



**Tishekia E. Williams**  
Director, Regulatory

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

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

August 13, 2021

**Via Electronic Filing**

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

**Re: Duquesne Light Company Universal Service and Energy Conservation Plan for  
2020-2025 Submitted in Compliance with 52 Pa. Code. § 54.74  
Docket No. M-2019-3008227**

Dear Secretary Chiavetta:

On behalf of Duquesne Light Company (“Duquesne Light” or “Company”), enclosed please find the Joint Petition of Duquesne Light, the Office of Consumer Advocate and the Coalition for Affordable Utility Service and Energy Efficiency for Approval of a Settlement, along with three statements of support, in the above-mentioned docket.

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

Respectfully Submitted,

A handwritten signature in blue ink that reads "Tishekia E. Williams". The signature is written in a cursive style with a large, sweeping flourish at the end.

Tishekia E. Williams  
Attorney ID #208997

Enclosures

Cc: Certificate of Service  
Joseph Magee [jmagee@pa.gov](mailto:jmagee@pa.gov)  
Sarah Dewey [sdewey@pa.gov](mailto:sdewey@pa.gov)  
Louise Fink Smith [finksmith@pa.gov](mailto:finksmith@pa.gov)

## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant):

### ELECTRONIC MAIL

Bureau of Investigation & Enforcement  
Richard Kanaskie  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor West  
PO Box 3265  
Harrisburg, PA 17105-3265  
[rkanaskie@pa.gov](mailto:rkanaskie@pa.gov)

Office of Consumer Advocate  
Christina Appleby  
555 Walnut Street  
Forum Place, 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923  
[cappleby@paoca.org](mailto:cappleby@paoca.org)

Office of Small Business Advocate  
Sharon Webb  
Steve Gray  
555 Walnut Street, 1<sup>st</sup> Floor  
Harrisburg, PA 17101  
[swebb@pa.gov](mailto:swebb@pa.gov)  
[sgray@pa.gov](mailto:sgray@pa.gov)

Pennsylvania Utility Law Project  
Ria M. Pereira  
John Sweet  
Elizabeth Marx  
118 Locust St.  
Harrisburg, PA 17101  
[pulp@palegalaid.net](mailto:pulp@palegalaid.net)



Tishkia Williams  
Duquesne Light Company  
411 Seventh Avenue, 15-7  
Pittsburgh, PA 15219  
Phone: 412-393-1541  
Email: [twilliams@duqlight.com](mailto:twilliams@duqlight.com)

Dated: August 13, 2021

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Duquesne Light Company :  
Universal Service and Energy : M-2019-3008227  
Conservation Plan for 2020-2025 :

---

**JOINT PETITION OF DUQUESNE LIGHT COMPANY, THE OFFICE OF  
CONSUMER ADVOCATE AND THE COALITION FOR AFFORDABLE UTILITY  
SERVICE AND ENERGY EFFICIENCY FOR APPROVAL OF A SETTLEMENT**

---

**TO THE HONORABLE PENNSYLVANIA PUBLIC UTILITY COMMISSION:**

Pursuant to Sections 5.231 and 5.232 of the regulations of Pennsylvania Public Utility Commission (“PUC” or “Commission”), 52 Pa. Code §§ 5.231-5.232, Duquesne Light Company (“Duquesne Light” or the “Company”), the Office of Consumer Advocate (“OCA”), and the Coalition for Affordable Utility Service and Energy Efficiency of Pennsylvania (“CAUSE-PA”) parties to the above-captioned proceeding (hereinafter, collectively referred to as the “Joint Petitioners”), hereby file this Joint Petition for Approval of a Settlement (“Settlement”) of all issues related to the above-captioned proceeding. The Joint Petitioners respectfully request that Pennsylvania Public Utility Commission (“Commission”) approve this Settlement as set forth below without modification.

Subject to the terms of the settlement detailed below, the Settlement resolves all of the issues raised in this proceeding concerning Duquesne Light’s 2020-2025 Universal Service and Energy Conservation Plan (“2020-2025 USECP”). In support of this Settlement, the Joint Petitioners state the following:

**I. BACKGROUND**

1. Duquesne Light furnishes electric service to more than 600,000 customers throughout its certificated service territory, which includes all or portions of Allegheny and Beaver

Counties and encompasses approximately 800 square miles in western Pennsylvania. Duquesne Light is a “public utility” and an “electric distribution company” as defined in Sections 102 and 2803 of the Pennsylvania Public Utility Code, 66 Pa.C.S. §§ 102, 2803.

2. On February 28, 2019, Duquesne Light filed its proposed 2020-2022 USECP at docket number M-2019-3008227.<sup>1</sup> Among other changes, the 2020-2022 USECP proposed implementation of a new percentage of income payment plan (“PIPP”) structure for the Customer Assistance Program (“CAP”).<sup>2</sup>

3. Duquesne Light’s PIPP tiers were proposed as follows:

| <b>INCOME CATEGORY</b> | <b>RESIDENTIAL SERVICE<br/>NON-ELECTRIC HEAT<br/>PERCENTAGE OF<br/>INCOME PAYMENT</b> | <b>RESIDENTIAL<br/>ELECTRIC HEAT<br/>PERCENTAGE OF<br/>INCOME PAYMENT</b> |
|------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| 0-50%                  | 3%                                                                                    | 7%                                                                        |
| 51-100%                | 4%                                                                                    | 8%                                                                        |
| 101-150%               | 5%                                                                                    | 9%                                                                        |

4. On November 5, 2019, the Commission entered a Final Policy Statement and Order adopting CAP Policy Statement at 52 Pa. Code §§ 69.261-69.267, docket no. M-2019-3012599 (“Final Policy Statement and Order”) and was published in the Pennsylvania Bulletin on March 21, 2020.

5. Among other things, the Final Policy Statement and Order provided that electric distribution companies “shall file and serve addendums to their existing or proposed Universal Service and Energy Conservation Plans... within 60 days of entry date of this Order. The

---

<sup>1</sup> After the Company’s filing in February 2019, several additional filings and orders were issued related to the implementation of Duquesne Light’s universal services plan. The Commission’s approval and Company’s implementation of the PIPP spanned two USECP plan periods. As such, there is an extensive procedural history associated with Duquesne Lights’ 2020-2025 USECP. For the sake of brevity, this Petition includes a truncated procedural history.

<sup>2</sup> On April 19, 2019, Duquesne Light was initially directed to implement its proposed PIPP CAP by January 1, 2020, in *Duquesne Light 2017-2019 USECP*, Docket No. M-2016-2534323.

addendums are to indicate how ... [they] intend to implement the policy changes specified in the amended CAP Policy Statement ...by or before January 1, 2021.”

6. In accordance with the Final Policy Statement and Order, Duquesne Light filed a revised 2020-2025 USECP<sup>3</sup> at Docket No. M-2019-3008227. In its revised 2020-2025 USECP, the Company proposed to implement the PIPP tiers contained in the Commission’s Final Policy Statement and Order as follows:

| <b>INCOME CATEGORY</b> | <b>RESIDENTIALSERVICE NON-ELECTRIC HEAT PERCENTAGE OF INCOME PAYMENT</b> | <b>RESIDENTIAL ELECTRIC HEAT PERCENTAGE OF INCOME PAYMENT</b> |
|------------------------|--------------------------------------------------------------------------|---------------------------------------------------------------|
| 0-50%                  | 2%                                                                       | 6%                                                            |
| 51-100%                | 4%                                                                       | 10%                                                           |
| 101-150%               | 4%                                                                       | 10%                                                           |

7. In response to Duquesne Light’s proposed 2020-2025 USECP, the Commission issued a Tentative Order on November 19, 2020 requiring the Company to file supplemental information within 20 days of the date of the Tentative Order.

8. The Tentative Order further provided for Comments due 20 days following the Company’s response to the Commission’s Tentative Order, and Reply Comments 15 days after Comments were filed.

9. Duquesne filed supplemental information in response to the Commission’s Tentative Order on December 10, 2020.

10. The OCA and CAUSE-PA filed Comments on December 29, 2020. Reply Comments were filed by Duquesne Light, OCA and CAUSE-PA on January 13, 2021.

---

<sup>3</sup> On October 3, 2019, the Commission issued an Order at docket no. M-2019-3012601 implementing a pilot USECP filing schedule and universal service impact evaluation filing schedule. The pilot extended the duration of USECPs from 3 years to 5 years. Accordingly, DLC’s February 28, 2019 proposed USECP was amended to cover the timeframe of 2020-2025.

11. After extensive investigation, discovery, and negotiations, the Joint Petitioner have reached a Settlement in Principle in this proceeding.

**II. TERMS OF THE SETTLEMENT**

12. Duquesne Light agrees to implement the percentage of income payment plan (“PIPP”) discounts for its CAP customers consistent with its USECP, as amended on January 6, 2020.<sup>4</sup> CAP customers who are billed pursuant to PIPP shall be billed a percentage of their monthly gross household income, as outlined in the chart below.

| <b>Income Category</b>  | <b>Residential Service Non-Electric Heat Percentage of Income Payment</b> | <b>Residential Electric Heat Percentage of Income Payment</b> |
|-------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------|
| <b>Up to 50% of FPL</b> | 2%                                                                        | 6%                                                            |
| <b>51% to 100% FPL</b>  | 4%                                                                        | 10%                                                           |
| <b>101% to 150% FPL</b> | 4%                                                                        | 10%                                                           |
| <b>*Minimum Payment</b> | \$20                                                                      | \$40                                                          |

13. Duquesne Light will track and report the following quarterly information, and provide an annual report to its Income Eligible Advisory Group:

- a) The number of CAP customers that have reached 70-80%, 80%-90%, and 100%+ of the maximum CAP credit threshold; and
- b) For CAP customers that have reached 100% of their maximum CAP credit threshold, the number of months left in the program year before their CAP credit limit will reset.

