorically unaffordable rates further compounds these unjust choices, in contradiction with the statutory charge of the Commission to ensure low income customers can maintain safe and affordable service to their home.³⁰

²⁶ Final CAP Policy Statement and Order at 27, 29-30.

²⁷ Review of Universal Service and Energy Conservation Programs, Joint Comments of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania, Tenant Union Representative Network, and Action Alliance of Senior Citizens of Greater Philadelphia, Docket No. M-2017-2596907 (Joint Comments filed August 8, 2017);

Energy Affordability for Low-Income Customers in Pennsylvania, Comments of the Tenant Union Representative Networks, Action Alliance of Senior Citizens of Greater Philadelphia and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania, Docket No. M-2017-2587711 (Joint Comments filed May 8, 2019).

²⁸ Review of Universal Service and Energy Conservation Programs, Joint Comments of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania, Tenant Union Representative Network, and Action Alliance of Senior Citizens of Greater Philadelphia, Docket No. M-2017-2596907, at 11-12 (Joint Comments filed August 8, 2017).

²⁹ See id; see also Hernández D., Understanding 'energy insecurity' and why it matters to health, Social science & medicine (2016), 167, 1–10, <https://doi.org/10.1016/j.socscimed.2016.08.029>

³⁰ Final CAP Policy Statement and Order at 27; 66 Pa. C.S. § 2802 (9)-(10), 2803 (definition of “universal service and energy conservation, “policies, protections and services that help low-income customers to maintain electric service”), 2804 (9).

CAUSE-PA affirmed its strong support for the swift implementation of the Commission’s reduced energy burden standards in its formal Answer to DLC’s November 6, 2020 Expedited Petition for Implementation of the PIPP CAP, noting that the projected cost of adopting the Commission’s energy burden standards is both inherently reasonable and unquestionably in the public interest.³¹ As asserted in its Answer, CAUSE-PA believes the minor incremental increase in the cost of CAP for other customers – amounting to less than the cost of a single postage stamp – is well worth the benefit of alleviating categorically unreasonable and unaffordable rates for customers facing extreme levels of economic hardship and disproportionately high energy costs.

In turn, as further noted in CAUSE-PA’s Answer, DLC’s projections do not include the cost savings that are likely to follow as a result of improvements to CAP affordability.³² Through the Commission’s exploration of energy burdens of low income customers, a notable pattern was documented: Providing customers with an affordable bill improves payment frequency and bill coverage rates.³³ Approval of DLC’s proposal to implement the Commission’s revised energy burden standards could result in dramatically improved payment coverage and frequency rates, thereby decreasing uncollectible expenses and other collections-related costs.³⁴

The need to remediate longstanding unaffordability within CAP is even more critical given the ongoing impacts of COVID-19, which has caused widespread economic devastation and disproportionately impacted low-income communities and communities of color.³⁵ Even in good

³¹ CAUSE-PA Answer to DLC Expedited Petition at paras. 23-26.

³² *Id.* at para. 26.

³³ Final CAP Policy Statement and Order at 75.

³⁴ *See id.*

³⁵ *See* Center on Budget and Policy Priorities, [Tracking the COVID-19 Recession’s Effects on Food, Housing and Employment Hardships](https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-employment-hardships) (Nov. 13, 2020), [https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-](https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-employment-hardships)

economic times, low income families and individuals struggle profoundly to afford life's basic necessities.³⁶ But in the context of COVID-19, these struggles have exponentially compounded for low income individuals and families in Duquesne's service territory - and across the state and nation. Prompt remediation of identified unaffordability within CAP is therefore of critical and heightened importance. The energy burdens included in the Commission's revised CAP Policy Statement provide a mechanism to remediate longstanding unaffordability and should be employed swiftly and comprehensively to deliver much needed relief to low income households in the wake of COVID-19. As such, CAUSE-PA urges the Commission to approve the revised energy burden levels as set forth in the Proposed 2020 USECP without delay.

b. Income Requirements for CAP Eligibility – CAUSE-PA supports DLC's proposal to accept income documentation requirements for CAP eligibility

DLC indicates that it already accepts income documentation of at least the last 30 days or 12 months for its CAP. (TO at 22; January 6 Cover Letter at 4). In its TO, the Commission requested that DLC clarify whether it accepts 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, and noted that this provision was not specified in DLC's Proposed 2020 USECP. (TO at 22-23). The Commission further requested that DLC clarify how it communicates these requirements to customers and CAP agencies. (Id.)

[recessions-effects-on-food-housing-and](https://www.pewsocialtrends.org/2020/04/21/about-half-of-lower-income-americans-report-household-job-or-wage-loss-due-to-covid-19/); Parker, Kim, [About Half of Lower-Income Americans Report Household Job or Wage Loss Due to COVID-19](https://www.pewsocialtrends.org/2020/04/21/about-half-of-lower-income-americans-report-household-job-or-wage-loss-due-to-covid-19/), Pew Research Center (April 21, 2020), available at <https://www.pewsocialtrends.org/2020/04/21/about-half-of-lower-income-americans-report-household-job-or-wage-loss-due-to-covid-19/>; Keystone Research Ctr & Pa. Budget & Policy Center, [The State of Working in Pennsylvania 2020](https://krc-pbpc.org/wp-content/uploads/SWP_2020.pdf) (Sept. 2020), https://krc-pbpc.org/wp-content/uploads/SWP_2020.pdf.

³⁶ See Pathways PA, Diana M. Pearce, [Overlooked & Undercounted 2019 Brief: Struggling to Make Ends Meet in Pennsylvania](https://pathwayspa.org/wp-content/uploads/2020/01/PA2019_OverlookedUndercounted_Web.pdf) (Oct. 2019), https://pathwayspa.org/wp-content/uploads/2020/01/PA2019_OverlookedUndercounted_Web.pdf.

In response, DLC indicates that customers are advised of documentation requirements through CAP applications, the Company's website, and through brochures and welcome letters. (DLC Response to Commission Data Requests at b). DLC further clarified that, if a CBO identifies that examining the 12-month income period is more advantageous to the customer, the CBO will use the customer's average monthly income over a 12-month period. (Id.)

CAUSE-PA supports DLC's proposal to continue to accept income documentation of at least the last 30 days or 12 months, whichever is more beneficial to the customer. We agree with the Commission that adopting this proposed change is consistent with the Commission's CAP Policy Statement. (TO at 22-23).

As the Commission noted, it appears that DLC did not clearly state their CAP income documentation requirements in their proposed 2020 USECP. DLC explains in its Response to the Commission's Data Requests that customers are advised of documentation requirements in the online and paper applications, as well as informed via the Company's website. (DLC Response to Commission Data Requests at b). Further, DLC notes that CBOs will identify the household income timeframe most beneficial to the customer during their CAP application and customer interviews. (Id.)

While having this information available to customers in multiple venues is certainly helpful and an excellent process to employ, CAUSE-PA asserts that explanation of this process and clarifying language stating the income requirements should still be included in DLC's USECP. USECPs are important documents, which should clearly state all of the requirements for participation in a utility's universal service programs such that a consumer or stakeholder could reference the plan and fully understand what a consumer must do to participate. As such, CAUSE-PA requests that the Commission direct DLC to amend its proposed USECP to clearly indicate that it accepts income

documentation for at least the last 30 days or 12 months for its CAP, whichever is more beneficial to the customer in compliance with Section 69.265(8)(ii)(B)(I) of the CAP Policy Statement.³⁷

In addition to this clarification, CAUSE-PA notes that DLC's Proposed 2020 USECP does not set forth a clear list of the types of income documentation accepted by DLC to process applications. In addition to clearly delineating the timeframe for income documentation (30 days or 12 months), CAUSE-PA asserts that DLC should also include a list of the types of documentation required. This list should allow for flexibility when unique circumstances are presented. However, it should provide a clear indication of the types of income information that a household may be required to produce.

c. Informing CAP Customers to Apply for LIHEAP – CAUSE-PA supports DLC's provision of information to CAP customers regarding LIHEAP and other available energy assistance funding.

