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July 12, 2021

VIA eFILING

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

Re: Petition of PECO Energy Company for Expedited Approval to Establish a COVID-19 Emergency Grant Program for Low-Income Customers, Docket No. P-2021-3024799

Dear Secretary Chiavetta:

Enclosed for filing are the **Responses of PECO Energy Company to the Data Requests of the Pennsylvania Public Utility Commission** (“Responses”), in the above-captioned proceeding. As evidenced by the enclosed Certificate of Service, copies of the Responses are being served upon all parties of record. In addition, in accordance with the Commission’s June 10, 2021 Secretarial Letter, the Responses are being emailed to: Tiffany Tran, Law Bureau, tiftran@pa.gov; Louise Fink Smith, Law Bureau, finksmith@pa.gov; and Joseph Magee, Bureau of Consumer Services, jmagee@pa.gov.

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**

PETITION OF PECO ENERGY :
COMPANY FOR EXPEDITED :
APPROVAL TO ESTABLISH A : **DOCKET NO. P-2021-3024799**
COVID-19 EMERGENCY GRANT :
PROGRAM FOR LOW-INCOME :
CUSTOMERS :

CERTIFICATE OF SERVICE

I hereby certify and affirm that I have this day served a true and correct copy of the **Responses of PECO Energy Company to the Data Requests of the Pennsylvania Public Utility Commission** 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: July 12, 2021

Counsel for PECO Energy Company

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

PETITION OF PECO ENERGY :
COMPANY FOR EXPEDITED :
APPROVAL TO ESTABLISH A : **Docket No. P-2021-3024799**
COVID-19 EMERGENCY GRANT :
PROGRAM FOR :
LOW-INCOME CUSTOMERS :

**RESPONSES OF PECO ENERGY COMPANY TO THE DATA REQUESTS OF THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

On March 23, 2021, PECO Energy Company (“PECO” or “the Company”) filed a petition with the Pennsylvania Public Utility Commission (the “Commission”) seeking expedited approval to establish a COVID-19 emergency grant program for low-income customers. On June 10, 2021, the Commission issued a Secretarial Letter directing PECO to answer a series of data requests regarding the Company’s filing. Pursuant to that Secretarial Letter, PECO hereby submits its responses to the Commission’s Data Requests.

Question 1: Provide data and source/validation methods for assertions regarding arrearages accrued by low-income customers that would be addressed by PECO’s proposal. When providing this information, distinguish between income tiers 50% and below of the Federal Poverty Income Guidelines (FPIG), 51% - 100% of the FPIG, 101%-150% of the FPIG, and 151% and above of the FPIG.

Answer 1: Below please find the arrears of low-income customers, by Federal Poverty Level (“FPL”) income tier, as of May 31, 2021. This data comes from PECO’s customer information system and includes any verified low-income customer with a past due balance. Because PECO cannot separate arrears by commodity, the account and past due balance information includes electric-only, gas-only, and dual service low-income customers.

FPL groups	Number of Accounts	Past Due Balances
0-50 FPL	6,225	\$4,755,584
51 - 100 FPL	10,264	\$6,792,399
101 - 150 FPL	5,670	\$4,474,764
151 - 200 FPL	1,626	\$1,510,699
Grand Total	23,785	\$17,533,446

Question 2: Explain how the proposal to reallocate Low Income Usage Reduction Program (LIURP) funds for non-LIURP use under the Emergency Program aligns with targeting of LIURP funds, as addressed in, for example, the approved Joint Partial Settlement in PECO Electric’s rate case at Docket No. R-2018-3000164.

Answer 2: 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. PECO’s proposal to reallocate unspent general LIURP funds for use under the Emergency Program will not reduce PECO’s annual \$7.85 million LIURP budget or additional targeted LIURP spending. Unspent 2020 funds for the health and safety program and de facto heating pilot have been carried over to 2021. For these reasons, the proposed reallocation of general LIURP funds will not hamper the Company’s ability to implement LIURP and to continue its focus on addressing high-usage by low-income customers.

Question 3: Explain why the unspent LIURP funds cannot be used for LIURP projects over the remaining LIURP year and subsequent years. Further, explain why the unspent LIURP funding could not be used to offset and reduce LIURP collections from PECO ratepayers in 2021 and 2022, or beyond.