The parties reserve the right to address the issue of maximum CAP credit thresholds and whether the Company should increase its maximum CAP credit thresholds in a separate proceeding.

---

<sup>4</sup> Consistent with the letter filed on March 8, 2021, Duquesne Light implemented the PIPP effective January 19, 2021.

14. Duquesne Light has provided projected budgets for its Universal Service Programs in its Universal Service and Energy Conservation Plan (“USECP”) for 2020-2025, as amended on January 6, 2020. If the Company’s USECP costs are expected to exceed the projected budget by greater than 10%, the Company will meet with the parties at least sixty (60) days in advance of the next year to: 1) explain the reasons for the projected cost increase; and 2) outline any programmatic cost containment measure(s) that modify the approved plan. The Company will allow the parties to submit feedback regarding the plans that the Company proposes to address the situation, however the Company retains the right to make final determinations regarding its USECP for Commission approval. After meeting with the parties, the Company will file a Petition with the Public Utility Commission: 1) explaining the reason for the cost increase; and 2) outlining programmatic cost containment measure(s), if any; and 3) making any other such filings required by Commission Orders and regulations. All parties reserve their respective rights to respond to the Company’s filing.

15. Customers will receive debt forgiveness for 1/36<sup>th</sup> of their pre-program arrears for each full monthly payment beginning in January 2023. The level of pre-program arrears are determined at the time a customer first enrolls in CAP. Customers also have the ability to receive arrearage forgiveness on catch-up payments made for past due monthly CAP balances. Customers will be granted one pre-program debt forgiveness opportunity, which will remain with the customer as long as he/she is enrolled in CAP.

16. Customers who earn full arrearage forgiveness while enrolled with CAP and voluntarily withdraw from CAP will have the opportunity to reenroll in CAP and earn arrearage forgiveness on up to 3 months of pre-program arrears accrued prior to CAP re-entry. After a

customer who voluntarily withdraws from CAP has been out of CAP for 4 years, the customers will be considered a new enrollment, rather than a customer who is re-enrolling in CAP.

17. Except for the one-time transition in-program debt forgiveness described in section 5 of the Amended 2020-2025 USECP, delinquencies acquired within CAP are not eligible for forgiveness. If a customer is terminated or discontinues services prior to earning total forgiveness of their Pre-Program Arrears amount, the customer may resume the pre-program arrears opportunity upon re-entering CAP. The remaining arrears will be spread over a number of months equal to the difference between thirty-six (36) and the number of months of pre-program arrears already earned. Duquesne Light shall collect the costs over a three (3) year period, and budgets shall be adjusted accordingly.

18. Effective January 2023, consistent with the definition identified in Chapter 14 and the Commission's Final CAP Policy Statement Order, Duquesne Light will exclude government benefits issued for the benefit of a child (such as SSI or SSDI) from the calculation of household income.

19. The Company agrees to take the following steps to ensure the LIURP program can effectively meet the community needs:

- (a) On a forward going basis, any un-spent LIURP funds budgeted for a given program year will be carried over and added to the budget for the following year;
- (b) Duquesne Light will use its best efforts to fully expend its annual LIURP budget, in the year in which the funds were budgeted.

20. The Company agrees to amend its Landlord Approval Form for Smart Comfort and any associated guidance to clarify that landlord approval is only required for structural or weatherization changes to the property greater than simple baseload measures, or for replacement

of major appliances owned by the landlord. The Company also agrees to amend its Landlord Approval Form to eliminate indication in paragraph 1 referencing LED bulb replacements.

21. Duquesne Light agrees that it will track the following:

- (a) The number of deferred Smart Comfort jobs, by month;
- (b) The reason that the Smart Comfort job was deferred, including but not limited to (1) whether the deferral was because of Health and Safety issues in the house, and/or (2) whether the deferral was as a result of a landlord's failure to approve of Smart Comfort measures;
- (c) Once Smart Comfort measures were deferred, whether the customer was referred to any other agency and to which agency they were referred.

22. The Company agrees to amend its 2020-2025 USECP to increase its per-job budget for Smart Comfort health and safety measures for electric heat customers from \$600 to \$1,000. DLC's LIURP contractors should be empowered to make corrective investments up to this threshold amount without prior approval from DLC. Additional health and safety measures, up to \$2,000, may be authorized to proceed with permission from DLC, with priority given for high usage CAP customers who have reached at least 50% of their maximum CAP credit threshold in a given program year provided the Company can garner kWh reduction.

23. The Company agrees to perform targeted and personalized outreach for Smart Comfort participation to the following customer segments:

- (a) High usage residential customers;
- (b) CAP participants who have reached 50% of their maximum CAP credit threshold in less than 6 months;

- (c) Confirmed low income heating customers that exceed the actual average usage for confirmed low income heating customers
- (d) Confirmed low income non-heating customers that exceed the actual average usage level for confirmed low income non-heating customers.

24. To ensure the continued effectiveness of LIURP and ensure that Duquesne Light is able to more fully utilize its annual budget, the Company agrees to include the following in the definition of eligible households:

- (a) CAP participants who have reached 50% of their maximum CAP credit threshold in less than 6 months;
- (b) Confirmed low income heating customers that exceed the system-wide average usage for residential heating customers
- (c) Confirmed low income non-heating customers that exceed the system-wide average usage level for residential non-heating customers.

### **III. THE PUBLIC INTEREST**

25. The Commission encourages and promotes settlements. *See* 52 Pa. Code § 5.231.<sup>5</sup> Settlements lessen the time and expense that parties must expend litigating a case and conserve administrative resources. The Commission has indicated that settlement results are often preferable to those achieved at the conclusion of a fully litigated proceeding. *See id.* § 69.401. In order to accept a settlement, the Commission must first determine that the proposed terms and

---

<sup>5</sup> *See In Re: Application of Trans-Allegheny Interstate Line Company (TrAILCo) For approval: 1) for a certificate of public convenience to offer, render, furnish or supply transmission service in the Commonwealth of Pennsylvania; etc.,* Docket Nos. A-110172; A-110172F0002; A-110172F0003; A-110172F0004; G-00071229 (Entered Dec. 12, 2008); *Pennsylvania Public Utility Commission, et al., v. Columbia Gas of Pennsylvania et al.,* Docket Nos. R-2010-2215623; C-2011-2224985 et al. (August 1, 2011) (settlement involving major parties to the proceeding with certain individual protestants choosing not to object or join in the settlement).

conditions are in the public interest. *Pa. PUC v. York Water Co.*, Docket No. R-00049165 (Order entered Oct. 4, 2004); *Pa. PUC v. C.S. Water and Sewer Assocs.*, 74 Pa. P.U.C. 767 (1991).

26. This Settlement was achieved by the Joint Petitioners after a thorough investigation of Duquesne Light's filing and extensive negotiations between the Joint Petitioners. As such, this Settlement reflects a careful balance of diverse interest to achieve an outcome desirable to all parties.

27. Acceptance of the Settlement is in the public interest as it avoids the necessity, time, expenses, and costs of further administrative and potential appellate proceedings related to the issues raised the parties. The Settlement will enable Duquesne Light to better serve its customers and remove the uncertainties and risks associated with prolonged litigation.

28. Attached as Appendices A are Statements in Support submitted by Duquesne Light, OCA and CAUSE-PA, setting forth the bases upon which they believe the Settlement is in the public interest and should be approved without modification.

#### **IV. CONDITIONS OF SETTLEMENT**

29. This Settlement is conditioned upon the Commission's approval of the terms and conditions contained in this Settlement without modification. This Settlement shall become effective on the date on which the Commission enters a final order that adopts the terms and conditions of this Settlement. If the Commission enters a final order that approves this Settlement, but with one or more modifications, this Settlement shall nonetheless become effective unless one or more of the Joint Petitioners elects to withdraw from the Settlement. Such election to withdraw must be made in writing, filed with the Secretary of the Commission, and served upon all parties within five business days after the entry of an Order modifying the Settlement. In such event, the Settlement shall be void and of no effect.

30. This Settlement is proposed by the Joint Petitioners to settle all of the issues raised in this proceeding. If the Commission does not approve the Settlement and the proceedings

continue, the Joint Petitioners reserve their respective rights to present full briefing and argument. The Settlement is made without any admission against, or prejudice to, any position that any party may adopt in the event of any subsequent litigation of these proceedings, or in any other proceeding.

31. The Joint Petitioners acknowledge that the Settlement reflects a compromise of competing positions and does not necessarily reflect any party's position with respect to any issues raised in this proceeding. This Settlement may not be cited as precedent in any future proceeding, except to the extent required to implement this Settlement.