In its TO, the Commission requests that DLC clarify if and how CAP customers are instructed and encouraged to apply for LIHEAP and other energy assistance grants, given that its Proposed 2020 USECP lacks this information. (TO at 23). In response, DLC indicates that the Company makes a number of efforts to instruct CAP customers to apply for LIHEAP and other assistance grants, including through annual letters, CAP welcome letters, at the time of enrollment and reinstatement, and through its website and social media. (DLC Response to Commission Data Requests at c).

CAUSE-PA supports DLC's methods for providing information to CAP customers related to how to apply for LIHEAP and other energy assistance grants. CAUSE-PA requests that the Commission direct DLC to work with parties and stakeholders through its Income Eligible Advisory

³⁷ Section 69.265(8)(ii)(B)(I) provides that the "utility should accept income documentation of at least the last 30 days or 12 months, whichever is more beneficial to the household. CAP applications and recertification letters should identify acceptable income timeframes and explain how each may benefit the customer."

Group to determine if additional methods of outreach would be helpful in order to advise CAP customers to apply for LIHEAP and other available assistance.

d. Exempt CAP Customers from Late Payment Charges – CAUSE-PA supports DLC’s exemption of CAP customers from late payment charges

In its TO, the Commission requested that DLC clarify whether late payment charges or fees are waived for CAP customers, as the proposed 2020 USECP is silent on the matter despite the Company having previously reported that this provision is in place. (TO at 24). In response, DLC indicates that late payment charges are indeed waived for CAP customers. (DLC Response to Commission Data Requests at d).

CAUSE-PA supports DLC’s proposal to exempt CAP customers from late payment charges or fees. We agree with the Commission that adopting this proposed change is consistent with Section 69.265(6) of the amended CAP Policy Statement. As the Commission noted, the proposed USECP fails to indicate whether CAP customers are exempt from late payment charges or fees. As such, we request that the Commission direct DLC to amend its USECP to clearly indicate that CAP customers are exempt from late payment charges or fees. With this change clearly delineated in the Plan, we urge the Commission to approve this proposal.

e. Notifying Customers of Maximum CAP Discount Exceptions - CAUSE-PA supports DLC’s process for notifying customers of maximum CAP discount exceptions

In its TO, the Commission directed DLC to explain how it informs CAP customers (1) that they are approaching or have reached DLC’s annual CAP discount limit; and (2) of the exceptions available to the discount limit and the steps a CAP customer must take to qualify for these exceptions. (TO at 25). The Commission also requested that DLC clarify whether CAP customers receive priority consideration for other universal service programs or assistance. (TO at 24-25).

In response, DLC explained that their new CAP bill design features a thermometer bar graph on the front displaying the amount of the customer's discount used year-to-date, the amount of the discount remaining, and the reset date. (DLC Response to Commission Data Request at e). Further, DLC explained customers are notified of their annual discount limit, as well as available exceptions in their CBO interview and CAP welcome letter. (Id.) DLC additionally notes that CAP customers with high usage are referred to other available programs. (Id.)

CAUSE-PA supports DLC's proposed method for notifying customers of maximum CAP discount exceptions, and notes that the new bill design substantially improves the bill's readability. CAUSE-PA commends DLC for working with its Income Eligible Advisory Group (IEAG) to obtain feedback through its bill redesign process, and recommends that DLC continue working with the IEAG to review whether the improved bill design helps reduce the number of customers who exceed the maximum CAP credit threshold and to identify whether additional methods of outreach is necessary to advise CAP customers of the maximum CAP credit exemptions.

While not addressed in the Commission's TO, CAUSE-PA questions whether DLC's maximum CAP credit limits should be increased to account for DLC's proposal to adopt the Commission's revised energy burden standards. DLC's proposed maximum CAP credit thresholds were established in relation to DLC's originally proposed PIPP in 2018.³⁸ These proposed thresholds do not account for DLC's proposed reduction in energy burden standards or for any intervening rate increases that may be approved by the Commission – both of which will cause CAP participants to more quickly reach the maximum CAP credit threshold.³⁹ Forcing more CAP customers to pay full

³⁸ DLC Universal Service and Energy Conservation Plan for 2017-2019 Submitted in Compliance with 52 Pa. Code §§ 54.74, Order, Docket No. M-2016-2534323, at 7 (order entered Feb. 8, 2018) (note that the Commission's subsequent Order on Reconsideration in this proceeding did not change the maximum CAP credit threshold for DLC's PIPP proposal.)

³⁹ See Final CAP Policy Statement and Order at 57-61.

tariff rates for longer periods of time during the CAP program year will undermine the ability of CAP to achieve the multifaceted goals of the program to provide stable levels of affordability, improve bill payment and coverage rates, and reduce collections expenses. CAUSE-PA recognizes and appreciates that DLC has a tiered maximum threshold, which we support. However, a tiered structure alone will not resolve the issue if the amount of credits available is not also increased to account for increased rates and/or reduced energy burden standards. Even with tiered maximum credit thresholds, CAP participants with the lowest income (0-50% FPL) are still likely to be disproportionately impacted if CAP maximum thresholds are insufficient to cover the subsidy necessary to reach the Commission's affordability thresholds.

While Duquesne notes that it will identify the average annual credit deficiency in its next USECP filing (TO at 24), *average* data will not allow the Commission and interested stakeholders to fully assess the impact of the maximum CAP credit level on CAP participants. In turn, delaying disclosure of data on the impact of the maximum threshold until 2025 will unnecessarily impede the ability of the Commission to monitor the issue and make course corrections if necessary over the next five years. If large numbers of CAP customers are exceeding DLC's arbitrary maximum CAP thresholds, and therefore receiving unaffordable bills, the Commission must be able to make timely course corrections pursuant to its obligations under the Choice Act. CAUSE-PA therefore recommends that the Commission require DLC to submit quarterly reports to the Commission, at this docket, identifying the number of CAP customers that reach the maximum CAP credit / discount threshold by month, income tier, and heating type. This data should be presented and discussed at least annually with DLC's Income Eligible Advisory Group and should be used to evaluate whether to increase the maximum threshold levels in DLC's next USECP proceeding.

f. One-Time Transitional In-Program Debt Forgiveness – CAUSE-PA supports DLC’s proposal for one-time transitional in-program debt forgiveness

In its TO, the Commission questioned whether DLC’s in-program arrearage (IPA) forgiveness will run parallel to DLC’s 24-payment pre-program arrearage (PPA) forgiveness cycle, or will begin a new 24-payment forgiveness cycle for the combined arrears. (TO at 25). The Commission directed DLC to clarify whether in-program arrearages (IPA) will be combined with pre-program arrearages (PPA) for forgiveness through its CAP. (Id.). In response, DLC indicates that IPA and PPA will be combined “from a customer facing perspective” for forgiveness through CAP, but did not further clarify the payment cycle for forgiveness. (DLC Response to Commission Data Requests at f).

As a preliminary matter, CAUSE-PA notes that in approving the Joint Petition of DLC, OCA, and CAUSE-PA, the Commission explained that DLC would assume responsibility for 45% of IPA and 55% of IPA “*would be deferred and combined with the customer’s pre-program arrears (PPA).*”⁴⁰ According to the approved plan, CAP customers would receive 1/24th forgiveness on their IPA balance with each monthly payment after transitioning to a PIPP CAP.⁴¹ CAUSE-PA urges the Commission to not withdraw its prior approval for DLC, OCA, and CAUSE-PA’s jointly proposed IPA forgiveness plan.

