

COMMONWEALTH OF PENNSYLVANIA



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August 25, 2021

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

Re: PECO Energy Company Universal Service
and Energy Conservation Plan for 2019-
2024 Submitted in Compliance with 52 Pa.
Code §§ 54.74 and 62.4.
Docket No. M-2018-3005795

Petition of PECO Energy Company to
amend its Amended Proposed 2019-2024
Universal Service and Energy
Conservation Plan – filed July 8, 2020
Docket No. P-2020-3020727

Petition of PECO Energy Company to
amend its Amended Proposed 2019-2024
Universal Service and Energy Conservation
Plan – filed September 25, 2020
Docket No. P-2020-3022154

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Reply Comments in the above-referenced proceedings.

Rosemary Chiavetta, Secretary
August 25, 2021
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Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully submitted,

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PECO Energy Company Universal Service and Energy Conservation Plan for 2019-2024 Submitted in Compliance with 52 Pa. Code § § 54.74 and 62.4.	:	
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	:	

REPLY COMMENTS
OF THE
OFFICE OF CONSUMER ADVOCATE

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The Office of Consumer Advocate (OCA) files these Reply Comments pursuant to the Pennsylvania Public Utility Commission's (Commission) directive in the Tentative Order entered Tentative Order¹ entered May 6, 2021.²

I. INTRODUCTION

On November 1, 2018, PECO Energy Company (PECO or Company) filed its proposed electric and natural gas Universal Service and Energy Conservation Plan for 2019-2022 (USECP or Plan) pursuant to 52 Pa. Code Sections 54.74 and 62.4.³ Subsequent to the filing, the Commission extended the duration of the Proposed USECP through 2024.⁴

Pursuant to a November 9, 2019 Order, the Commission's CAP Policy Statement was amended effective March 21, 2020. Tentative Order at 4-6.⁵ As the Tentative Order provides, the Final CAP Policy Statement Order details the 17 amendments to the CAP Policy Statement,⁶ and PECO's January 6, 2020 filing proposes to incorporate many of the proposed changes to the CAP

¹ PECO Energy Company Universal Service and Energy Conservation Plan for 2019-2024 Submitted in Compliance with 52 Pa. Code §§ 54.74 and 62.4, Docket No. M-2018-3005795, Docket No. M-2018-3005795; Petition of PECO Energy Company to Amend its Amended Proposed 2019-2024 Universal Service and Energy Conservation Plan- filed July 8, 2020, Docket No. P-2020-3020727; Petition of PECO Energy Company to Amend its Amended Proposed 2019-2024 Universal Service and Energy Conservation Plan – filed September 25, 2020, Docket No. P-2020-3022154, Tentative Order (Order entered May 6, 2021) (Tentative Order).

² The OCA was assisted in the preparation of its Comments and these Reply Comments by its consultant, Roger D. Colton. Roger 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 customer 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.

³ See, OCA Comments at 1-3; Tentative Order at 4-12 for complete history of filings.

⁴ See also, 2019 Amendments to Policy Statement on Customer Assistance Programs, 52 Pa. Code §§ 69.261-69.267, Docket No. M-2019-3012599, Final Policy Statement and Order (Order entered Nov. 5, 2019)(Final CAP Policy Statement Order).

⁵ See, 52 Pa. Code § 69.261, et seq.

⁶ Tentative Order at 13-17.

Policy Statement as discussed in the Final CAP Policy Statement Order. Tentative Order at 13-17.

On July 20, 2021, the OCA filed Comments. The Tenant Union Representative Network (TURN) and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) also filed Joint Comments (CAUSE-PA/TURN Comments) on July 20, 2021. The OCA responds to the CAUSE-PA/TURN Comments regarding: (1) energy burdens; (2) payment arrangement for CAP customers and in-program arrearage forgiveness; (3) CAP re-enrollment; (4) CAP outreach; and (5) MEAF changes in response to COVID-19.

II. REPLY COMMENTS

A. Energy Burdens.

In its 2019-2024 USECP, PECO proposes to transition from the Fixed Credit Option (FCO) to the Percentage of Income Payment Plan (PIPP) and proposes to change its existing energy burdens to the following:

**Table 2
Maximum Energy Burdens in CAP FCO and Proposed CAP PIPP**

FPIG	Electric Non-Heating		Electric Heating		Gas Heating	
	<i>CAP FCO</i>	<i>Proposed PIPP</i>	<i>CAP FCO</i>	<i>Proposed PIPP</i>	<i>CAP FCO</i>	<i>Proposed PIPP</i>
0-50%	5%	2%	13%	6%	7%	4%
51-100%	6%	4%	16%	10%	10%	6%
101-150%	7%	7%	17%	17%	10%	10%

Tentative Order at 19; Amended Proposed 2019 USECP at 3, 55. As proposed by PECO, the incremental proposed cost changes would increase the total CAP budgets from the \$72,932,621 (under the FCO) to \$93,226,621 (under the PIPP) in 2022. Tentative Order at 23. PECO anticipates a further increase to approximately \$96, 893,031 by 2024 under the PIPP, or an increase of approximately \$20-\$23 million. Tentative Order at 23.

In the Joint Comments, CAUSE-PA/TURN recommend that the energy burdens identified in the CAP Policy Statement be approved.⁷ CAUSE-PA/TURN Comments at 8-20. The OCA submits that CAUSE-PA/TURN incorrectly identify that PECO is under a legal obligation to implement the energy burdens identified in the CAP Policy Statement. CAUSE-PA/TURN Comments at 8-15, 19-20. In their Comments, CAUSE-PA/TURN state:

Nevertheless, we note that further Commission approval of this proposal is unnecessary, given PECO is already under an independent legal obligation – previously approved by the Commission – to adopt the Commission’s energy burden standards following issuance of the Commission’s Final CAP Policy Statement and Order.

