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March 23, 2021

VIA eFILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105-3265

Re: PECO Energy Company's 2016-2018 Universal Service and Energy Conservation Plan
Docket No. M-2015-2507139

Dear Secretary Chiavetta:

Enclosed for filing is the **Petition of PECO Energy Company for Expedited Approval to Establish a COVID-19 Emergency Grant Program for Low-Income Customers** ("Petition"), in the above-captioned proceeding.

As evidenced by the enclosed Certificate of Service, copies of the Petition are being served upon all parties of record.

If you have any questions, please contact me directly at 215.841.4353.

Very truly yours,



Jennedy S. Johnson

Enclosures

c: Per Certificate of Service (w/encls.)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PECO ENERGY COMPANY’S 2016- : DOCKET NO. M-2015-2507139
2018 UNIVERSAL SERVICE AND :
ENERGY CONSERVATION PLAN :

CERTIFICATE OF SERVICE

I hereby certify and affirm that I have this day served a true and correct copy of the **Petition of PECO Energy Company for Expedited Approval to Establish a COVID-19 Emergency Grant Program for Low-Income Customers** on the following persons, in the manner specified below, in accordance with the requirements of 52 Pa. Code Section 1.54:

VIA ELECTRONIC MAIL

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Respectfully submitted,



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Dated: March 23, 2021

Counsel for PECO Energy Company

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PECO ENERGY COMPANY’S 2016- :
2018 UNIVERSAL SERVICE AND : DOCKET NO. M-2015-2507139
ENERGY CONSERVATION PLAN :**

**PETITION OF PECO ENERGY COMPANY FOR EXPEDITED APPROVAL TO
ESTABLISH A COVID-19 EMERGENCY GRANT PROGRAM FOR LOW-INCOME
CUSTOMERS**

I. INTRODUCTION

PECO Energy Company (“PECO” or the “Company”), pursuant to 52 Pa. Code § 5.41, hereby petitions the Pennsylvania Public Utility Commission (the “Commission”) for expedited approval of an amendment to its 2016-2018 Universal Service and Energy Conservation Plan (“2016-2018 USECP”) to establish an emergency grant program (the “Emergency Program”) in light of the COVID-19 pandemic to assist low-income customers who have significant arrearages from the costs of utility service.

Specifically, the Company is proposing to provide grants to low-income customers with income at or below 200% of the Federal Poverty Level (“FPL”) that are equal to the lesser of a customer’s past due balance¹ or \$1,000. Grants will be provided on a “first-come, first-served” basis and will be available no later than 45 days after approval of this Petition by the Commission. If a customer receiving a grant still has a past-due PECO balance after the application of the grant, the customer will be placed on a 5-year payment arrangement.²

¹ For purposes of the Emergency Program, a past due balance includes arrearages as well as any balances currently on a payment arrangement.

² Payment arrangements with a term of less than 5 years will be available upon customer request. *See Public Utility Service Termination Moratorium*, Docket No. M-2020-3019244 (Order entered March 18, 2021) (describing payment arrangement requirements based on customer income).

The total budget for the Emergency Program will be \$3.7 million and funded using amounts that were unspent under PECO's Low Income Usage Reduction Program ("LIURP") in 2020 due to the COVID-19 pandemic. These funds were not able to be used for LIURP programming for customers with income at or below 200% FPL due to the inability of PECO employees and contractors to visit customer homes for home audits and other energy saving services during the pandemic. One-half of the \$3.7 million in funds will be allocated to be spent in 2021 and the second half of the funds will be reserved for 2022.

As explained in this Petition, PECO has been authorized to represent that the Emergency Program is supported by the Office of Consumer Advocate ("OCA") and is not opposed by the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA"). In light of the continuing effects of the COVID-19 pandemic for some low-income customers, the Company strongly urges the Commission to review and approve the Emergency Program on an expedited basis to ensure that low-income customers can have the opportunity to benefit from these additional measures in the coming months.

I. BACKGROUND

1. PECO is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania with its principal office in Philadelphia, Pennsylvania. PECO provides electric delivery service to approximately 1.6 million customers and natural gas delivery service to more than 511,000 customers in Pennsylvania.

2. Pennsylvania's Electricity Generation Customer Choice and Competition Act and Natural Gas Choice and Competition Act include several provisions relating to universal service to ensure that policies, practices and services are in place to help low-income customers maintain

utility service.³ The statutory definition of “universal service and energy conservation” includes customer assistance programs, usage reduction programs, service termination protections and consumer education. 66 Pa. C.S. §§ 2202 and 2803.

3. The Commission has established universal service regulations that, among other things, require each electric distribution company serving more than 60,000 residential accounts and each natural gas distribution company serving more than 100,000 residential accounts to submit an updated universal service and energy conservation plan (“USECP”) every three years to the Commission for approval. 52 Pa. Code §§ 54.74 and 62.4.