That said, CAUSE-PA commends the Commission for identifying a remaining ambiguity which may have a significant impact on the timeframe for which a CAP customer may obtain forgiveness on their existing PPA once combined with any deferred IPA. CAUSE-PA supports DLC’s clarification that IPA and PPA forgiveness be combined *from a customer-facing perspective*, which it takes to mean would show up on the bill as one IPA/PPA balance. We believe that further

⁴⁰ See Duquesne Light Company Universal Service and Energy Conservation Plan for 2017-2019 Submitted in Compliance with 52 Pa. Code §§ 54.74, Order on Reconsideration, at 8 (Order entered April 19, 2018).

⁴¹ Id.

delineation of the balance between IPA and PPA balances could be confusing for consumers. Nevertheless, we assert that , regardless how it is portrayed to the customer, DLC should apply forgiveness for PPA and IPA balances on a *parallel* 24-payment cycle, rather than restarting the 24-payment forgiveness cycle for the combined IPA and PPA balances. In other words, PPA should be fully forgiven on the original 24-payment forgiveness cycle, and IPA forgiveness should be started on an independent 24-payment cycle when the program is implemented. CAUSE-PA asserts that it would be unfair to extend the timeframe for customers to earn forgiveness on a full PPA balance for an additional 24 months from the date of IPA implementation, and would contradict the terms of DLC’s approved PPA program.

g. Implement an Online CAP Application and Accept Documentation Electronically – CAUSE-PA supports DLC’s implementation method of its online CAP application and acceptance of electronic documentation

In its TO, the Commission requested that DLC identify whether its online CAP application allows customers to submit documentation electronically. (TO at 25-26). In response, DLC notes that the CAP online application allows customers to upload their documentation within the application directly. (DLC Response to Commission Data Requests at g). If additional documentation is required, the customer can submit the documentation via mail, e-mail (at a dedicated CAP mailbox), fax, or in person. (Id.)

CAUSE-PA supports DLC’s method for accepting documentation when customers apply for CAP online. (Proposed 2020 USECP at 10). As noted by the Commission, DLC’s proposed change is consistent with Section 69.265(8)(ii) of the CAP Policy Statement and the Commission’s November 2019 Order, which recommended that utilities should allow customers to submit

documentation electronically. (TO at 25-26).⁴² We appreciate the Company's efforts to make the CAP application more accessible to those in need.

Notwithstanding its support, CAUSE-PA notes that it remains unclear whether DLC's CAP application will be optimized for use on a mobile phone. CAUSE-PA asserts that the CAP online application should also be mobile-friendly, and include the ability to scan and upload documents using a mobile device. Low-income households often do not have access to broadband internet service or a computer, but may have access to online applications and features on a mobile device.⁴³ By optimizing its online application for use on a mobile device, DLC will help to eliminate additional barriers to low income customers applying for critical assistance through CAP. As such, CAUSE-PA recommends that the Commission direct DLC to ensure that its online CAP application and documentation submission processes are fully optimized for use on a mobile device.

h. CAP Recertification Methods – CAUSE-PA generally supports DLC's CAP recertification methods, but questions DLC's lack of articulated language access policy and its policy for transferring CAP after relocation

As explained in the DLC's Proposed 2020 USECP, DLC enrollment is conducted in person, by phone, and online. (Proposed USECP at 10). In its TO, the Commission directed DLC to further explain what mediums are available to apply or recertify for CAP, and to explain whether allowing customers to apply for CAP via mail or fax would inhibit access to the program. (TO at 26). DLC further explained in response to the Commission's TO that recertifications are also accepted by mail and fax, and that DLC provides instruction for how an applicant may submit completed application

⁴² See November 2019 Order at 6, 61-63, 102.

⁴³ Pew Research Center, Digital Divide Persists Even as Lower-Income Americans Make Gains in Tech Adoption (May 7, 2019), <https://www.pewresearch.org/fact-tank/2019/05/07/digital-divide-persists-even-as-lower-income-americans-make-gains-in-tech-adoption/>

and supportive documentation using those alternative methods. (DLC Response to Commission Data Requests at h).

CAUSE-PA generally supports DLC's approach to allow customers to apply and recertify for CAP through a variety of mediums. However, CAUSE-PA notes that critical information regarding language access is absent from DLC's Proposed 2020 USECP. DLC's exclusion of clearly articulated language access policies and procedures for customers applying and recertifying for CAP may create significant barriers for customers with limited English proficiency to successfully apply for, enroll, and participate in CAP. CAUSE-PA recommends that the Commission direct DLC to articulate its language access policies as they pertain to universal service enrollment, and DLC further should detail its methods for ensuring that its application and recertification processes are fully accessible to low income consumers with limited English proficiency. DLC's articulated language access policies should include, at a minimum, the provision of outreach, applications, and recertification in Spanish, along with assurances that DLC and its universal service program administrator(s) provide translation and interpretation services.

CAUSE-PA is additionally concerned with a recertification issue not identified by the Commission in its TO. In its proposed USECP, the Company allows for transfer of CAP along with transfer of service when a customer relocates within DLC's service area. (DLC Proposed 2020 USECP at 15-16). However, after 30 days, a CAP customer is "treated as an applicant and required to apply for new service and CAP enrollment." (Id.) Relocation can be a particularly stressful time for individuals and families, and causes households to incur substantial additional costs associated with a move. This is especially true for low income families, who may relocate more frequently than

higher income households – either voluntarily or by force.⁴⁴ Importantly, due to the high cost of relocation, as well as the well-documented shortage of affordable housing options, low income households often experience a gap in time between residences – often spending more than 30 days in a temporary shelter, hotel, or transitional housing program while they apply for housing assistance, find an affordable rental option, and/or gather the resources to pay a down-payment. CAUSE-PA asserts that CAP customers who relocate to a new address within DLC’s service territory should be reenrolled in CAP without re-applying for the program provided they reestablish service within the program year for which they originally applied. Allowing for relocating CAP customers to automatically reenroll in CAP if service is reestablished at a new location within their original program year would decrease DLC’s administrative burden and help to alleviate the burden on CAP customers who are most often unable to devote time and resources to reapply for CAP shortly after relocation.

i. CAP Enrollment Follow-Up Interviews – CAUSE-PA supports CBO’s conducting voluntary, optional CAP enrollment follow-up interviews

In its proposed USECP, DLC provides that CBO agents will conduct follow-up interviews with new CAP customers. (Proposed 2020 USECP at 10). In its TO, the Commission requested that DLC clarify whether these interviews are required for entry into CAP. (TO at 27). DLC responded that follow-up interviews with CBOs and CAP customers are not a requirement, but are meant to assist new CAP customers in understanding the benefits and responsibilities of CAP and to answer any questions that may arise. (DLC Response to Commission Data Request at i; Proposed 2020 USECP at 10). This service is also provided to customers having applied for CARES and other relevant programs. (Proposed 2020 USECP at 10).

⁴⁴ Phinney, R., [Exploring Residential Mobility among Low-Income Families](#), *Social Service Review*, 87(4) (2013), 780-815. doi:10.1086/673963.

CAUSE-PA supports this outreach and education effort coordinated by DLC through its CBOs, as long as the follow-up interview remains voluntary and optional - and is not a requirement for customers to enroll or continue participating in CAP. Low income consumers face incredible constraints on their time, and often work odd hours with inflexible breaks and unstable access to telecommunication services. These realities make it especially burdensome on low income consumers to carve out time for appointments or to take non-emergency calls. CAUSE-PA notes that it is unclear from DLC's clarification whether consumers are informed that the interview is voluntary and optional, and recommends that the Commission require DLC to clarify the voluntary nature of the interviews in its USECP and to inform consumers that an interview is recommended but not required for enrollment and participation in any of DLC's universal service programs.

j. Zero-Income Form - CAUSE-PA supports DLC's use of the zero-income form

DLC indicates that it has already adopted a standardized "zero-income form" for CAP customers who report no household income. (TO at 27). CAUSE-PA supports DLC's use of the standardized zero-income form, as provided in response to the Commission's request in the TO (DLC Response to Commission Data Request at Attachment J; TO at 27). We agree with the Commission that use of this form should be consistent with recommendations set forth in the amended CAP Policy Statement.⁴⁵ We encourage DLC to discuss the use of DLC's zero income form with stakeholders through its Income Eligible Advisory Group to help identify any issues consumers may experience in obtaining and submitting this form so that DLC can promptly remediate any issues that may arise.