Answer 3: The unspent LIURP funds could be used for LIURP projects over the remaining LIURP year and subsequent years. However, in light of the COVID-19 pandemic and related economic impacts, PECO is seeking approval to repurpose these funds for an emergency grant

program to assist low-income customers who have significant arrearages from the costs of utility service. As shown in the response to Question 1, low-income customers have accumulated significant arrearages, and the proposal will assist these customers with grants to reduce past-due amounts, which, in turn, may help these customers avoid termination. Further, as discussed in the response to Question 2, the proposed reallocation of general LIURP funds will not hamper the Company's ability to implement LIURP or reduce PECO's annual LIURP budget. Finally, PECO's USECP does not provide for unspent LIURP funding to be used to offset or reduce LIURP collections from customers in subsequent years. The Company is also unaware of any regulations or Commission orders that contemplate such treatment. If PECO was ordered to offset future LIURP collections, PECO could implement the offset through the Company's Universal Service Fund Charge ("USFC").

Question 4: Identify or describe, providing the data by FPIG income levels in 50% increments:

- a. The extent to which reallocation of the unspent LIURP funds for arrearage forgiveness could offset PECO's projected customer assistance program (CAP) costs and projected CAP budgets;
- b. The extent to which the proposal to use LIURP funds for arrearage forgiveness addresses pre-program arrearages and in-program arrears, respectively; and
- c. How the proposal to use LIURP funds for arrearage forgiveness applies to customers in CAP and customers not in CAP.

Answer 4:

- a. The emergency grant program will not affect PECO's CAP costs or budget. A grant reduces past arrears, whereas the CAP program provides a discount on current bills.
- b. The emergency grant program could reduce pre-program arrears ("PPA") for grant recipients if the customer has not already been enrolled in CAP, as PPA forgiveness is only available to first-time CAP enrollees. PECO has not forecasted the potential reduction in PPA forgiveness costs. If a customer is already enrolled in CAP, the grant

would reduce any arrears that have been accumulated since the customer was enrolled in CAP.¹

- c. In order to qualify for the emergency grant program, a customer must have verified financial income at or below 200% FPL and have an arrearage. A customer's CAP enrollment status does not affect the customer's eligibility for an emergency grant.

Question 5: Describe the extent to which PECO recovers funding for its Matching Energy Assistance Fund (MEAF) hardship grants from ratepayers and explain PECO's justification for using ratepayer funds for grants to customers under the Emergency Program.

Answer 5: PECO does not recover MEAF funding from ratepayers. PECO's MEAF program is funded by donations from PECO customers and employees, as well as through the annual MEAF golf tournament fundraiser. MEAF funds are then matched by the Company, up to \$250,000 annually. The emergency grant program is separate and distinct from MEAF, apart from the Company's proposal to utilize the MEAF agencies to distribute the funding.

PECO believes that a limited term grant program is needed to provide additional assistance to the low-income community in light of the COVID-19 pandemic and related economic impacts. PECO's MEAF program is reliant upon contributions from the Community and has averaged \$137,000 over the last four years. The emergency grant program is an innovative approach to shift unspent ratepayer funded 2020 dollars into a program that will reduce arrears and could assist low-income customers in staying out of collections process. Finally, and as previously explained, PECO does not believe that this temporary grant proposal will negatively impact LIURP.

¹ PECO notes that the InPA Forgiveness plan associated with transition to the CAP FCO in 2016 will end on the last billing cycle date of November 2021. Any remaining balances left in a customer's InPA will be added to the customer's balance and will be included as a current charge in their next bill.

Question 6: Describe how unemployment compensation would be factored into household income for purposes of determining eligibility for arrearage forgiveness and grants under the Emergency Program.

Answer 6: Consistent with the Company's other low-income programs, unemployment compensation would be included as a form of income when determining eligibility under the emergency grant program. PECO has not proposed any changes to the standard FPL income eligibility criteria for this program.

Question 7: Describe how the Emergency Program would impact the proposed universal service budgets in PECO's Amended Proposed 2019 Universal Service and Energy Conservation Program (USECP) currently under consideration at Docket No. M-2018-3005795.

Answer 7: The emergency grant program would not impact the proposed budgets in the USECP filing, except for a potential reduction in the budget required for PPA forgiveness as discussed in response to Question 4. The annual LIURP budget in the USECP would remain as proposed unless the Commission ordered PECO to use the unspent 2020 LIURP funds to offset future LIURP spending.

Question 8: Describe the extent to which unspent LIURP funding to provide arrearage forgiveness or grants to PECO's customers would encourage energy conservation and usage reduction.