32. This Settlement is being presented only in the context of this proceeding in an effort to resolve the issues raised by the parties in this proceeding in a manner which is fair and reasonable. The Settlement is presented without prejudice to any position which any of the Joint Petitioners may have advanced and without prejudice to the position any of the Joint Petitioners may advance in the future on the merits of the issues in future proceedings except to the extent necessary to effectuate the terms and conditions of the Settlement. This Settlement does not preclude the Joint Petitioners from taking other positions in proceedings of other public utilities.

V. CONCLUSION

WHEREFORE, the Joint Petitioners, by their respective counsel, respectfully request that the Honorable Commission approve this Settlement, including all terms and conditions therein without modification.

Respectfully submitted,

/s/ Tishekia E. Williams  
Tishekia E. Williams  
Duquesne Light Company  
411 Seventh Avenue, Mail Drop 15-7  
Pittsburgh, PA 15211  
Telephone: 412-393-1541  
412-393-6431  
Email: [twilliams@duqlight.com](mailto:twilliams@duqlight.com)

*Counsel for Duquesne Light Company*

/s/ Christy M. Appleby  
Christy M. Appleby  
Office of Consumer Advocate  
555 Walnut Street  
5<sup>th</sup> Floor, Forum Place  
Harrisburg, PA 17101-1923  
Phone: (717) 783-5048  
Fax: (717) 783-7152  
E-Mail: [CAappleby@paoca.org](mailto:CAappleby@paoca.org)

*Counsel for:*

*Christine Maloni Hoover  
Interim Acting Consumer Advocate*

/s/ Elizabeth Marx

Elizabeth Marx

The Pennsylvania Utility Law Project

118 Locust Street

Harrisburg, PA 17101

*Counsel for CAUSE-PA*

Dated: August 13, 2021

# APPENDIX A

## BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

---

### STATEMENT OF THE COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA IN SUPPORT OF THE JOINT PETITION FOR SETTLEMENT

---

The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), a signatory party to the Joint Petition for Settlement (Joint Petition or Settlement), respectfully requests that the terms and conditions of the Joint Petition be approved the Pennsylvania Public Utility Commission (Commission) without modification.<sup>1</sup> For the reasons stated more fully below, CAUSE-PA believes that the terms and conditions of the Settlement are in the public interest and should be approved without delay.

#### **I. INTRODUCTION**

CAUSE-PA intervened in this proceeding to ensure that the Universal Service and Energy Conservation Plan for 2020 - 2025 (Plan) of Duquesne Light Company (DLC or the Company) is appropriately designed to provide affordable electric utility service for low income and other vulnerable customers. The Settlement was arrived at through extensive, good faith negotiation by all parties. For the reasons set forth below, CAUSE-PA asserts that the Settlement is in the public interest as it addresses issues of concern to CAUSE-PA, balances the interests of the parties, and fairly resolves a number of important issues in the proceeding. If approved, the Settlement will avoid substantial litigation and associated costs, and will eliminate the possibility of further

---

<sup>1</sup> On December 11, 2020, CAUSE-PA filed a Petition to Intervene and Answer in this proceeding.

# APPENDIX A

appeals and the associated costs. As such, CAUSE-PA asserts that the Joint Petition for Settlement should be approved without modification.

## **II. BACKGROUND**

For the purposes of this Statement in Support, CAUSE-PA adopts the procedural history as set forth in the attached Joint Petition. (Joint Pet. at ¶¶ 1-11).

## **III. CAUSE-PA SUPPORT FOR THE SETTLEMENT**

The following terms of the Joint Petition address issues of concern raised by CAUSE-PA and reflect a carefully balanced compromise of the varied interests of the parties in this proceeding. This proposed Settlement reasonably addresses a number of issues raised in CAUSE-PA's Comments and Reply Comments to the Commission's Tentative Order for DLC's USECP. While CAUSE-PA's positions were not fully adopted, the resolution of these issues represents a fair and balanced approach which satisfies the many and varied interests in a reasonable and just manner. As such, CAUSE-PA urges the Commission to approve the Settlement without modification.

### **1. Implementation of the Percentage of Income Payment Plan (PIPP)**

In Comments, CAUSE-PA indicated its strong support for swift approval of DLC's proposal to implement its Percentage of Income Payment Plan (PIPP), to be set at the Commission's revised maximum CAP energy burden standards. (CAUSE-PA Comments at 9). CAUSE-PA explained at length the critical importance of remediating existing unaffordability within CAP to ensure that low income households can reasonably afford to access and maintain critical energy services to their home. (Id.) We noted:

[I]ncome levels for low income families have largely remained stagnant, while the costs of basic living expenses – including for energy and other utilities – have

# APPENDIX A

increased exponentially year after year.<sup>2</sup> 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.<sup>3</sup> 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.<sup>4</sup>

As the Commission concluded in 2019, in adopting its CAP Policy Statement, the prior energy burden standards “do not reflect reasonable or affordable payments for many low-income customer” – especially for those at or below 50% of the Federal Poverty Level (FPL). (Id. at 9-10). As we concluded in our earlier comments, “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.” (Id. at 10) CAUSE-PA explained that there are myriad other benefits to redressing CAP unaffordability and noted that implementing the Commission’s revised energy burden standards could result in substantially improved payment coverage and frequency rates and decrease uncollectible expenses and collections-related costs. (Id. at 11).

This proposed Settlement approves DLC’s proposal to implement the PIPP for its CAP customers, consistent with the Commission’s recommended maximum CAP energy burdens. (Joint Petition at 4, ¶ 12). CAUSE-PA asserts this provision is just, reasonable, and in the public

---

<sup>2</sup> 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).

<sup>3</sup> 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>

<sup>4</sup> 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); 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).

# APPENDIX A

interest, and aligns with the Commission's Final CAP Policy Statement.<sup>5</sup> Implementation of this term will result in improved affordability for DLC's customers with limited income. Improved affordability is, indeed, a universal benefit, as it also results in improved payment frequency and bill coverage rates which thereby reduces uncollectible expenses and other collections-related costs.<sup>6</sup>

## **2. CAP Credit Maximum Threshold**

In Comments, CAUSE-PA expressed concern about whether DLC's maximum CAP credit limits were adequate to support the program revisions – potentially causing a substantially higher number of CAP customers to exceed their maximum CAP credit limit early in the program year. (CAUSE-PA Comments at 16). Such a result would undermine the effectiveness of the program design changes to improve affordability – again impacting the lowest income CAP customers the most. (Id.) CAUSE-PA pointed out that DLC's proposed maximum CAP credit thresholds were established in relation to DLC's originally proposed PIPP in 2018 and thus do not account for DLC's proposed reduction in energy burden standards or for any intervening rate increases. (Id.)

This Settlement provides that the Company will track and report quarterly information related to CAP credit maximums, and will provide an annual report to its Income Eligible Advisory Group. (Joint Petition at 4, ¶ 13). DLC will track the number of customers that have reached 70-80%, 80-90%, and 100%+ of their maximum CAP credit threshold, and for those who have reached 100%, DLC will track the number of months left before their CAP credit limit will reset.

This reporting will help ensure the Commission, the Company, interested parties, and stakeholders are provided necessary, current data to continually evaluate the effectiveness of the

---

<sup>5</sup> Final CAP Policy Statement and Order at 27.

<sup>6</sup> Final CAP Policy Statement and Order at 75.

# APPENDIX A

CAP maximum threshold as the PIPP is implemented. This reporting will allow stakeholders to make informed recommendations for adjustment to the maximum CAP credit thresholds, and will allow the Commission to make future course corrections to better ensure affordability for CAP customers throughout the implementation period of the 2020-2025 USECP. While this provision of the proposed Settlement does not fully adopt CAUSE-PA's position and recommendations, CAUSE-PA asserts that it strikes a reasonable balance of the interests of the parties in this proceeding. We note that it is critically important for the Commission to continue evaluating the effect of maximum CAP credits, and adjust as necessary to account for and respond to changes in rates and program design. This provision will help the Commission and all interested stakeholders to do so in a more informed and holistic manner.

### **3. Cost Control**

In its Comments, OCA requested that the Commission implement several cost mitigation and cost control measures. (OCA Comments at 9). In Reply Comments, CAUSE-PA voiced concern that the cost control and mitigation measures suggested by OCA would have the effect of restricting access to CAP and limiting the affordability achieved for CAP participants. (CAUSE-PA Reply Comments at 5).

The Settlement includes cost control measures that allow for additional stakeholder engagement to address concerns and for DLC to make adjustments as necessary. (Joint Petition at 4-5, ¶ 14). If DLC's USECP costs are anticipated to exceed the projected budget included in its USECP by greater than 10%, the Company agrees to meet with the parties at least sixty days in advance of the next year to discuss the reasons for the projected cost increase and to outline any programmatic cost containment measure(s) that would modify the approved plan. DLC agrees to

# APPENDIX A

allow the parties to submit feedback regarding its proposals to address the situation, and DLC retains the right to make final determinations regarding its USECP for Commission approval.

DLC further agrees to file a Petition with the Commission after meeting with the parties. The Petition will explain the reason for the cost increase and will outline programmatic cost containment measure(s), if any; and will make any other such filings required by Commission Orders and regulations. The Settlement provides that all parties reserve their respective rights to respond to the Company's future filing.