⁴⁵ Final CAP Policy Statement and Order at 6, 63-65, 102.

k. Recertification Timeframes – CAUSE-PA recommends DLC adopt recertification timeframes as directed in the revised CAP Policy

In its USECP, DLC proposed requiring all CAP households, except those reporting zero income, to recertify every two years. (Proposed 2020 USECP at 6). Section 69.265(8)(viii) of the amended CAP policy statement states CAP households with income that participate in LIHEAP annually and CAP households whose primary source of income is fixed income including Social Security, Supplemental Security Income, or pensions should be required to recertify at least once every three years.⁴⁶ In its TO, the Commission reaffirms that failure to recertify is the primary reason customers are removed from CAP.⁴⁷ Indeed, this is true for DLC’s CAP. DLC provided data affirming that failure to recertify is the foremost reason customers default from CAP. In 2017, 27% of customers defaulted from CAP for failing to recertify. (DLC Response to Commission Data Requests at k). In 2018 and 2019 respectively, the recertification rate improved - but still accounted for over 16% of CAP defaults. (Id.) Comparatively, the next highest percentage for customers who defaulted from CAP in each of these years were the customers who moved from DLC territory. These customers represent a much smaller percentage of customers (10% in 2017, 9% in 2018, and 6% in 2019). (Id.)

Given the high percent of customers who default from CAP for failure to recertify, it is imperative that DLC adopt the lengthier CAP recertification timeframes articulated by the Commission in its amended CAP policy statement.⁴⁸ As the Commission identified, DLC’s only support for its more stringent, uniform recertification proposal is to promote “consistency” – without

⁴⁶ Final CAP Policy Statement and Order November 2019 Order at 65-70.

⁴⁷ See, e.g., Duquesne 2015 APPRISE Universal Service Impact Evaluation, at 60, http://www.puc.pa.gov/general/pdf/USP_Evaluation-Duquesne.pdf. In 2013, 12% of all CAP customers were removed for failing to recertify and 1% were removed because their income was too high.

⁴⁸ 52 Pa. Code § 69.265(8)(viii).

identifying any problems that its uniform policy would otherwise address. (TO at 29) Without further justification, CAUSE-PA recommends that the Commission direct DLC to amend its USECP to allow CAP customers to recertify every three years if they have a fixed income or participate annually in LIHEAP. Administrative consistency is not a good enough reason to maintain a policy that results in a significantly higher default rate for certain CAP customers.

l. Evaluating Household CAP Bills – CAUSE-PA recommends quarterly evaluation of household CAP bills

DLC states in its USECP that, under its Average Monthly Bill methodology, it reviews monthly CAP payments every four months. (Proposed 2020 USECP at 7). Section 69.265(8)(vii) of the CAP Policy Statement recommends this evaluation occur at least quarterly to ensure CAP customers' credit amounts or billing methods are appropriate and that CAP customers are receiving optimal CAP discount amounts and billing options. In its TO, the Commission requested that DLC determine the impact a quarterly review of CAP bills would have had on program billing in 2018 and 2019. (TO 29-30). DLC stated in response to the Commission's request that conducting this process quarterly would likely produce more frequent changes to CAP bills but would not ultimately impact billed amounts on an annual basis.

DLC fails to articulate sufficient reasons for why it does not review CAP bills on a quarterly basis. Instead, DLC states that quarterly CAP bill reviews would have no impact on billed amounts on an annual basis. The purpose of a quarterly adjustment to CAP rates is to ensure that a CAP customer is receiving the most affordable bill each and every month. Adjusting CAP rates quarterly, as opposed to every 4 months, will necessarily improve affordability on a monthly basis consistent with section 69.265(8)(vii) of the amended CAP policy statement. Adjusting bills quarterly will also align properly with DLC's 12-month program year. As such, CAUSE-PA recommends that the

Commission direct DLC to review and adjust CAP rates on a quarterly basis, consistent with the CAP Policy Statement, and to revise its Proposed 2020 USECP accordingly.

m. Evaluating Household CAP Bills – CAUSE-PA questions process for defaulting CAP customers for exceeding income limitations

In its TO, the Commission requested that DLC provide information related to removing customers from CAP and back-billing those customers at the full tariff rate if it is determined at the time of recertification that they no longer meet income limitations. (TO at 30). DLC includes an explanation of this process in its USECP, noting CAP customers may provide documentation of their income, and if the Company “determines that the information provided is insufficient, the customer may be removed from CAP.” (Proposed 2020 USECP at 15).

DLC’s response to the TO that no customers have been removed from CAP and back-billed at the tariff rate does not alleviate concern that this practice could be employed. CAUSE-PA shares the Commission’s concerns as to how DLC would determine that CAP customer income documentation is insufficient and how the back-billing practice would take effect after that determination is made. Customers who are removed from CAP and back-billed at a full tariff rate might face significant increases in their monthly bills and be at risk of termination as a result of back-billed amounts.

CAUSE-PA requests that the Commission direct DLC to remove this provision from its USECP. Should DLC wish to propose a similar policy in its next USECP, DLC should be required to work with members of its Income Eligible Advisory Group to further examine and make recommendations regarding the policy. Specifically, the Income Eligible Advisory Group should review the deadline or timetable that CAP participants are provided to submit additional income documentation or other information, as well as how the Company informs affected customers that it

is requesting further information, that it is removing the customer from CAP, and/or of the customers' right to appeal such a decision. (TO at 30). The Commission should also require DLC to narrowly define the circumstances in which a customer might be back-billed. Indeed, such circumstances should be exceedingly rare, and limited to situations where the consumer was acting with specific intent to deceive DLC.

n. Adopt a Consumer Education and Outreach Plan – CAUSE-PA supports DLC's Consumer Outreach and Education Plan

In its TO, the Commission direct DLC to provide a proposed Consumer Education and Outreach Plan. In response, DLC provided its "Outreach and Education Plan," which it indicated to be a high-level overview of the Company's past efforts and future goals. (DLC Response to Commission Data Requests at n). CAUSE-PA appreciates that DLC prioritizes its continued robust, collaborative stakeholder engagement, trusting and relying on the expertise of the diverse members of its Advisory Group, having strong professional relationships, and coordinating with CBOs. Consumer education and outreach is of critical importance. Recognizing current realities related to the ongoing COVID-19 crisis, CAUSE-PA is encouraged to see DLC set forth a targeted outreach and education plan that includes telephonic and online and social media outreach efforts to engage with low income customers. CAUSE-PA understands that DLC intends this plan to be a high-level overview of the Company's past initiatives and future goals. CAUSE-PA recommends that the Commission direct DLC to continue to work with parties and stakeholders through the Income Eligible Advisory Group to develop a fully articulated Consumer Education and Outreach Plan that provides further details and clearly articulates DLC's Plan to both identify target communities and perform robust outreach and education across communities it serves.

o. Unearned Income of a Child – CAUSE-PA is opposed to DLC’s continued inclusion of unearned income for a child

DLC’s Proposed 2020 USECP maintains its proposal to continue counting unearned child income (such as SSI or SSDI) as household income, in opposition to Section 69.262 of the Commission’s CAP Policy Statement. (TO at 32). CAUSE-PA strongly opposes DLC’s continuation of this practice. Section 69.262 of the CAP Policy Statement clearly states household income is defined as the “combined gross income of all adults in a residential household who benefit from the public utility service, as defined in 66 Pa. C.S. § 1403 (relating to definitions).”⁴⁹ Including unearned income of a child for the purposes of CAP eligibility determinations artificially inflates household income, while making it more difficult for families with children who receive disability benefits to qualify for needed assistance.

