

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17120**

**Pennsylvania Public Utility Commission
Office of Small Business Advocate
Office of Consumer Advocate
Columbia Industrial Intervenors
Dr. Richard Collins
Ionut R. Ilie
The Pennsylvania State University**

**Notational Vote taken Feb 18, 2021
3018835 - OSA
Docket No. R-2020-3018835**

v.

Columbia Gas of Pennsylvania, Inc.

**JOINT STATEMENT OF CHAIRMAN GLADYS BROWN DUTRIEUILLE &
VICE CHAIRMAN DAVID W. SWEET**

Before the Pennsylvania Public Utility Commission (Commission) for consideration and disposition are the Exceptions of Columbia Gas of Pennsylvania, Inc. (Columbia of Company) the Commission's Bureau of Investigation and Enforcement (I&E), the Office of Consumer Advocate (OCA), the Office of Small Business Advocate (OSBA), the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), and the Pennsylvania State University (PSU), filed on December 22, 2020, to the Recommended Decision (R.D.) of Administrative Law Judge (ALJ) Katrina L. Dunderdale, issued on December 4, 2020, in the above-captioned proceeding.

As part of this fully litigated proceeding, parties such as OCA and CAUSE-PA addressed matters regarding Columbia's Universal Service and Energy Conservation Plan (USECP), specifically, the affordability of the Company's Customer Assistance Program (CAP) and outreach to low-income customers. Also raised was Columbia's cost recovery of universal service programs through all rate classes.

We support the staff recommendation before us today to reduce Columbia's annual revenue increase from \$100,437,420 to \$63,548,905, thereby resulting in savings to challenged ratepayers. However, on matters regarding universal service programs, specifically, the Company's energy burdens and low-income outreach, we agree with the arguments raised in Exceptions by OCA and CAUSE-PA. We strongly urge Columbia to address each topic with its Universal Service Advisory Committee (USAC) in order to improve the affordability of its CAP and provide more opportunities for relief to customers in need.

Energy Affordability

CAUSE-PA averred that Columbia should be required to reduce its CAP Percentage of Income Payment (PIP) rates to meet the maximum CAP energy burden standards in the Commission's CAP Policy Statement to offset categorical unaffordability at current and proposed rates.¹ CAUSE-PA noted that the average CAP energy burdens for Columbia's PIP customers range from 7.4% to 8.02%, which is much higher than the Commission's guidelines of 4% and 6%.² Moreover, the cost of adopting the Commission's maximum energy burden standards would amount to just 22 cents per month or \$2.67 per year for other residential customers.³

Additionally, in its Exceptions, CAUSE-PA states that the ALJ erred as a matter of law and established Commission policy by failing to direct Columbia to comply with the terms of its 2018 Settlement in which the Company agreed to adopt the Commission's recommended CAP energy burdens.

In order to comply with the terms of the 2018 base rate case, we believe Columbia should amend its CAP to better align with the energy burden guidelines established in the Commission's CAP Policy Statement. In the previous rate case proceeding, Columbia agreed to the following:

“By no later than its next Universal Service and Energy Conservation Plan (USECP) filing following issuance of the Energy Burden Study or earlier date dictated by the Commission's Energy Burden Study (whichever is sooner), Columbia will make such filing as required by the Energy Burden Study to modify or change its CAP rate selection.”⁴

As CAUSE-PA points out, nearly every Pennsylvania natural gas utility, *except Columbia*, has petitioned the Commission to voluntarily adjust their CAP rates to comply with the Commission's CAP Policy Statement. Given the combination of the existing need identified in the Energy Affordability Study, which is now compounded by the current health crisis and Columbia's rate increase, immediate action is necessary.

CAP Outreach

OCA asserts the Company's CAP outreach does not appear to reach a significant segment of the Confirmed Low-Income population that could benefit from CAP - those customers at or below 50% of the Federal Poverty Income Guidelines (FPIG). This issue was raised during Columbia's 2019 Focused Management and Operations Audit. The Management Audit recommended that the Company should increase its universal service programs' participation rates, particularly through its CAP, as the best way to improve

¹ CAUSE-PA, Main Brief at 11

² *Id.* at 16 (citing CAUSE-PA St. 1 at 16)

³ CAUSE-PA Exc. at 7 (citing CAUSE-PA St. 1 at 26-27).

⁴ *Pa. PUC v. Columbia Gas of Pennsylvania, Inc.*, Docket No. R-2018-2647577 (Order entered December 6, 2018) (2018 Settlement)

payments by low-income customers experiencing difficulties. In particular, the Management Audit recommended Columbia needed to develop strategies that will reduce arrearage levels by increasing CAP enrollment levels.⁵

CAUSE-PA argues that CAP outreach needs to be evaluated on whether it works, which requires an evaluation of the results, not just the efforts; furthermore, suggesting the Commission should require the Company to measurably improve and benchmark its CAP enrollment rates to reach a greater number of households in need of assistance.

To remedy the lack of CAP enrollment, both OCA and CAUSE-PA recommended various outreach strategies intended to increase CAP participation. In response, Columbia asserted that its current outreach methods are highly inclusive and incorporate many of the suggestions raised by both parties.

We agree with CAUSE-PA and OCA on this matter, particularly the notion of targeting customers below 50% of the FPIG, as well as deploying outreach methods that actually work to reach and enroll low-income customers into the Company's CAP. To that end, we are concerned as to whether Columbia is effectively targeting low-income households in its service territory. We encourage the Company to expand beyond its current outreach methods, and to find more effective ways of reaching CAP-eligible households.

Both issues – energy affordability and CAP participation - are not unique to this rate case, as both issues have been raised in previous proceedings outside of this docket. We believe there are fundamental problems with the affordability of Columbia's CAP, and most certainly with its outreach efforts, both of which require greater scrutiny than what was given during the course of litigation in this rate case. Again, we strongly urge the Company to work with its USAC on both topics, and to amend its USECP accordingly.

Furthermore, on the topic of universal service cost recovery, the Commission's CAP Policy Statement says that cost recovery is not only limited to residential ratepayers.⁶ There is no need, in this case, to go beyond the language in the Policy Statement because Columbia presented no such plan, and the Exceptions filed by OCA and CAUSE-PA did not provide sufficient facts and circumstances to require one.

Finally, while the Commission's action today substantially reduces the impact of Columbia's rate increase, we wish to express our disappointment that Columbia failed to propose any temporary pandemic relief within this proceeding. Such programs can be aimed to provide measured assistance to customers adversely affected by the COVID-19

⁵ *Focused Management and Operations Audit of Columbia Gas of Pennsylvania, Inc.*, Docket No. D-2019-3011582

⁶ *Final CAP Policy Statement Order* at 80, Docket No. M-2017-2587711

pandemic. The Commission has approved programs for UGI Utilities,⁷ Pittsburgh Water and Sewer Authority,⁸ and Philadelphia Gas Works.⁹ We encourage Columbia, and other utilities, to continually consider these types of offerings in the near future.



GLADYS BROWN DUTRIEUILLE
CHAIRMAIN



DAVID W. SWEET
VICE CHAIRMAN

Date: February 18, 2021

⁷ Docket No. R-2019-3015162

⁸ Docket No. R-2020-3017951

⁹ Docket No. R-2020-3017206