CAUSE-PA asserts that this provision is reasonable and appropriately balances the interest of the parties and stakeholders in this proceeding by addressing OCA's concerns about cost control without unduly restricting access to CAP and limiting the affordability achieved for CAP participants. The Settlement provides a reasonable period for review of changes, for discussion, and allows all parties the opportunity to respond and provide feedback to the Company in advance of its filing as well as respond to the filing once it is submitted to the Commission for consideration. Thus, CAUSE-PA asserts that this provision is just, reasonable, and in the public interest.

## **4. Debt Forgiveness**

In its initial Comments, OCA argued that the Commission should consider lengthening arrearage forgiveness from a 24-month period to a 48-month period to limit the amount of arrearage forgiveness that can be earned in the program and reduce program costs. (OCA Comments at 10-12). CAUSE-PA opposed OCA's proposal because it could be punitive to existing CAP participants and would exceed the timeframes established in the Commission's CAP Policy Statement. (CAUSE-PA Reply Comments at 7-8). CAUSE-PA asserted that the timeframe for arrearage forgiveness should not be based on programmatic costs alone and recommended a more in-depth inquiry into the impact on payment coverage rates and on the ability to reasonably

# APPENDIX A

achieve arrearage forgiveness over time. (Id.) CAUSE-PA strongly supported continuation of the 24-month forgiveness timeframe, to ensure that low income households would be able to earn full forgiveness within a reasonable period of time – providing appropriate incentive to improve bill frequency and payment coverage. CAUSE-PA explained that, at a minimum, the debt forgiveness payback time should not exceed 36 months. (Id. at 7).

As a compromise, the Settlement includes adjustments to DLC’s arrearage forgiveness plan as part of its USECP. (Joint Petition at 5-6, ¶ 15-17). The parties agreed to extend CAP customers debt forgiveness for pre-program arrears from the plan’s currently proposed 24-month to 36-months beginning in January of 2023. Other provisions proposed in the existing plan would remain unchanged: the level of pre-program arrears is determined at the time a customer first enrolls in CAP; customers may receive arrearage forgiveness on catch-up payments made for past-due monthly CAP balances; and customers will be granted one opportunity for pre-program debt forgiveness which remains with the customer as long as they are enrolled in CAP. (Joint Petition at 5, ¶ 15). CAUSE-PA asserts that this provision is in the public interest and represents a reasonable compromise that balances the interest of the parties and stakeholders in this proceeding.

The Settlement additionally provides that customers who earn full arrearage forgiveness while enrolled in CAP and decide, for whatever reason, to voluntarily withdraw from the program will have the opportunity to reenroll and earn arrearage forgiveness for up to three months of pre-program arrears accrued prior to CAP re-entry. Further, a customer who voluntarily withdraws from CAP and is out of the program for four or more years, will be considered a new CAP customer upon reenrollment in the program. (Joint Petition at 5, ¶ 16). CAUSE-PA strongly supports these additional provisions. It is an unfortunate reality that lower income customers more frequently will experience financial hardship paying the full tariff rate for electric and gas service. Even a

# APPENDIX A

relatively small unexpected expense, such as a medical bill or a flat tire, can cause substantial financial hardship. Despite best efforts to pay utility bills, low income families may sometimes fall behind and accrue arrears over time. Allowing these customers a second chance to re-enter CAP as a new enrollee – after a determined amount of time spent outside of CAP participation – will help them manage costs, and will assist in collection efforts for DLC. CAUSE-PA therefore asserts that this Settlement provision is reasonable and appropriately balances the interests of the parties in this proceeding.

Finally with regard to arrearage forgiveness, the Settlement provides that, except for the one-time transition in-program debt forgiveness included in the amended 2020-2025 USECP, delinquencies obtained within CAP are not eligible for forgiveness. However, if a customer has service terminated or discontinues services prior to earning arrearage forgiveness of their total pre-program arrears, the customer may resume paying off pre-program arrears upon re-entering CAP. The remaining arrears will be spread over time equal to the difference between 36 months and the number of months of pre-program arrears already earned. DLC agrees to collect the costs over a three-year period and adjust budgets accordingly. (Joint Petition at 5-6, ¶ 17). Allowing CAP customers to resume paying off arrears after a service interruption will be helpful in keeping customers in the CAP program, allowing them to continue paying more affordable bills, and thus keeping payments coming in to DLC for utility service. CAUSE-PA asserts that this provision is just and reasonable, and appropriately balances the competing interests of the parties and stakeholders in this proceeding.

## **5. Inclusion of Child Income in Calculating Program Eligibility**

In Comments to the Commission’s Tentative Order (TO) for DLC’s USECP, CAUSE-PA recommended the exclusion of government benefits from this cost calculation for the foregoing

# APPENDIX A

reasons. Additionally, CAUSE-PA noted that including unearned child income in the determination of CAP eligibility artificially inflates household income and makes it more difficult for families with children who receive disability benefits to qualify for needed assistance. (CAUSE-PA Comments at 28). The Settlement provides that DLC will discontinue the inclusion of government benefits issued for the benefit of a child from the calculation of household income, (such as SSI or SSDI), effective January 2023. (Joint Petition at 6, ¶ 18). This provision aligns with the Commission's Final CAP Policy Statement, and ensures that DLC's USECP is consistent with the statutory requirements included in Chapter 14. In Comments to the Commission's Tentative Order (TO) for DLC's USECP, CAUSE-PA recommended the exclusion of government benefits from this cost calculation for the foregoing reasons. Additionally, CAUSE-PA noted that including unearned child income in the determination of CAP eligibility artificially inflates household income and makes it more difficult for families with children who receive disability benefits to qualify for needed assistance. (CAUSE-PA Comments at 28). CAUSE-PA therefore asserts that this Settlement provision is in the public interest and appropriately balances the interests of the parties and stakeholders in this proceeding.

## **6. Modifications to Smart Comfort (LIURP)**

In Comments, CAUSE-PA indicated its support for several of DLC's proposals 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. (CAUSE-PA Comments at 32-33). CAUSE-PA voiced support for 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. (*Id.* at 34). CAUSE-PA also raised significant concerns about DLC's unspent LIURP funds, and explained that DLC's

# APPENDIX A

2014-2016 USECP included language that required it to carry over unspent LIURP funds to the following year. This language was not included in DLC's 2017-2019 USECP, though there was no specific or mention of that revision in its filing or upon review. (CAUSE-PA Comments at 36).

The Settlement provides for modifications to DLC's Smart Comfort (Low Income Usage Reduction Program (LIURP)). (Joint Petition at 6-8, ¶ 19-24). First, DLC commits to, on a going-forward basis, rolling over unspent LIURP funds and adding them to the budget in the following year. The Settlement also commits DLC to employ best efforts to fully expend all LIURP funds allocated for each respective program year, eliminating the need to carry over funds. (Joint Petition at 6, ¶ 19). LIURP is a critically important program, providing for the installation of comprehensive energy efficiency measures. As discussed in our Comments in this proceeding, there is a substantial unmet need for LIURP services to help low income consumers to reduce energy usage and, in turn, energy costs. If LIURP is utilized to its fullest capacity, the result is significant energy usage reduction and improved affordability – thereby reducing the cost of universal service programs over the long term. CAUSE-PA submits that this provision is in the public interest and balances the priorities of the parties in this proceeding.

CAUSE-PA noted in its Comments to the Commission's TO that landlord approval can act as a considerable barrier to tenants, who would otherwise be eligible for usage reduction services due to high usage, to receive basic usage reduction services (CAUSE-PA Comments at 40). In this Settlement, DLC agrees to amend its Landlord Approval Form for LIURP services as well as any associated guidance, to make clear that landlord approval is required *only* for structural or weatherization changes to the property – changes that are more than simple baseload measures – or for replacement of major appliances that the landlord owns. (Joint Petition at 6, ¶ 20). In addition, DLC will delete reference to LED bulb replacements in paragraph 1 in its Landlord

# APPENDIX A

Approval Form. CAUSE-PA supports these clarifying amendments included in the Settlement, which will help remove that potential barrier for qualifying tenants to receive LIURP services. Removing barriers to services will also aid in DLC expenditure of its LIURP funds.

The Settlement additionally includes DLC's agreement to track data providing the number of and the reasons for LIURP jobs that could not be completed. (Joint Petition at 6-7, ¶ 21). DLC agrees to track the number per month of deferred Smart Comfort jobs and the reason for the deferral; whether the reason was related to health and safety issues of the home or if deferral was related to landlord failure to approve installation of measures; and whether the deferred customer was referred to other agencies and to which agencies they were deferred. CAUSE-PA is supportive of this additional data tracking as it will help inform the Company, the Commission, and interested stakeholders as to the barriers that remain for LIURP measure installation; allowing for adjustments to be made as necessary to ensure Smart Comfort programming reaches as many high usage customers in need as possible.

In the Settlement, DLC additionally agrees to modify its 2020-2025 USECP to increase the per-job budget from \$600 to \$1,000 for Smart Comfort health and safety measures for electric heat customers. (Joint Petition at 7, ¶ 22). LIURP contractors for DLC will thus be empowered to make corrective investments up to this increased threshold amount without seeking prior approval from the Company. Additional health and safety measures may also be authorized with permission from DLC, up to \$2,000. Priority will be given to high usage CAP customers who have reached at least 50% of their maximum CAP credit threshold in a given program year, provided DLC is able to garner kWh reduction. CAUSE-PA is supportive of this increase as it will help alleviate another barrier to customers having LIURP measures installed. Many households are disqualified from receiving LIURP services as a result of health and safety conditions in the home. The increase in

# APPENDIX A

the per-job budget will result in an increased number of eligible households receiving necessary remediation of health and safety conditions to ultimately enable their eligibility to receive LIURP services.