In its TO, the Commission requested that DLC explain the impact that excluding unearned income for minors would have on CAP eligibility and costs. (TO at 32). DLC responded that in 2019, 2,209 CAP customers reported unearned income for minor children, and as of 2020, 1,811 active CAP customers reporting unearned income for minor children. (DLC Response to Commission Data Request at o). The Company further reported that it has not retained income of customers who were not enrolled in CAP and it could therefore not predict with confidence the true impact on CAP enrollment, arrearage forgiveness, and CAP credits, should the Company begin excluding unearned child income for the purpose of determining CAP eligibility. (Id.) Nevertheless, using an “illustrative example”, DLC roughly estimates that 350 additional households could become eligible for CAP if unearned child income is excluded from CAP income determinations, that discount percentages could change for approximately 1,078 current CAP customers (prior to implementation of its PIPP), and

⁴⁹ 52 Pa. Code § 69.262; 66 Pa. C.S. § 1403. Section 1403 defines household income as “the combined gross income of all adults in a residential household who benefit from the public utility service.” 66 Pa. C.S. § 1403.

that the PIPP tier would change for approximately 100 CAP customers (upon implementation of a PIPP). (Id.) Using the same rough estimates, DLC guesses that the impact on the CAP budget is minimal. In the years 2021 through 2025, the CAP budget would see – at most – a one percent increase, using the greatest possible yearly range provided to calculate the difference.

DLC’s speculation regarding the number of additional customers who may be CAP-eligible is unnecessary for this analysis – but in any event, the minor economic impact only further supports the need to exclude minor income for the purpose of CAP income calculation in order to ensure that struggling families facing unique circumstances which lead to the need for SSI / SSDI benefits are not excluded from critical energy assistance through CAP. Indeed, to receive these benefits, a child must be blind or suffer from a medically determinable physical or mental impairment that causes “marked and severe functional limitations” and which will last for at least 12 months or result in death.⁵⁰ Households with disabled children face unique challenges – economic and otherwise – and policy should assist families facing these hardships to enroll in assistance programs, not keep them out.

It is important to note that unearned child income is not necessarily available to help assist the parent who applies for CAP assistance to make ends meet. In cases where child custody is shared, even where parents equally share custody of the children, a child’s SSI/SSDI benefits will only go to one parent. .⁵¹

⁵⁰ Social Security Administration: Understanding Supplemental Security Income SSI for Children, <https://www.ssa.gov/ssi/text-child-ussi.htm>.

⁵¹ In cases of shared child custody, the same is true for other types of unearned child income, such as child support - which very often goes unpaid. US Census Bureau, Custodial Mothers and Fathers and their Child Support: 2017 (May 2020), <https://www.census.gov/content/dam/Census/library/publications/2020/demo/p60-269.pdf>. In 2017, only one-half of all custodial parents had a parent with a child support agreement, and less than one half of those parents received full support payments. Id. Importantly, 30.1% of single parent households live in poverty, about three times the poverty rate of two parent households. Id.

Regardless, whether income of a child is earned or unearned, its inclusion in calculating CAP eligibility plainly contradicts the definition in Chapter 14 and the Commission’s CAP Policy Statement. CAUSE-PA therefore recommends that the Commission direct DLC to revise its proposed 2020 USECP to exclude all earned and unearned child income from eligibility requirements, in accordance with the definition of household income included in Chapter 14 and with the Commission’s revised CAP Policy.

p. CAP Final Billing – CAUSE-PA supports DLC’s CAP final billing calculation methodology

In its TO, the Commission explains DLC’s methodology for calculating a final CAP bill: “Duquesne calculates both residential tariff rate charges based on actual usage and a prorated CAP bill based on the number of days of the bill. CAP customers are then final billed based on the lesser of the residential tariff rate charges or the prorated CAP final bill.” (TO at 33) No additional information was requested of DLC, but stakeholders were invited to comment.

CAUSE-PA supports DLC’s continued use of its methodology of calculating final CAP bills. We believe this policy to be equitable, and ensures that CAP customers continue to receive an affordable, CAP rate bill for the entire duration of their CAP enrollment – even upon final billing. Indeed, if a CAP customer voluntarily requests to end service or is involuntarily terminated, and is later final billed for the partial billing period, it is necessary that they are charged a CAP rate for the days they were enrolled in CAP. DLC treats CAP customers the same as other residential and commercial rate customers - upon final billing, they are charged the rates that are applicable on the day the services were used and ensures that the most beneficial rates are applied. This is not only fair and equitable treatment, it is what the Public Utility Code requires.⁵² CAUSE-PA therefore fully

⁵² 66 Pa. C.S. § 1303; Staff Review of Customer Assistance Program (CAP) Final Billing Methods, Final Order, Docket No. M-2019-3010190, at page 22 (filed March 12, 2020).

supports DLC's methodology for computing final CAP bills as it is just and reasonable, and in the public interest.

q. Refund of Security Deposits – CAUSE-PA opposes DLC's method of refunding security deposits

The Commission requested clarification related to how DLC refunds security deposits to customers. (TO at 33). In response, DLC explained that security deposits are refunded to a customer's account at the time of CAP enrollment and the deposit and accumulated interest will be applied to a customer's account balance, if any. (DLC Response to Commission Data Requests at p). If the net result is a credit, the deposit will be applied to future charges, reducing the customer's bill accordingly. (Id.) Should the refunded amount be less than the account balance, the deposit is applied to the existing balance, reducing the amount moved into the frozen arrearage. (Id.)

CAUSE-PA disagrees with this methodology and submits that it contradicts the statutory prohibition on assessment of security deposits for CAP eligible households.⁵³ Specifically, Section 1404(a.1) unambiguously prohibits utilities from collecting cash deposits from a customer or applicant that is income eligible for CAP.⁵⁴ This statutory requirement is a blanket prohibition – not merely a waiver – and should be treated as such. Once determined that a customer has income at or below 150% FPL, any previously collected security deposit should be returned to the customer – and should only be applied to the customers' account if requested. CAUSE-PA is particularly troubled by DLC's clarification, as it seems DLC may apply a CAP applicants' security deposit - which is statutorily prohibited from being collected – to pay down an applicant's pre-program CAP arrears

⁵³ 66 Pa. C.S. § 1404 (a.1).

⁵⁴ Id. The Commission has interpreted this to statutory requirement to require that a household have income at or below 150% FPL – not that the household apply for and enroll in CAP. 52 Pa. Code § 56.32(e).

that are otherwise frozen and eligible for forgiveness, rather than applying the deposit to the CAP customers' future asked to pay amount.

As explained throughout these comments, low income consumers struggle profoundly to afford life's most basic necessities – and regularly face disproportionately high energy burdens, even when enrolled in CAP. Return of an inappropriately assessed utility security deposit can very well make a tremendous difference for a low income family – the difference between purchase of medicine or medical care, food, water, or rent. The General Assembly recognized this profound struggle, and prohibited utilities from collecting a security deposit from households that are determined to be income eligible for assistance through CAP. It is therefore critical that low income households retain the ability to direct how a previously paid security deposit is refunded – and under no circumstances should it be used to pay for arrears otherwise eligible for forgiveness through CAP. CAUSE-PA therefore urges the Commission to direct DLC to amend its Plan to automatically return security deposits to those low income customers or - at a minimum - to provide the customer with the choice on how to apply the amount to their bill.