Answer 8: The emergency grant program is focused on providing near-term assistance to customers with an arrearage in light of the continuing economic impacts from the pandemic. PECO has robust energy efficiency programs and related communication plans that address conservation and usage reductions. In addition, as explained in response to Question 2, implementation of the emergency grant program will not hamper the Company's ability to implement LIURP and continue its focus on addressing high-usage by low-income customers.

Question 9: Explain why the unspent LIURP funding could not be used for other universal service programming, such as CAP or MEAF.

Answer 9: PECO's CAP program is adequately funded. Both the USECP filing and the most recent Gas and Electric rate cases anticipate the expected cost increases due to the transition from the FCO to the PIPP. And any further recovery of CAP costs would be available through the USFC surcharge which has an annual reconciliation mechanism. PECO's MEAF program is not paid by ratepayers, and the Company believes that merging shareholder and ratepayer money into one program, even if possible, would raise a number of ratemaking and recordkeeping/reporting issues.

Question 10: Provide information about anticipated relief for PECO and its customers from federal funding stemming from COVID-19 legislation and regulation, such as such as Consolidated Appropriations Act (CAA) 2020,² and American Rescue Plan Act (ARPA) 2021,³ or from state sources. These answers should identify the breakdown of allocations between LIHEAP and non-LIHEAP funding, include dates of receipt/anticipated receipt, and cites to authority for the funding. PECO is directed to identify such allocations, as follows, broken down by utility and by FPIG income tier in 50% increments:

- Allocations already received by PECO
- Allocations already received by PECO's customers
- Allocations anticipated to be received by PECO
- Allocations anticipated to be received by PECO's customers

Answer 10: PECO received funds for customer's accounts from the 2020 Summer LIHEAP season and is beginning to receive funds for approved ERAP applicants. It should be noted that the Company received no direct assistance from these Acts – the funds are applied directly to the account of any customer that receives LIHEAP or ERAP monies. PECO is unaware of any other direct assistance customers may have received from the legislation identified in Question 10.

² Public Law 116-94, 133 Stat 2534.

³ Public Law 117-2, 135 Stat.123.

During the Summer of 2020, the Pennsylvania Department of Human Services ran two programs. The first provided supplemental grants of \$100 for those who had applied for grants in the previous LIHEAP season. The second was a separate Summer LIHEAP season with grants available to those customers who applied for Summer assistance. Summer funding allowed customers to receive a maximum grant of \$800 between the previous LIHEAP season and this additional Summer season. The first table below has the number and LIHEAP grant dollars from the Supplemental grants, and the second table has the number and grant dollars from the Summer LIHEAP season by FPL tiers:

FPL Groups	Number of Accounts	Grants (\$s)
0-50	2,960	\$ 296,000
51-100	3,550	\$ 355,000
101-150	1,688	\$ 168,800
#N/A	157	\$ 15,700
Grand Total	8,355	\$ 835,500

FPL Groups	Number of Accounts	Grants (\$s)
0-50	3,047	\$ 1,228,233
51-100	3,552	\$ 1,273,755
101-150	1,898	\$ 734,290
#N/A	389	\$ 134,991
Grand Total	8,886	\$ 3,371,269

Please note that PECO does not have verified financial information for all LIHEAP recipients; customers without verified final information are captured in the N/A category.

As for the ERAP program, as of July 6, 2021, PECO has received \$2,685,237 for 2,517 customers. PECO cannot provide a breakdown by FPL tier for this program as that data is not tracked. The Company also notes that ERAP assistance is available to customers with household income up to approximately 300% FPL, whereas the Company’s emergency grant program would only be available to customers at 200% FPL and below.

PECO cannot project anticipated funding from ERAP as it depends upon the number of customers who successfully apply and also whether ERAP funding is used for utility assistance (ERAP funds may also be used for rental assistance). The Company is anticipating Summer

2021 LIHEAP assistance for customers but does not have any forecast of the amount of assistance to be received by PECO customers. In light of the large amount of existing arrears for low-income customers, however, PECO believes it is reasonable and appropriate to reallocate unspent 2020 LIURP funds to its proposed emergency grant program.

Respectfully submitted,



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DATE: July 12, 2021

VERIFICATION

I, Lauren B. Feldhake, hereby declare that I am the Vice President of Customer Operations 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 Responses 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.

Dated: July 12, 2021



Lauren B. Feldhake