In the Settlement, DLC further agrees to enhance LIURP outreach, targeting and personalizing said outreach to high usage residential customers; to CAP customers who have reached 50% of their maximum CAP credit threshold in less than 6 months' time; to confirmed low income heating customers who exceed actual average usage for this customer population; and to confirmed low income non-heating customers that exceed the actual average usage level for this customer population. (Joint Petition at 7, ¶ 23). CAUSE-PA supports DLC pursuing more aggressive outreach to low income customers to assist with energy usage reduction, improving affordability and comfortable household living conditions.

The final Settlement provision related to LIURP was included to ensure the continued effectiveness of the Smart Comfort program and to aid DLC in more fully utilizing its annual LIURP budget. (Joint Petition at 8, ¶ 24). In this provision, DLC agrees to include as eligible LIURP households: CAP customers who have reached their maximum CAP credit threshold in less than six months; and confirmed low income heating customers and non-heating customers who exceed system-wide average usage for residential heating and non-heating customers, respectively. CAUSE-PA supports including these residential customers as eligible customers, increasing the reach of LIURP and allowing those in need who did not traditionally qualify to receive LIURP services.

In total, the proposed modifications to DLS's LIURP are just, reasonable, and in the public interest and represents a reasonable compromise considering the interest of the parties and

# APPENDIX A

stakeholders in this proceeding. CAUSE-PA recommends that the Commission approve these provisions.

## **IV. THE SETTLEMENT IS IN THE PUBLIC INTEREST**

This Settlement enhances access to universal service programming for low income households through common-sense adjustments to universal service offerings to remediate longstanding CAP unaffordability and improve the availability of usage reduction services. CAUSE-PA asserts that the enhancements contained in the Settlement reasonably balance a range of interests in this proceeding and will help vulnerable low income consumers access available assistance programs, resulting in more affordable electric utility service. The Settlement also helps preserve limited resources of the Company, the Commission, and the parties to this proceeding by eliminating the need for further litigation and possible appeal. Thus, CAUSE-PA asserts that the terms of the proposed Settlement are in the public interest and should be approved.

## **V. CONCLUSION**

CAUSE-PA submits that the proposed Joint Petition for Settlement, which was achieved by the Joint Petitioners after an investigation of the Company's filing, is in the public interest and should be approved. Acceptance of the Settlement avoids the necessity of further administrative and possibly appellate proceedings regarding the settled issues at what would otherwise be a substantial cost to the Joint Petitioners and the Company's customers. Accordingly, CAUSE-PA respectfully requests that the Commission approve the Settlement without modification.

# APPENDIX A

Respectfully submitted,  
**PENNSYLVANIA UTILITY LAW PROJECT**  
*Counsel for CAUSE-PA*



---

Ria M. Pereira, Esq., PA ID: 316771  
John Sweet, Esq., PA ID: 320182  
Elizabeth R. Marx, Esq., PA ID: 309014  
118 Locust Street  
Harrisburg, PA 17101  
Tel.: 717-236-9486  
Fax: 717-233-4088  
[pulp@putilitylawproject.org](mailto:pulp@putilitylawproject.org)

August 13, 2021

# APPENDIX A

## BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

---

### STATEMENT OF DUQUESNE LIGHT COMPANY IN SUPPORT OF JOINT PETITION FOR APPROVAL OF SETTLEMENT

---

**TO THE HONORABLE PENNSYLVANIA PUBLIC UTILITY COMMISSION:**

#### **I. INTRODUCTION**

Duquesne Light Company (“Duquesne Light” or “Company”) hereby submits this Statement in Support of the Joint Petition for Approval of a Settlement in the above-captioned proceeding (the “Settlement”), entered into by Duquesne Light, the Office of Consumer Advocate (“OCA”), and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), parties to the above-captioned proceeding (hereinafter collectively referred to as the “Joint Petitioners”). Duquesne Light respectfully requests that the Pennsylvania Public Utility Commission (“Commission”) approve the Settlement, including the terms and conditions thereof, without modification.

The Settlement, if approved, will resolve all of the issues raised by the parties concerning Duquesne Light’s 2020-2025 Universal Service and Energy Conservation Plan (“2020-2025 USECP”). Given the diverse interests of the Joint Petitioners and the active role they have taken in this proceeding, the fact that they have fully resolved their respective issues in this proceeding, in and of itself, provides strong evidence that the Settlement is reasonable and in the public interest. During the course of this proceeding, Duquesne Light engaged in extensive discussions, provided responses to formal discovery requests, and provided additional information regarding

# APPENDIX A

its 2020-2025 USECP to the parties during informal discussions. The Settlement reflects a carefully balanced compromise of the interests of all of the Joint Petitioners in this proceeding. The Joint Petitioners unanimously agree that the Settlement resolves all of the issues raised by the various parties in the previously submitted Notices of Intervention, Petitions to Intervene, Answers, Comments, and correspondence, and that approval of the Settlement is in the public interest. For the reasons set forth in the Joint Petition and the reasons set forth below, the Settlement is just and reasonable and should be approved without modification. In support thereof, Duquesne Light states as follows:

## II. BACKGROUND

On November 5, 2019, the Commission entered a Final Policy Statement and Order amending the CAP Policy Statement at 52 Pa. Code §§ 69.261-69.267, docket no. M-2019-3012599 (“*Final Policy Statement and Order*”). The *Final Policy Statement and Order* provided that electric distribution companies “shall file and serve addendums to their existing or proposed Universal Service and Energy Conservation Plans... within 60 days of entry date of this Order. The addendums are to indicate how ... [they] intend to implement the policy changes specified in the amended CAP Policy Statement ...by or before January 1, 2021.”

In accordance with the *Final Policy Statement and Order*, Duquesne Light filed its revised 2020-2025 USECP at Docket No. M-2019-3008227. In its revised 2020-2025 USECP, the Company proposed to implement the PIPP tiers contained in the Commission’s *Final Policy Statement and Order* as follows:

| <b>INCOME CATEGORY</b> | <b>RESIDENTIALSERVICE NON-ELECTRIC HEAT PERCENTAGE OF INCOME PAYMENT</b> | <b>RESIDENTIAL ELECTRIC HEAT PERCENTAGE OF INCOME PAYMENT</b> |
|------------------------|--------------------------------------------------------------------------|---------------------------------------------------------------|
| 0-50%                  | 2%                                                                       | 6%                                                            |
| 51-100%                | 4%                                                                       | 10%                                                           |

# APPENDIX A

|          |    |     |
|----------|----|-----|
| 101-150% | 4% | 10% |
|----------|----|-----|

In response the Tentative Order issued by the Commission on November 19, 2020 in this proceeding (“*Tentative Order*”), Duquesne Light filed Supplemental Information regarding its USECP that addressed each of the issues identified in the *Tentative Order*. OCA and CAUSE-PA submitted Comments on the USECP, and the Company submitted Reply Comments. Duquesne Light then engaged in extensive discussions with OCA and CAUSE-PA regarding their questions and concerns with the Company’s 2020-2025 USECP. As a result of those discussions, the parties have reached a full Settlement which satisfactorily addresses all of the issues raised by OCA and CAUSE-PA with respect to Duquesne Light’s USECP.

### III. SETTLEMENT TERMS

The Settlement provides for various modifications to Duquesne Light’s 2020-2025 USECP, as well as information tracking and reporting commitments, continued communication and cooperation commitments, and budget adjustments. Each of the Settlement Terms, which are outlined below, significantly address the concerns raised by the parties to the proceeding, are reasonable, and represent a beneficial modification to the Company’s 2020-2025 USECP.

#### Settlement Terms

1. Duquesne Light has agreed to implement the percentage of payment plan (“PIPP”) discounts for its CAP customers consistent with its USECP, as amended on January 6, 2020.<sup>1</sup> CAP customers who are billed pursuant to PIPP shall be billed a percentage of their monthly gross household income, as outlined in the chart below.

---

<sup>1</sup> Consistent with the letter filed on March 8, 2021, Duquesne Light implemented the PIPP effective January 19, 2021.

# APPENDIX A

| <b>Income Category</b>  | <b>Residential Service<br/>Non-Electric Heat<br/>Percentage of Income<br/>Payment</b> | <b>Residential Electric<br/>Heat Percentage of Income<br/>Payment</b> |
|-------------------------|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| <b>Up to 50% of FPL</b> | 2%                                                                                    | 6%                                                                    |
| <b>51% to 100% FPL</b>  | 4%                                                                                    | 10%                                                                   |
| <b>101% to 150% FPL</b> | 4%                                                                                    | 10%                                                                   |
| <b>*Minimum Payment</b> | \$20                                                                                  | \$40                                                                  |

2. Duquesne Light has agreed to track and report the following quarterly information, and provide an annual report to its Income Eligible Advisory Group:

- a) The number of CAP customers that have reached 70-80%, 80%-90%, and 100%+ of the maximum CAP credit threshold; and
- b) For CAP customers that have reached 100% of their maximum CAP credit threshold, the number of months left in the program year before their CAP credit limit will reset.