2. Low Income Usage Reduction Program (LIURP / Smart Comfort)

a. New Smart Comfort Initiatives – CAUSE-PA supports DLC's proposed new Smart Comfort initiatives and questions funding

DLC proposes to implement three new LIURP initiatives as part of its Proposed 2020 USECP: (1) *De Facto* Heating Remediation; (2) Emergency Repair Fund; and (3) Knob-and-Tube Remediation. (TO at 35).

In its TO, the Commission requested that DLC clarify a number of issues related to the proposed new initiatives. First, the Commission questioned what winter electric usage patterns trigger a *De Facto* Heating Remediation intervention and what services are provided. (TO at 36). In response, the Company explained that a *De Facto* Heating investigation will be triggered where (1) customer's

usage on the Company's residential non-electric heat rate (Rate RS) exceeds 1,000 kWh in a winter month or (2) the customer verbally advises the Company that they use electric space heat. (DLC Response to Commission Data Requests at q).

Second, the Commission requested that DLC explain what methods available for a customer to directly apply for the Emergency Repair Fund. (TO at 36). In response, the Company explained that a customer will be able to apply for the Emergency Repair Fund (ERF) via the Company's call center, a dedicated email address, and an online application on the Company's website. (DLC Response to Commission Data Requests at q).

Third, the Commission requested that DLC clarify why electric service must be off "for a year or more" to qualify for additional health and safety remediation, including electrical inspection. (TO at 36). In response, the Company explained that the Plan is intended to mitigate costs to customers seeking to establish service at formerly-abandoned premises and noted that service does not have to be off for a year in order for customers to be eligible for other ERF opportunities. (DLC Response to Commission Data Requests at q).

Fourth, the Commission requested that DLC clarify why homeowners must have a 12 SEER central air conditioner to qualify for knob-and-tube remediation. (TO at 36). In response, the Company indicates that this requirement would ensure that the Company can "realize electric savings from the home weatherization by upgrading the air conditioning to a more efficient unit." (DLC Response to Commission Data Requests at q).

Fifth, the Commission requested that DLC explain how it will advertise the proposed initiatives to the public and educate contractors. (TO at 36). In response, the Company explains that it plans to add new features to printed marketing materials and its website, and work with its Income Eligible Advisory Group to identify other outreach channels. The Company further indicates that it

will incorporate information about these initiatives into its periodic contractor trainings. (DLC Response to Commission’s Data Requests at q).

CAUSE-PA supports the implementation of proposed initiatives related to de facto heating remediation, an emergency repair fund, and knob-and-tube remediation. In particular, CAUSE-PA supports a greater focus on health and safety measures to remediate conditions in customers’ homes that might affect the overall health and safety of the households and act as a barrier to receiving critical usage reduction services. Nevertheless, CAUSE-PA is concerned that it remains unclear whether these initiatives will be supported by existing or new LIURP funds. In its Proposed 2020 USECP, the Company indicates that it “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.” While CAUSE-PA is supportive of DLC’s proposed program, it is concerned these initiatives may detract from existing LIURP spending, especially in light of the potential increase in need for usage reduction services in the coming program year from customers who have been unable to participate in LIURP during the pendency of the COVID-19 pandemic. Moreover, given the potential need for such initiatives, especially related to health and safety measures, the Company’s refusal to roll over unspent funds for these initiatives might foreclose a substantial number of customers from receiving critical assistance. As such, CAUSE-PA respectfully requests that the Commission direct DLC to designate additional, incremental, and independent funding to support the three proposed initiatives. At the very least, the Company should be directed to roll over such funds to support these new initiatives – and any unspent funds in a program year designated for these initiatives should be added to the budget for initiatives in the following program year. If these programs are to be successful, it is important that DLC be required to use its best efforts to spend all available funds within the program year.

Moreover, DLC should be required to clarify how tenants can access the three proposed initiatives. Based on the descriptions of these initiatives in DLC’s proposed USECP, it is unclear if and to what extent these programs will be available to tenants. (See 2020 Proposed USECP at 31-32). Given that a substantial number of low-income customers are likely to be rent,⁵⁵ it is crucial that tenants have access to programs and initiatives that will decrease their overall usage and remediate unsafe and unhealthy conditions in their residences. As such, DLC should be directed to clarify its Proposed USECP to indicate that tenants are eligible for the three proposed initiatives. As discussed in further detail below, landlord approval should only be required for a tenant to access these initiatives if the residence is receiving structural, non-baseload measures.

b. Unspent LIURP Funds – DLC should be required to carry over unspent LIURP funds

In its TO, the Commission directed that DLC explain its plan for unspent 2020 LIURP funding as a result of the COVID-19 pandemic, given that DLC stated in its Proposed USECP that unspent funds for its new Smart Comfort initiatives will not be rolled over into the following year. (TO at 36-37; Proposed 2020 USECP at 31-32).

In its Responses to the Commission’s Data Requests, DLC simply indicates that its projected LIURP enrollment levels are based on the 2013 base rate case settlement and that, based on the Company’s experience, “this proposed budget will be sufficient to enable the Company to meet its LIURP participation targets.” (DLC Response to Commission Data Requests at r). The Company further notes that it has “never turned away eligible customer for lack of available LIURP funding.” (Id.) While the Company reiterates that they do not plan to carry over unspent 2020 LIURP funding

⁵⁵ Spector, Julian, et al., [Where America's Poor Pay the Most for Electricity](http://www.citylab.com/equity/2016/04/electricity-bills-by-city-low-income-costs/478155/), CityLab, 14 Apr. 2016, www.citylab.com/equity/2016/04/electricity-bills-by-city-low-income-costs/478155/

to subsequent years, they do not, as the Commission directs, explain their plan for unspent 2020 LIURP funding. (Id.)

CAUSE-PA is deeply concerned that DLC fails to set forth any plan for rolling over and utilizing unspent LIURP funding. DLC’s underspending of LIURP funds – and its failure to carry over unspent funds to the budget for the following year – works functionally to decrease LIURP funding outside of the Commission’s regulatory process for establishing LIURP budgets.⁵⁶

Importantly, DLC’s LIURP underspending is not solely the result of COVID-19. In 2019, DLC spent just \$622,772 – far below its \$2,143,960 budget.⁵⁷ This funding was allocated for a specific purpose: To reduce low income household energy usage and, in turn, to measurably improve affordability – especially for DLC’s CAP customers whose rates are subsidized by other ratepayers. But instead, nearly one-third of available funds were left unspent. DLC’s underspending in 2019 is attributed to its transition to a new contractor, which slowed LIURP production. But this slow-down should not result in lost services to low income customers in critical need of usage reduction services. Indeed, while DLC submits that it has not denied customers who affirmatively request LIURP services, this is not for lack of identified need. In 2017, DLC estimated that approximately 41,085 households are eligible for LIURP.⁵⁸ While DLC may not be denying assistance to those who request help through the program, DLC needs to conduct targeted, proactive outreach. Consumers cannot request to enroll in a program that they know little or nothing about.

Notably, DLC’s 2014-2016 USECP included language that required it to carry over unspent LIURP funds to spend in the following year.⁵⁹ It appears DLC eliminated this requirement in its

⁵⁶ See 52 Pa. Code § 58.4.

⁵⁷ 2017-2019 USECP at 27; 2019 Universal Service Report at 45.

⁵⁸ 2017-2019 USECP at 26.

⁵⁹ 2014-2016 USECP at 25 (revised April 18, 2014) (“During the life of the USECP, under-spent funds will be carried over from one program year to the next.”).

2017-2019 USECP without any specific mention – and without specific review and approval by the Commission.⁶⁰ Since this change in policy, and excluding 2020 (for which spending data is yet unavailable), DLC has underspent its LIURP budget by a net total of over \$1.3 million – depriving hundreds of consumers access to comprehensive energy efficiency and usage reduction services.