4. PECO’s proposed 2016-2018 USECP was submitted on October 1, 2015 and was approved by the Commission on August 11, 2016.⁴

5. The 2016-2018 USECP remains in effect at this time as directed by the Commission while PECO’s proposed USECP for the 2019-2024 period is under Commission review.⁵

6. LIURP is a usage reduction program approved as part of PECO’s USECP for low income, residential customers with household gross income at or below 200% of the FPL with high usage under certain eligibility criteria. LIURP assistance to customers includes direct

³ The Electricity Generation Customer Choice and Competition Act, 66 Pa.C.S. §§ 2801-2812, became effective on January 1, 1997. The Natural Gas Choice and Competition Act, 66 Pa.C.S. §§ 2201-2212, became effective on July 1, 1999. *See* 66 Pa.C.S. §§ 2203(7) and 2802(10).

⁴ *See PECO Energy Company Universal Service and Energy Conservation Plan for 2016-2018 Submitted in Compliance with 52 Pa. Code §§ 54.74 and 62.4*, Docket No. M-2015-2507139 (Order entered August 11, 2016).

⁵ PECO filed its proposed USECP for the 2019-2024 period on November 1, 2018. *See PECO Energy Company’s 2019-2024 Universal Service and Energy Conservation Plan*, Docket No. M-2018-3005795. On October 3, 2019, the Commission entered an order extending the duration of existing or proposed USECPs from three years to five years. *See USECP Filing Schedule and Independent Evaluation Filing Schedule*, Docket No. M-2019-3012601 (Order entered Oct. 3, 2019). PECO has proposed certain amendments to its 2019-2024 USECP which also remain pending before the Commission.

weatherization and conservation measures as well as in-home education that promotes energy usage reductions.

7. Currently, PECO's LIURP programs have an annual budget of \$5.6 million for electric programs and \$2.25 million for gas programs, for a combined total of \$7.85 million. An additional \$1 million in funding for LIURP health and safety programs is included in PECO's LIURP programming as part of the settlement of PECO's 2018 electric distribution rates proceeding.⁶ These amounts are recovered in electric and gas distribution base rates.

8. On March 6, 2020, Governor Tom Wolf issued a Proclamation of Disaster Emergency due to the emergence of COVID-19 in the United States and the Commonwealth of Pennsylvania.⁷

9. On March 19, 2020, the Governor ordered all non-life-sustaining businesses in Pennsylvania to close their physical locations to slow the spread of COVID-19.⁸

10. In response to these orders and other directives during the COVID-19 pandemic, PECO suspended all in-home weatherization program services between March 23, 2020 and October 5, 2020.

11. As a result of the inability of PECO to implement LIURP programming, PECO was unable to spend \$3.7 million of funds allocated to LIURP funding in 2020 (excluding health and safety funds, which are separately administered).

⁶ See Joint Petition for Partial Settlement, *PA Public Utility Commission v. PECO Energy Company*, Docket No. R-2018-3000164, *et al.*, Appendix C, p. ii. The partial settlement was approved by a recommended decision issued October 18, 2018, and subsequently adopted by the Commission. See Opinion and Order, *PA Public Utility Commission v. PECO Energy Company*, Docket No. R-2018-3000164, *et al.* (Order entered Dec. 20, 2018).

⁷ See <https://www.governor.pa.gov/wp-content/uploads/2020/03/20200306-COVID19-Digital-Proclamation.pdf>.

⁸ See <https://www.governor.pa.gov/wp-content/uploads/2020/03/20200319-TWW-COVID-19-business-closure-order.pdf>.

12. The amount of low-income customer arrearages has increased during the COVID-19 pandemic. For PECO customers who have confirmed incomes at or below 200% FPL, the amount of arrearages for electric and gas service exceeds \$52 million.

II. EMERGENCY GRANT PROGRAM

13. In light of the 2020 LIURP funds unspent due to the COVID-19 pandemic, PECO is proposing to implement the Emergency Program for electric and/or gas customers who may have been eligible for LIURP assistance and who now have any past due balance from electric and/or gas service. The Program is described in the following paragraphs and in Exhibit 1 to this Petition, which is the proposed “Addendum G” to the Company’s 2016-2018 USECP.

14. Any customer who has income at or below 200% FPL who also has any past due balance with PECO from prior electric or gas service will be able to apply for a grant under the Emergency Program by contacting one of the agencies listed in Exhibit 2. Each of these agencies has an established relationship with PECO and already assists customers with PECO’s low-income programs.

15. Grants for qualifying customers will be provided on a “first-come, first-served” basis for two twelve-month periods, with the first period beginning no later than 45 days after Commission approval of the Emergency Program. The grant will be applied to the customer’s past due balance. If a customer receiving a grant still has a past-due PECO balance after the application of the grant, the customer will be placed on a 5-year payment arrangement.

16. PECO will conduct enhanced customer screening of grant recipients to determine Customer Assistance Program (“CAP”), Low Income Home Energy Assistance Program (“LIHEAP”), and LIURP eligibility. If a customer is eligible for any of these programs, PECO

will provide the customer with program information and encourage the customer to enroll in the program.