The parties to the Settlement have reserved the right to address the issue of maximum CAP credit thresholds and whether the Company should increase its maximum CAP credit thresholds in a separate proceeding.

3. Duquesne Light has provided projected budgets for its 2020-2025 USECP, as amended on January 6, 2020. If the Company's USECP costs are expected to exceed the projected budget by greater than 10%, the Company will meet with the parties at least sixty (60) days in advance of the next year to: 1) explain the reasons for the projected cost increase; and 2) outline any programmatic cost containment measure(s) that modify the approved plan. The Company will allow the parties to submit feedback regarding the plans that the Company

# APPENDIX A

proposes to address the situation, however the Company retains the right to make final determinations regarding its USECP for Commission approval. After meeting with the parties, the Company will file a Petition with the Public Utility Commission: 1) explaining the reason for the cost increase; and 2) outlining programmatic cost containment measure(s), if any; and 3) making any other such filings required by Commission Orders and regulations. All parties reserve their respective rights to respond to the Company's filing.

4. Customers will receive debt forgiveness for 1/36<sup>th</sup> of their pre-program arrears for each full monthly payment beginning in January 2023. The level of pre-program arrears are determined at the time a customer first enrolls in CAP. Customers also have the ability to receive arrearage forgiveness on catch-up payments made for past due monthly CAP balances. Customers will be granted one pre-program debt forgiveness opportunity, which will remain with the customer as long as he/she is enrolled in CAP.

5. Customers who earn full arrearage forgiveness while enrolled with CAP and voluntarily withdraw from CAP will have the opportunity to reenroll in CAP and earn arrearage forgiveness on up to 3 months of pre-program arrears accrued prior to CAP re-entry. After a customer who voluntarily withdraws from CAP has been out of CAP for 4 years, the customers will be considered a new enrollment, rather than a customer who is re-enrolling in CAP.

6. Except for the one-time transition in-program debt forgiveness described in section 5 of the Company's Amended 2020-2025 USECP, delinquencies acquired within CAP are not eligible for forgiveness. If a customer is terminated or discontinues services prior to earning total forgiveness of their Pre-Program Arrears amount, the customer may resume the pre-program arrears opportunity upon re-entering CAP. The remaining arrears will be spread over a number of months equal to the difference between thirty-six (36) and the number of months of

# APPENDIX A

pre-program arrears already earned. Duquesne Light shall collect the costs over a three (3) year period, and budgets shall be adjusted accordingly.

7. Effective January 2023, consistent with the definition identified in Chapter 14 and the Commission's Final CAP Policy Statement Order, Duquesne Light has agreed to exclude government benefits issued for the benefit of a child (such as SSI or SSDI) from the calculation of household income.

8. The Company has agreed to take the following steps to ensure the LIURP program can effectively meet the community needs:

- (a) On a forward going basis, any un-spent LIURP funds budgeted for a given program year will be carried over and added to the budget for the following year;
- (b) Duquesne Light will use its best efforts to fully expend its annual LIURP budget, in the year in which the funds were budgeted.

9. The Company has agreed to amend its Landlord Approval Form for Smart Comfort and any associated guidance to clarify that landlord approval is only required for structural or weatherization changes to the property greater than simple baseload measures, or for replacement of major appliances owned by the landlord. The Company also has agreed to amend its Landlord Approval Form to eliminate indication in paragraph 1 referencing LED bulb replacements.

10. Duquesne Light has agreed that it will track the following:

- (a) The number of deferred Smart Comfort jobs, by month;
- (b) The reason that the Smart Comfort job was deferred, including but not limited to (1) whether the deferral was because of Health and Safety issues in the

# APPENDIX A

house, and/or (2) whether the deferral was as a result of a landlord's failure to approve of Smart Comfort measures;

(c) Once Smart Comfort measures were deferred, whether the customer was referred to any other agency and to which agency they were referred.

11. The Company has agreed to amend its 2020-2025 USECP to increase its per-job budget for Smart Comfort health and safety measures for electric heat customers from \$600 to \$1,000. DLC's LIURP contractors should be empowered to make corrective investments up to this threshold amount without prior approval from DLC. Additional health and safety measures, up to \$2,000, may be authorized to proceed with permission from DLC, with priority given for high usage CAP customers who have reached at least 50% of their maximum CAP credit threshold in a given program year provided the Company can garner kWh reduction.

12. The Company has agreed to perform targeted and personalized outreach for Smart Comfort participation to the following customer segments:

(a) High usage residential customers;

(b) CAP participants who have reached 50% of their maximum CAP credit threshold in less than 6 months;

(c) Confirmed low income heating customers that exceed the actual average usage for confirmed low income heating customers

(d) Confirmed low income non-heating customers that exceed the actual average usage level for confirmed low income non-heating customers.

13. To ensure the continued effectiveness of LIURP and ensure that Duquesne Light is able to more fully utilize its annual budget, the Company has agreed to include the following in the definition of eligible households:

# APPENDIX A

- (a) CAP participants who have reached 50% of their maximum CAP credit threshold in less than 6 months;
- (b) Confirmed low income heating customers that exceed the system-wide average usage for residential heating customers
- (c) Confirmed low income non-heating customers that exceed the system-wide average usage level for residential non-heating customers.

In the Company's view, the Settlement reflects a careful balance of the positions of the Joint Petitioners and the interests of the Company's customers, while fully and adequately addressing each of the issues and concerns raised by OCA and CAUSE-PA with respect to the USECP. Duquesne Light believes that each of these agree-upon modifications are consistent with the Final Policy Statement and Order, are reasonable, and will result in continued improvements to the USECP to the benefit of the Company's customers.

#### **IV. THE SETTLEMENT IS IN THE PUBLIC INTEREST**

It is the Commission's policy to encourage settlements. 52 Pa. Code § 5.231. Settlements lessen the time and expense the parties must expend litigating a case, and they also conserve administrative resources. The Commission has indicated that settlement results are often preferable to those achieved at the conclusion of a fully litigated proceeding. 52 Pa. Code § 69.401. In order to accept a settlement, the Commission must review proposed settlements to determine whether the terms are in the public interest. *Pa. Pub. Util. Comm'n LBPS v. PPL Utilities Corporation*, M-2009-2058182 (Opinion and Order November 23, 2009); *Pa. Pub. Util. Comm'n v. Philadelphia Gas Works*, M-00031768 (Opinion and Order January 7, 2004); 52 Pa. Code § 69.1201; *Warner v. GTE North, Inc.*, Docket No. C-00902815 (Opinion and Order entered April 1, 1996); *Pa. Pub. Util. Comm'n v. CS Water and Sewer Associates*, 74 Pa. PUC 767 (1991).

# APPENDIX A

For the reasons stated in the Joint Petition and this Statement in Support, Duquesne Light respectfully submits that the Joint Petition is just, reasonable, and in the public interest, and therefore should be approved without modification. Duquesne's 2020-2025 USECP, as modified by this Settlement, meets all of the requirements of the Commission's regulations and Orders, including the *Final Policy Statement and Order* and the Commission's *Tentative Order* in this proceeding. The modifications to the Company's 2020-2025 USECP made by this Settlement address legitimate concerns of the parties to this proceeding and will improve the overall performance of the USECP.

This Settlement resolves all issues raised during this complex proceeding and avoids the need for further comments, filings, and litigation. For the reasons state above, and those set forth in the Settlement Petition, the resolution of this proceeding in accordance with the terms of the Settlement in the public interest. As such, Duquesne Light believes that the Settlement should be approved and adopted by the Commission without modification.

Respectfully submitted,

/s/ Tishekia E. Williams

Tishekia E. Williams  
Duquesne Light Company  
411 Seventh Avenue, Mail Drop 15-7  
Pittsburgh, PA 15211  
Telephone: 412-393-1541  
                  412-393-6431  
Email: [twilliams@duqlight.com](mailto:twilliams@duqlight.com)

*Counsel for Duquesne Light Company*

# APPENDIX A

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

---

STATEMENT  
OF THE  
OFFICE OF CONSUMER ADVOCATE  
IN SUPPORT OF JOINT PETITION FOR SETTLEMENT

---

The Office of Consumer Advocate (OCA), one of signatory parties to the Joint Petition of Duquesne Light Company (Duquesne), the Office of Consumer Advocate, and the Coalition for Affordable Utility Service and Energy Efficiency (CAUSE-PA) for Approval of a Settlement (Settlement), finds the terms and conditions of the Settlement to be in the public interest for the following reasons:

**I. INTRODUCTION**

On February 29, 2019, Duquesne Light Company (Duquesne or Company) filed its proposed Universal Service and Energy Conservation Plan for 2020-2023(USECP). Subsequent to the filing, the Commission extended the duration of the Proposed 2020 USECP through 2025.

Pursuant to a November 9, 2019 Order, the Commission's CAP Policy Statement was amended effective March 21, 2020 upon publication in the *Pennsylvania Bulletin*.<sup>1</sup> The CAP Policy Statement Order includes 17 amendments to the CAP Policy Statement, and Duquesne's

---

<sup>1</sup> 2019 Amendments to Policy Statement on Customer Assistance Programs, 52 Pa. Code § 69.261-69.267, Final Policy Statement and Order, Docket No. M-2019-3012599 (Final CAP Policy Statement Order); see also, 52 Pa. Code §§ 69.261- 69.267.