DLC LIURP Spending vs. Budget⁶¹

	Budget	Actual Spending	Difference
2017	\$2,143,960	\$1,189,179	\$954,781
2018	\$2,143,960	\$2,341,637	(\$197,677)
2019	\$2,143,960	\$622,772	\$1,521,188
2020	\$2,143,960	-	-
Total			\$1,323,511

It is important to also keep in mind that DLC’s LIURP budget is already substantially lower compared to similarly sized electric distribution companies, compounding the impact of DLC’s underspending.

2019 Residential Customer Count vs. LIURP Budget, PA Electric Distribution Companies⁶²

	Residential Customers	LIURP Budget
DLC	538,534	\$2,143,960
Met-Ed	504,684	\$5,149,000
Penelec	500,877	\$5,809,000
Penn Power	146,017	\$2,846,000
PPL	1,233,836	\$10,000,000
West Penn	627,499	\$5,468,000

As the Commission noted in its TO, other utilities have proposed innovative ways to utilize unspent LIURP funding to maximize the number of customers who might receive assistance. It is

⁶⁰ See Duquesne Light Co. Universal Service and Energy Conservation Plan for 2017-2019 Submitted in Compliance with 52 Pa. Code § 54.74, Tentative Order, Docket No. M-2016-2534323, at 4-5 (entered Aug. 11, 2016) (listing the modifications proposed in DLC’s 2017-2019 USECP).

⁶¹ 2017-2019 USECP; see also 2019 Universal Service Report at 45; 2018 Universal Service Report at 47; 2017 Universal Service Report at 47. DLC’s 2020 LIURP spending is not yet available.

⁶² 2019 Universal Service Report at 4; Met-Ed, Penelec, Penn Power, and West Penn Power Amended Joint Universal Service & Energy Conservation Plan for 2019-2021, at 26 (filed June 24, 2019),

troubling to CAUSE-PA that DLC has fallen so far short of its budget goals – yet it has not proposed to carry over unspent funds into subsequent program years. It is likewise concerning that DLC assumes that its proposed budget will be sufficient to meet its customers need for LIURP assistance in the next program year, given that many LIURP-eligible customers maybe have deferred receiving assistance in 2020 as a result of the COVID-19 pandemic. Given the continuing and disproportionate economic toll that COVID-19 continues to have on low income households, it is imperative that sufficient assistance is provided in order to help low income customers conserve energy and reduce their energy bills.

CAUSE-PA submits that DLC should be required to roll over its unspent 2020 LIURP funds, and should add those funds to its budget for the following year. If DLC wishes to spend these unspent funds in an alternative way, such as to support its proposed health and safety or emergency furnace repair programs, DLC should be required to file a Petition with the Commission within 60 days of the Commission’s Final Order in this proceeding with a proposal for how it will utilize all unspent LIURP funding.

c. Landlord Approval for Smart Comfort Visits – CAUSE-PA opposes DLC’s excessive and burdensome landlord approval requirements for Smart Comfort visits

In its TO, the Commission requested that DLC provide a copy of its landlord approval form in order to perform structural modifications to a rented residence and clarify if the Company requires additional written landlord permission to perform other weatherization measures. (TO at 37). In its Response to the Commission’s Tentative Order, DLC provides the DLC Comprehensive Audit Form,

<https://www.puc.pa.gov/pcdocs/1625391.pdf>; PPL Universal Service & Energy Conservation Plan for 2017-2019, at 50 (filed Nov. 3, 2017), <https://www.puc.pa.gov/pcdocs/1543006.pdf>. Note that PECO was excluded from this chart because its USECP LIURP budget is not delineated between gas and electric LIURP budgets, and therefore does not allow for comparison.

which details the obligations and rights of landlords as a result of LIURP modifications. (DLC Response to the Commission’s Data Requests at Attachment S).

Despite providing the landlord approval form, it remains unclear the extent to which this form is utilized. For instance, it appears from the form that the Company requires landlord approval for providing *all* LIURP services, including non-structural baseload measures such as replacing inefficient lightbulbs with LED bulbs. (DLC Response to the Commission’s Data Requests at Attachment S, ¶ 1). Landlord approval can act as a significant barrier to otherwise eligible tenants’ ability to obtain even the most basic usage reduction services, which makes it critical that landlord approval requirements are not unnecessarily expanded to apply to non-structural usage reduction assistance. CAUSE-PA submits that landlords should only be required to provide approval for structural changes to the property, or for replacement of major appliances owned by the landlord. The Commission should require DLC to clarify that its only requires landlord approval if structural modifications and/or weatherization measures greater than simple baseload measures are made to a residence. The Company should be required to amend its landlord approval form consistent with these recommendations and eliminate indication in paragraph 1 of the Form referencing LED bulb replacements.

d. Customer Monitoring and Follow-up – CAUSE-PA supports DLC’s proposal and recommends additional specificity

In its TO, the Commission requested that DLC clarify how energy managers determine necessary follow-up activity with Smart Comfort customers after the installation of program measures. (TO at 37-38). The Commission further requested that DLC explain the timeframe of such actions, such as how long after installation of program measures to energy managers follow-up with customers, how are Smart Comfort customers selected for additional energy education, and what does

this energy education consist of. (Id.) The Commission directed the Company to provide a copy of all written materials and scripts related to this issue. (Id.)

In its response to the Commission’s TO, DLC indicates that energy managers determine Smart Comfort follow-up by examining actual customer energy savings after a LIURP visit. (DLC Response to the Commission Data Requests at t). The Company explains that, prior to an in-home audit, an energy manager reviews the household’s usage pattern based on the past 12 months. (Id.) The Company will identify customers that did not achieve weather-normalized savings during the 12 months following LIURP services and re-engage with those customers to determine the causes of high post-installation usage. (Id.) DLC indicates that it prioritizes customers that have the highest “non-saver usage.” (Id.)

While CAUSE-PA commends DLC for putting in place a system for follow-up with customers who receive LIURP services but nevertheless continue to experience high usages, additional specificity is needed to ensure that these customers receive meaningful assistance to reduce their energy costs. First, it is insufficient for the Proposed 2020 USECP to state that energy managers “may” contact Smart Comfort participants to discuss continued high usage and “may” reinforce energy education. (Proposed 2020 USECP at 30). The Company should be required to set forth a minimum percent of customers that must receive follow-up and additional energy education. The Company should set forth a clear usage threshold for how these customers are selected. Given that the Company has indicated that they plan to work with stakeholders to develop education materials for these customers, the Company should also consult stakeholders through its Income Eligible Advisory Group to help improve its process of disseminating educational materials.

e. Health and Safety Items – CAUSE-PA recommends enhancing health and safety provisions

In its Proposed 2020 USECP, DLC indicates that Smart Comfort contractors can spend up to \$600 per household without DLC's approval when the additional health and safety items will fix situations that would delay installation of conservation measures. (Proposed 2020 USECP at 30). In its TO, the Commission requested that DLC provide examples of health and safety items and/or measures, in addition to the specified carbon monoxide detectors or smoke alarms, that may be installed by smart comfort contractors. (TO at 38). In its response to the Commission's TO, DLC indicates that health and safety measures can include carbon monoxide detectors and smoke alarms, minor roof repairs, plumbing leaks, minor basement moisture mitigation, knob and tube mitigation, and electric panel upgrades. (DLC Response to the Commission Data Requests at u). Such measures are provided at the Company's discretion. (Id.)