17. PECO will implement an outreach campaign to inform customers about the Emergency Program, including targeted outreach to high-usage customers.

18. The total budget for the Emergency Program will be \$3.7 million, which will be evenly divided between 2021 and 2022.

19. A customer who receives a grant from another utility (e.g., a PECO electric customer in Philadelphia who also receives a grant from Philadelphia Gas Works), even if through the same agency, will not be precluded from receiving a grant under the Emergency Program. Similarly, eligible PECO customers can receive a grant from the Emergency Program as well as one from the Matching Energy Assistance Fund (“MEAF”), whether through the same or a different agency.

20. PECO believes that the Emergency Program is an appropriate use of unspent 2020 LIURP program funds. In the absence of the pandemic, these funds would have been available to the same group of low-income customers in the form of LIURP programming to reduce their energy usage.

21. The Program will not result in any additional expense to customers, as LIURP costs are already recovered through electric and gas distribution rates.

22. PECO has discussed the Program with the OCA, CAUSE-PA, and the Tenant Union Representative Network (“TURN”). The Program is supported by the OCA and not opposed by CAUSE-PA.

III. REQUEST FOR EXPEDITED CONSIDERATION

23. PECO is seeking to deliver the emergency grants to eligible customers as quickly as possible. The Company believes that the Emergency Program will provide meaningful bill relief assistance to low-income customers who could have benefited from these funds in the form of LIURP programming in the absence of the pandemic. For all these reasons, PECO requests that the Commission consider this Petition on an expedited basis.

IV. NOTICE

24. PECO is serving copies of this filing on the OCA, the Office of Small Business Advocate, the Commission's Bureau of Investigation and Enforcement, CAUSE-PA, and TURN.

V. CONCLUSION

Based upon the foregoing, including the accompanying proposed Addendum to the Company's 2016-2018 USECP, PECO respectfully requests that the Commission grant this Petition and approve the emergency grant program.

Respectfully submitted,



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Dated: March 23, 2021

Counsel for PECO Energy Company

VERIFICATION

I, Richard G. Webster, Jr., hereby declare that I am the Vice President of Regulatory Policy and Strategy for PECO Energy Company; that, as such, I am authorized to make this verification on its behalf; that the facts set forth in the foregoing Petition are true and correct to the best of my knowledge, information and belief; and that I make this verification subject to the penalties of 18 Pa.C.S. § 4904 pertaining to false statements to authorities.

A handwritten signature in blue ink, appearing to read "R.G.W." followed by a horizontal flourish.

Dated: March 23, 2021

Richard G. Webster, Jr.

EXHIBIT 1

Addendum G to PECO's 2016-2018 Universal Service Energy
and Conservation Plan

Addendum G

Temporary Universal Service Measure To Address COVID-19-Related Economic Hardship

PECO's temporary Emergency Grant Program, as described below, is designed to assist low-income customers who have a past due balance with PECO from prior electric or gas service.

Emergency Grant Program

The Company is providing grants to customers with income at or below 200% of the Federal Poverty Level ("FPL") that are equal to the lesser of a customer's past due balance⁹ or \$1,000. Grants will be provided on a "first-come, first-served" basis and will be available beginning no later than 45 days after Commission approval of the Emergency Grant Program. If a customer receiving a grant still has a past-due PECO balance after the application of the grant, the customer will be placed on a 5-year payment arrangement.¹⁰

Any customer who has income at or below 200% FPL who also has any past due balance with PECO from prior electric or gas service will be able to apply for a grant under the Program by contacting one of the Matching Energy Assistance Fund ("MEAF") agencies listed in the MEAF section of the USECP. Each of these agencies has an established relationship with PECO and already assists customers with PECO's low-income programs.

PECO will conduct enhanced customer screening of grant recipients to determine Customer Assistance Program ("CAP"), Low Income Home Energy Assistance Program ("LIHEAP"), and Low Income Usage Reduction Program ("LIURP") eligibility. If a customer is

⁹ For purposes of this Program, a past due balance includes arrearages plus unbilled balances currently on a payment arrangement.

¹⁰ Payment arrangements with a term of less than 5 years will be available upon customer request.

eligible for any of these programs, PECO will provide the customer with program information and encourage the customer to enroll in the program. PECO will also implement an outreach campaign to inform customers about the Emergency Program, including targeted outreach to high-usage customers.

The total budget for the Emergency Grant Program will be \$3.7 million and funded using amounts that were unspent under PECO's LIURP in 2020 due to the COVID-19 pandemic. One-half of the \$3.7 million in funds will be allocated to be spent in 2021 and the second half of the funds will be reserved for 2022. The Emergency Grant Program will not result in any additional expense to customers, as LIURP costs are already recovered through electric and gas distribution rates.

EXHIBIT 2

List of Agencies Assisting in Emergency Grant Program

List of Agencies Assisting in Emergency Grant Program

Bucks County Opportunity Council

Community Action Agency of Delaware

Human Services Inc. (Chester County)

Montgomery County Community Action Development Commission

Utility Emergency Services Fund