# APPENDIX A

January 6<sup>th</sup>, 2020 filing proposes to incorporate the proposed changes discussed in the Final CAP Policy Statement Order.<sup>2</sup>

On January 6, 2020, Duquesne filed to amend the proposed revised energy burdens for its USECP to be consistent with the Final CAP Policy Statement changes and amended the length of the USECP to 2020-2025 (2020-2025 USECP).

On November 19, 2020, the Commission entered its Tentative Order and requested that Duquesne provide Supplemental Information. On December 10, 2020, Duquesne filed the requested Supplemental Information. On December 7, 2020, the OCA filed its Notice of Intervention and Public Statement in this matter and served its OCA Set I discovery requests. On December 22, 2020, Duquesne filed a Petition requesting to delay the implementation of the Percentage of Income Payment Plan (PIPP) until April 1, 2021.

On December 29, 2020, the OCA filed Comments that, among other issues, identified concerns with the Company's proposed changes to its energy burdens. In its Comments regarding the proposed changes to the energy burdens, the OCA identified the need for additional cost control measures if changes to the energy burdens were implemented.<sup>3</sup> On January 13, 2021, the OCA filed Reply Comments in response to the Comments of the Coalition for Affordable Utility Service

---

<sup>2</sup> Duquesne Light Company Universal Service and Energy Conservation Plan for 2020-2025, Docket No. M-2019-3008227, Tentative Order at 16-18 (Nov. 19, 2020)(Tentative Order). The OCA also notes that on November 6, 2020, Duquesne filed its Petition for Implementation of the Percentage of Income Payment plan Customer Assistance Program as Proposed on January 6, 2020. The Petition was separately docketed at P-2020-3022770 and M-2019-3008227. The OCA filed its Answer in Opposition on November 16, 2020 under both dockets.

<sup>3</sup> Duquesne Light Company Universal Service and Energy Conservation Plan for 2020-2025, Docket No. M-2019-3008227, OCA Comments (Dec. 29, 2020)(OCA Comments). The OCA was assisted in the preparation of its Comments in this proceeding by Roger D. Colton. Mr. Colton is a principal in the firm of Fisher Sheehan & Colton, Public Finance and General Economics. Mr. Colton provides technical assistance to a variety of public utilities, state agencies and consumer organizations on rate and consumer service issues for telephone, water/sewer, natural gas and electric utilities. Mr. Colton's work focuses on low-income energy issues, and he has testified and published extensively in this area.

# APPENDIX A

and Energy Efficiency in Pennsylvania (CAUSE-PA).<sup>4</sup> For the reasons set forth below, the proposed Settlement addresses the principle concerns raised by the OCA Comments and CAUSE-PA Comments in this proceeding.

As set forth below, the terms and conditions of the Settlement represent the result of extensive negotiations between the parties, are in the public interest and should be approved.

## II. SETTLEMENT

### A. Introduction.

Under the proposed Settlement, Duquesne's USECP will be modified in the following ways: (1) change the energy burdens used to calculate the CAP customer's bill; (2) change the length of the arrearage forgiveness from 24 months to 36 months and allow customers to receive additional arrearage forgiveness; (3) track and report information related to the maximum CAP credit; (4) identify and collaborate regarding increases of more than 10% to the program budgets; (5) make modifications to the Low Income Usage Reduction Program (LIURP) program design; and (6) change the household income definition to exclude government benefits issued for the benefit of a child (such as SSI or SSDI). Settlement at §§ 12-24. The proposed Settlement provides an important balance to off-set the proposed increased costs of the proposed changes to the energy burdens.

In its Comments, the OCA identified concerns with the Company's proposal to increase the energy burdens identified in the CAP Policy Statement. OCA Comments at 5-15. In particular, the OCA identified concerns regarding the proposed increase to the costs of the Plan, particularly during this time of the COVID-19 pandemic. The OCA stated in its Comments that if the energy

---

<sup>4</sup> Duquesne Light Company Universal Service and Energy Conservation Plan for 2020-2025, Docket No. M-2019-3008227, OCA Reply Comments (Jan. 13, 2021)(OCA Reply Comments).

# APPENDIX A

burdens were increased, the Company should implement additional cost control measures to balance the cost increase of the changes to the energy burdens. In its Comments, the OCA identified potential cost control measures that could be implemented in order to control increases to the costs of the program. Among the cost mitigation and cost control measures the OCA proposed limiting the annual increases in CAP costs flowed through the universal service charge; increasing the minimum payment; extending the length of time for arrearage forgiveness; capping the amount of arrearage forgiveness charged to ratepayers; decreasing overall administrative costs; revisiting and adjusting maximum CAP credits; allocating LIURP to reduce high user bills; and re-examining HUD recipient participation.

The proposed Settlement implements cost control measures including monitoring the annual increases in CAP costs flowed through the universal service charge, extending the length of time for arrearage forgiveness, and allocating LIURP to reduce high user bills. The proposed cost control measures and other Settlement provisions work together to balance the proposed costs of the program with improvements to affordability for CAP customers.

**B. Percentage of Income Payment Plan (PIPP) Design Changes. (Settlement at ¶¶ 12-17)**

Over Duquesne's last two Plans (the current 2017-2019 Plan and the proposed 2020-2025 Plan), Duquesne has made changes to the design of its program in order to address affordability concerns for CAP customers. Pursuant to Duquesne's 2017-2019 USECP,<sup>5</sup> the Company implemented the following PIPP structure for CAP customers:

---

<sup>5</sup> On April 19, 2018, the Commission approved Duquesne's current 2017-2019 Universal Service and Energy Conservation Plan (2017-2019 USECP or 2017-2019 Plan) at Docket No. M-2016-2534323.

# APPENDIX A

| <b>INCOME CATEGORY</b> | <b>RESIDENTIAL SERVICE<br/>NON-ELECTRIC HEAT<br/>PERCENTAGE OF<br/>INCOME PAYMENT</b> | <b>RESIDENTIAL<br/>ELECTRIC HEAT<br/>PERCENTAGE OF<br/>INCOME PAYMENT</b> |
|------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| 0-50%                  | 3%                                                                                    | 7%                                                                        |
| 51-100%                | 4%                                                                                    | 8%                                                                        |
| 101-150%               | 5%                                                                                    | 9%                                                                        |

The OCA notes that Duquesne’s PIPP design was not modified until the implementation of the Company’s Project Spark in 2021. See, OCA Comments at 6.

The Settlement will further modify Duquesne’s CAP design to address affordability concerns. Under the Settlement, the Company will implement the changes to the energy burdens identified in the Final CAP Policy Statement. The Settlement provides that Duquesne will amend its energy burdens as follows:

| <b>Income Category</b>  | <b>Residential Service<br/>Non-Electric Heat<br/>Percentage of Income<br/>Payment</b> | <b>Residential Electric<br/>Heat Percentage of Income<br/>Payment</b> |
|-------------------------|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| <b>Up to 50% of FPL</b> | 2%                                                                                    | 6%                                                                    |
| <b>51% to 100% FPL</b>  | 4%                                                                                    | 10%                                                                   |
| <b>101% to 150% FPL</b> | 4%                                                                                    | 10%                                                                   |

Settlement at ¶ 12.

In its Comments, the OCA identified concerns related to the cost of the proposed changes to the energy burdens for non-CAP residential ratepayers who must pay the costs of the CAP program, particularly during the COVID-19 pandemic. OCA Comments at 5-9. Under the amended 2020-2025 USECP, the Company proposed an increase in the total CAP budgets from \$32,928,822 in 2020 to \$36,116,766 in 2025, or an increase of approximately \$3.18 million. 2020-2025 USECP at 18; OCA Comments at 7-8. The OCA submits that the proposed Settlement will operate to create greater affordability for CAP customers but will address the OCA’s concerns about the costs. The proposed Settlement provisions will balance the impact of the increased costs

# APPENDIX A

to non-CAP customers that pay the costs of the program. The Settlement balances these cost increases with provisions to address the overall program budget increases; lengthening arrearage forgiveness from 24 months to 26 months; outreach regarding the maximum CAP credit; and as discussed in Section C below, modifications to LIURP.

In particular, the OCA identified concerns with potential unconstrained increases to the budget due to the proposed changes to the energy burdens. OCA Comments at 8-9. The Settlement provides that budget increases will be monitored and will provide a pathway to address potential significant increases to the budget. The Settlement provides:

Duquesne Light has provided projected budgets for its Universal Service Programs in its Universal Service and Energy Conservation Plan (“USECP”) for 2020-2025, as amended on January 6, 2020. If the Company’s USECP costs are expected to exceed the projected budget by greater than 10%, the Company will meet with the parties at least sixty (60) days in advance of the next year to: 1) explain the reasons for the projected cost increase; and 2) outline any programmatic cost containment measure(s) that modify the approved plan. The Company will allow the parties to submit feedback regarding the plans that the Company proposes to address the situation, however the Company retains the right to make final determinations regarding its USECP for Commission approval. After meeting with the parties, the Company will file a Petition with the Public Utility Commission: 1) explaining the reason for the cost increase; and 2) outlining programmatic cost containment measure(s), if any; and 3) making any other such filings required by Commission Orders and regulations. All parties reserve their respective rights to respond to the Company’s filing.