Given that a large number of households are traditionally disqualified from receiving LIURP services as a result of health and safety conditions at a residence, CAUSE-PA asserts that \$600 is an inadequate maximum for health and safety measure. CAUSE-PA submits that the maximum budget for health and safety should be increased, with the appropriate amount being determined in conjunction with parties and interested stakeholders. The Company's contractors should be empowered to perform incidental repairs and remediation to ensure that LIURP is reaching households which are likely to be most in need of significant usage reduction services, while at the same time reducing operating costs incurred when a household is unable to be remediated due to minor health and safety issues. Furthermore, when a Company contractor defers Smart Comfort

measures because of health and safety concerns, DLC should be required to clarify if and how these customers might subsequently receive health and safety measures.

f. Third-Party Inspections – CAUSE-PA recommends minimum of 10% and 5% third party inspections of completed electric heating job and electric baseload jobs, respectively

DLC’s Proposed 2020 USECP states that a third-party will perform an independent inspection on *up to 10%* of completed electric heating jobs and *up to 5%* of electric baseload jobs after Smart Comfort measures are installed. (Proposed 2020 USECP at 30.) In its TO, the Commission requested that DLC explain “what steps, if any, are taken if an installed measure is not operating efficiently and/or an increase of energy usage is found during a third-party inspection.” (TO at 39). The Commission indicated that it was unclear how the third-party inspector selects up to 10% of completed electric heating jobs and up to 5% of electric baseload jobs. (Id.) The Commission directed DLC to clarify what methodology was used to select these jobs and whether the number was actually less than 10% and 5%. (Id.)

In its Responses to the Commission’s TO, DLC explains that each month the Company and its contractors randomly select LIURP jobs for third-party inspection and that comprehensive (electric heat) and baseload (non-electric heat) customers are sampled separately. (DLC Response to Commission Data Requests at v). The Company indicates that, in 2019, the Company’s third-party inspectors inspected 13.6% of comprehensive audits and 7.8% of baseload audits. (Id.) As of November 30, 2020, the Company’s third-party inspectors have inspected 21.9% of comprehensive audits and 11.8% of baseload audits year-to-date. (Id.)

While DLC exceeded its third-party inspection thresholds in 2019, CAUSE-PA continues to be concerned that the Company’s Proposed 2020 USECP only requires *up to 10%* of completed electric heating jobs and *up to 5%* of electric baseload jobs to receive third-party inspection after

Smart Comfort measures are installed. Given that the Company was not required to perform third-party inspections in 2017 and 2018, it is unclear whether the Company will meet, exceed, or fall far behind its delineated 5% and 10% in its Proposed 2020 USECP. (Id.) Third-party inspections provide a crucial means of accountability to ensure that Smart Comfort participants receive high-quality services. It is essential that an adequate number of electric heating jobs and electric baseload jobs receive third-party inspections. As such, CAUSE-PA respectfully requests that the Commission require DLC to eliminate the prefatory “up to” for the percent of third-party inspections, so that the Proposed 2020 USECP requires an independent, third-party inspection on 10% of completed electric heating jobs and 5% of electric baseload jobs after Smart Comfort measures are installed. Again, we encourage DLC to continue to exceed these minimums year after year.

3. CARES

CAUSE-PA supports DLC’s implementation of its CARES programming and commends DLC for its strong working relationships with its CBOs. DLC’s CARES programming as well as its CAP and LIURP are the better for these strong and nurtured working relationships. CAUSE-PA encourages DLC to continue to work with its CBOs and other community entities in order to further assist customers to learn about, and successfully enroll in, DLC’s universal service programs.

4. Hardship Fund (Dollar Energy Fund or DEF)

CAUSE-PA shares the Commission’s concerns regarding DEF’s introduction of requirements on their website that fall outside those requirements listed in DLC’s proposed USECP. We are concerned that DEF, rather than DLC, is directing at least a portion of DLC’s program requirements. In response, DLC explains that the Company exercises discretion on a case-by-case basis to meet the needs of different customers. (DLC Response to the Commission Data Requests at w). But this does not address the Commission’s identified concern that DLC is delegating its authority to proscribe program rules and eligibility criteria for its universal service programs and fails to ensure uniform

and transparent policies and procedures for DLC's customers. As CAUSE-PA has articulated in numerous other USECP proceedings – including DLC's last USECP,⁶³ we believe it is imperative that decisions regarding program eligibility and benefits must remain solely within the purview of the utility, subject to Commission oversight, and must not be delegated to a utility's universal service program administrator. Indeed, a utilities' universal service program eligibility criteria must be made explicit in each utilities' Commission-approved USECP to allow the Commission to properly oversee each utilities' universal service program portfolio consistent with its obligations under the Choice Act.

CAUSE-PA submits that, if DEF is permitted to exercise discretion and authority over critical program determinations, it creates a shadow set of rules for ratepayer-supported programming which could shift without warning – and without a sound basis in Commission-established public policy. Therefore, consistent with the Commission's statutory duty to oversee DLC's universal service programming, CAUSE-PA recommends that the Commission require DLC to ensure that DEF does not impose program eligibility rules or requirements which are not memorialized in, or are in contradiction to, DLC's USECP.

Additionally, while the minimum payment requirement for DLC's Hardship Fund is waived through December 31, 2021,⁶⁴ CAUSE-PA has ongoing concerns regarding this particular requirement and submits that this requirement must be waived. Although DLC allows for the minimum payment to be the lesser of 90 days of CAP payments or \$150, requiring customers to make a substantial financial payment as a precondition to access grant assistance to help resolve an acute

⁶³ See Duquesne Light Co. Universal Service and Energy Conservation Plan for 2017-2019 Submitted in Compliance with 52 Pa. Code §§ 54.74, Order, Docket No. M-2016-2534323, at 45-47 (entered March 23, 2020).

⁶⁴ See Petition of Duquesne Light Company (DLC) to temporarily amend its current 2017-2019 Universal Service and Energy Conservation Plan (USECP), Docket No. M-2016-2534323, Secretarial Letter (Sec. Ltr. entered April 17, 2020).

financial hardship is counterintuitive, and may drive economically vulnerable consumers to borrow money from predatory lenders or resort to other high cost financing options – further exacerbating their payment trouble.⁶⁵ Further, the financial ramifications experienced by those most vulnerable residents, resulting from the COVID -19 public health emergency, will not be likely be remedied by December 31, 2021 – and the economic effects are likely to linger for many years, especially for low wage workers. For these reasons, CAUSE-PA recommends the Commission put an end to this onerous eligibility requirement or – at the very least – extend this waiver through the duration of DLC’s USECP.

⁶⁵ Center for American Progress, [How Predatory Debt Traps Threaten Vulnerable Families](https://www.americanprogress.org/issues/economy/reports/2016/10/06/145629/how-predatory-debt-traps-threaten-vulnerable-families/), (October 6, 2016), <https://www.americanprogress.org/issues/economy/reports/2016/10/06/145629/how-predatory-debt-traps-threaten-vulnerable-families/>; see also Ariel Dreihobl & Lauren Ross, [Lifting the High Energy Burden in America’s Largest Cities](https://www.aceee.org/sites/default/files/publications/researchreports/u1602.pdf) (April 2016), <https://www.aceee.org/sites/default/files/publications/researchreports/u1602.pdf>

The troubling reality is that many households resort to high-cost payday lending in order to pay their utility bills, which can further exacerbate the cycle of poverty. A 2012 study found that paying utility bills was the most common reason why individuals took out a payday loan. These loans are small, short-term loans with high interest rates that can make repayment difficult and costly. By addressing energy affordability, policymakers can help to break the cycle of poverty and increase economic development, educational achievement, and public health.

Id. at 13.

IV. CONCLUSION

CAUSE-PA thanks the Commission for its thoughtful consideration of the issues raised above and for the opportunity to submit comments concerning the November 19, 2020 Tentative Order regarding DLC's Proposed 2020 USECP. We urge the Commission to act in accordance with these Comments to ensure that all customers – regardless of income – are able to access safe and affordable services within the DLC's service territory.

Respectfully Submitted,

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