Settlement at ¶ 14.

Under the Settlement, Duquesne will proactively monitor projected increases to the program costs of greater than 10% and will affirmatively meet with the parties to explain the reasons for the increases and identify programmatic cost containment measures that may be implemented. Settlement at ¶ 14. The parties will have the opportunity to provide feedback, and the Commission will also be informed of the projected increases to the budget. *Id.* The OCA submits that the proposal will allow the parties to monitor the costs of the program and to

# APPENDIX A

recommend and/or to implement necessary changes to address the cost increases. The Settlement provision will work to address the OCA's concern related to potential unconstrained increases to the budget.

The Settlement also proposes to adjust the Company's arrearage forgiveness timeframe. Under the Settlement, the Company will extend the length of the arrearage forgiveness from 24 months to 36 months. Settlement at ¶ 15. By lengthening the arrearage forgiveness period the annual cost of the program charged to ratepayers can be mitigated while customers can continue to earn arrearage forgiveness. As the OCA discussed in its Comments, arrearage forgiveness makes up a significant portion of total universal service costs for Duquesne. OCA Comments at 12. As the Company discussed in its Reply Comments, lengthening the arrearage forgiveness from 24 months to 36 months will decrease the costs of the program. Duquesne stated that "changing the arrears forgiveness period to 36 months would reduce the monthly costs to non-CAP residential customers by \$.46 per month thereby offsetting the increase associated with the PIPP tier." Duquesne Reply Comments at 7. In addition to improvements to the cost control mechanism, the Settlement also provides for modifications to arrearage forgiveness to improve access to arrearage forgiveness for customers who were previously enrolled in CAP. Settlement at ¶¶ 16-17.

The maximum CAP credit is another important cost control mechanism identified by the CAP Policy Statement. See, OCA Comments at 12-13. Under the Settlement, Duquesne will track quarterly the following information related to the maximum CAP credit: (1) the number of CAP customers that have reached 70-80%, 80%-90%, and 100%+ of the maximum CAP credit threshold and (2) for CAP customers that have reached 100% of the maximum CAP credit threshold, the number of months left in the program year before their CAP credit limit will be reset. Settlement at ¶ 13. The Company will annually report this information to the Income Eligible

# APPENDIX A

Advisory Group. Id. The OCA submits that this data will provide important information to assess the impact of the changes to the energy burdens on the maximum CAP credit. As the OCA identified in its Comments and Reply Comments, the proposed data collection will be important to understanding whether the maximum CAP credit ceilings should be changed. OCA Comments at 13; Reply Comments at 5.

The OCA submits that the cost control measures will operate to mitigate the program cost increases created by the changes to the energy burdens. The Settlement should be approved as in the public interest because it effectively balances affordability for CAP customers with the cost increases to be paid by all other non-CAP residential ratepayers.

C. Low Income Usage Reduction Program. (Settlement at ¶¶19-24)

The OCA also recommended LIURP as a key tool to address cost increases to the CAP. See, OCA Comments at 13. As the OCA noted in its Comments, LIURP can be an effective tool to reduce the high costs of CAP and to keep customers from reaching maximum CAP credit limits. Id. The Settlement includes several important modifications to LIURP to more effectively utilize CAP and LIURP resources. Decreasing CAP customer usage will help to control the costs of the program for non-CAP residential ratepayers who pay the costs of the program.

Under the Settlement, the Company will on a going forward basis, carry forward to the next program year any un-spent LIURP funds budgeted for the following year. Settlement at ¶ 19(a). Duquesne also commits to using its best efforts to fully expend its LIURP budget in the year the funds were budgeted. Settlement at ¶ 19(b). The OCA submits that effective use of LIURP funds will help low-income customers to control their usage and reduce the CAP shortfall paid for by all other residential customers. The carryover will help to ensure that if there are years when the Company is unable to utilize its full budget, that the dollars allocated do not go unused.

# APPENDIX A

Under the Settlement, Duquesne will also make important changes to the program in order to more fully utilize the budget by working to provide for a wider pool of potential participants. The Settlement also provides that the Company will perform “targeted and personalized outreach” for its Smart Comfort program to the following customer segments: (1) high usage residential customers; (2) CAP participants who have reached 50% of their maximum CAP credit threshold in less than 6 months; (3) confirmed low-income heating customers that exceed the actual average usage for confirmed low-income heating customers; and (4) confirmed low-income non-heating customers that exceed the actual average usage level for confirmed low-income non-heating customers. Settlement at ¶ 23. Under the Settlement, Duquesne will also amend its LIURP definition for eligible customers to include the following: (1) CAP participants who have reached 50% of their maximum CAP credit threshold in less than 6 months; (2) confirmed low-income heating customers that exceed the system-wide average usage for residential heating customers; and (3) confirmed low-income non-heating customers that exceed the system-wide average usage level for residential non-heating customers. Settlement at ¶ 24. The OCA submits that these provisions are in the public interest and should be approved because they will expand the pool of eligible LIURP customers and specifically target customers who have the greatest need for LIURP treatment.

Duquesne will further address participation issues from CAP customers in rental properties by making changes to the Landlord Approval Form for Smart Comfort. Settlement at ¶ 20. The Settlement provides that the Company will amend its Landlord Approval Form for Smart Comfort and “to eliminate indication in paragraph 1 referencing LED bulb replacements.” *Id.* The Company will also amend “any associated guidance to clarify that landlord approval is only required for structural or weatherization changes to the property greater than simple baseload

# APPENDIX A

measures, or for replacement of major appliances owned by the landlord.” Id. The OCA submits that the proposed modifications will work to try to address landlord concerns about participation in LIURP and to support more meaningful access by low-income renters in the program.

The Settlement also provides that Duquesne will amend the proposed 2020-2025 USECP to increase the per-job health and safety measures for electric heat customers from \$600 to \$1,000.

Settlement at ¶ 22. The Settlement provides further that:

DLC’s LIURP contractors should be empowered to make corrective investments up to this threshold amount without prior approval from DLC. Additional health and safety measures, up to \$2,000, may be authorized to proceed with permission from DLC, with priority given for high usage CAP customers who have reached at least 50% of their maximum CAP credit threshold in a given program year provided the Company can garner kWh reduction.

Settlement at ¶ 22. Health and safety obstacles may prevent the Company from being able to weatherize a home and reduce a CAP customer’s high usage. Additional dollars allocated to health and safety measures will allow the Company to treat homes of high users that otherwise would have been either deferred or not addressed.

Finally, under the Settlement, Duquesne will also begin to track the following: (1) the number of deferred Smart Comfort jobs, by month; (2) the reason that the Smart Comfort job was deferred, including but not limited to, “whether the deferral was because of a Health and Safety issues in the house” and/or “whether the deferral was as a result of a landlord’s failure to approve of Smart Comfort measures;” and (3) once the Smart Comfort measures were deferred, whether the customer was referred to any other agency and to which agency they were referred. Settlement at ¶ 21. The OCA submits that tracking the data will allow the Company and the parties to better understand the scope of the deferral problem, why Smart Comfort jobs have been deferred and whether additional resources are available to address the deferral issues. This information will be key to determining how to address potentially missed opportunities for LIURP treatment.

# APPENDIX A

The OCA submits that the combined modifications to LIURP will provide a benefit to both CAP customers and non-CAP customers who pay the costs of the program by reducing customer usage. The reporting provisions will also help the parties to better understand where improvements need to be made in the future. The OCA submits that the proposed modifications to Duquesne's LIURP are in the public interest and should be approved.

D. Household Income. (Settlement at ¶ 18)

Finally, in January 2023, the Company will modify its definition to exclude government benefits issued for the benefit of a child (such as SSI or SSDI) from the calculation of household income. Settlement at ¶ 18. Section 1403 of the Public Utility Code specifically defines household income as the gross income of “all *adults* in a residential household who benefit from the public utility service.”<sup>6</sup> The Public Utility Code specifically excludes income for children, and the CAP Policy adopted this exclusion for the calculation of CAP customer income. The OCA submits that it is in the public interest for Duquesne's definition of CAP income to be consistent with the definition of household income identified Section 1403 of the Public Utility Code. The OCA submits that the proposed modification should be approved.

---

<sup>6</sup> 66 Pa. C.S. § 1403 (emphasis added).

# APPENDIX A

## III. CONCLUSION

The OCA submits that the terms of the Settlement are in the public interest and in the interest of both Duquesne's CAP participants and the non-CAP residential customers who pay the costs of the program. Based on the above reasons, the Office of Consumer Advocate submits that the proposed Settlement should be approved.

Respectfully Submitted,

/s/ Christy M. Appleby

Christy M. Appleby  
Assistant Consumer Advocate  
PA Attorney I.D. # 85824  
E-Mail: CAppleby@paoca.org

Counsel for:  
Christine Maloni Hoover  
Interim Acting Consumer Advocate

Office of Consumer Advocate  
555 Walnut Street 5th Floor, Forum Place  
Harrisburg, PA 17101-1923  
Phone: (717) 783-5048  
Fax: (717) 783-7152

DATE: August 13, 2021  
315286