CAUSE-PA/TURN Comments at 19, citing the footnote to Amended Proposed 2019-2024 USECP at 32, footnote 3.⁸ Specifically, the CAUSE-PA/TURN Comments reference footnote 3 that was included as a part of the Settlement in the Company’s 2013-2015 USECP transition from the CAP discount design to the FCO program design. Footnote 3 of the Settlement states “If the Commission changes the energy burden ranges set forth in its Policy Statement, PECO will utilize the new maximum allowable energy burden for each poverty level.”⁹

The OCA submits that CAUSE-PA/TURN err in their argument that PECO is under a legal obligation to lower its energy burdens to the energy burdens identified in the Commission’s CAP Policy Statement. The import of the language of the Settlement of the FCO was litigated in TURN’s Formal Complaint proceeding at Docket No. C-2020-3021557.¹⁰ The ALJ’s Initial

⁷ The energy burdens proposed by PECO differ from the energy burdens identified in the CAP Policy Statement for customers between 101-150% of the FPL. PECO’s proposal maintains the existing energy burdens for electric non-heating, electric heating, and gas heating customers between 101-150% of the FPL. The energy burdens identified in the CAP Policy Statement reduce the energy burdens from 7% to 6% for electric non-heating customers; 17% to 10% for electric heating customers; and 10% to 6% for gas heating customers.

⁸ PECO Energy Company Universal Service and Energy Conservation Plan 2013-2015, Docket No. M-2012-2290911, Settlement at 2, fn. 3 (March 20, 2015)(Settlement). The OCA notes that the Settlement language is incorporated into the Company’s Amended Proposed 2019-2024 USECP.

⁹ Settlement at 2, fn. 3; see also, Amended Proposed 2019-2024 USECP at 32, fn. 3.

¹⁰ The OCA notes that the Commission has not yet issued a Final Order in the proceeding.

Decision examined whether the footnote identified in the CAUSE-PA/TURN Comments was self-executing and determined that it was not. In her Initial Decision, ALJ Barnes addressed TURN and CAUSE-PA's similar argument.¹¹ The ALJ correctly understood the interconnected elements of the Settlement and provided in her I.D. that:

Importantly, no language in Footnote 3 or discussion in the statements in support of the settlement signaled to the presiding administrative law judge or to the Commission that the adjustment to CAP bills was intended to be immediate and without further review by the Commission. The USECP process is complex. Although the plans have a set term, the reality is that the design of low-income programs is meant to be an ongoing process, where company filings frequently overlap as the Commission reviews plan proposals, analyzes the data, and solicits input from stakeholders to evaluate the effectiveness of a utility's proposed programs as well as the costs related to the programs that are borne by all of a utility's ratepayers. If any aspect of the program was meant to change "automatically" without further review by the Commission, such an important feature of the agreement should have been clearly set out in the 2015 Settlement so that it could be considered by the administrative law judge and the Commission. The importance of Commission review is highlighted here by Mark Kehl's testimony that updating the customer bill calculations to reflect the changed energy burdens approved by the Commission would cost nearly \$9 million for the first few months of 2021.

I.D. at 21.

The Commission has outlined a specific process for changing its energy burdens, and PECO must follow the steps identified by the EAP Reconsideration Order for changing the energy burdens.¹² The Commission's Final CAP Policy Statement Order stated that the energy burdens would not be effective until they were published in the *Pennsylvania Bulletin*.¹³ In the EAP Reconsideration Order, the Commission clarified that utilities could voluntarily implement the CAP Policy Statement changes to their existing or prospective Universal Service and Energy

¹¹ TURN v. PECO Energy Company, Docket No. 2020-3021557, Initial Decision (April 13, 2021).

¹² 2019 Amendments to Policy Statement on Customer Assistance Program, 52 Pa. Code §§ 69.261-267, Docket No. M-2019-3012599, EAP Reconsideration Order (Feb. 6, 2020)(EAP Reconsideration Order).

¹³ Final CAP Policy Statement Order at 100.

Conservation Plans.¹⁴ In the EAP Reconsideration Order, the Commission provided that utilities that wanted to change their Universal Service and Energy Conservation Plan pursuant to the amendments to the CAP Policy Statement should file with the Commission any proposed changes, including energy burden changes.¹⁵ The Commission provided that utilities that wanted to change their existing Plan should file a Petition and Addendum and utilities with a pending Plan should file an Addendum to reflect the proposed changes.¹⁶ The Commission sought to have implementation of the changes by January 1, 2021.¹⁷ On March 21, 2020, the revised CAP Policy Statement was published in the *Pennsylvania Bulletin*.¹⁸

The instant proceeding is the appropriate proceeding to evaluate whether changes to the energy burdens are appropriate, but as the OCA discussed in its Comments, the OCA does not believe that it is the appropriate time to implement the proposed changes. OCA Comments at 5. As the OCA discussed in its Comments, the OCA has a concern about the impacts of such changes to residential customer bills, particularly during this COVID-19 pandemic (and the economic downturn related to the pandemic), and in light of the increases in PECO's universal service costs that have been occurring over the past several years. Id. The economic and financial circumstances of customers remain tenuous and likely will be for some time to come. Id. The OCA appreciates the need for CAP at this critical time and anticipates that enrollment in the program could grow dramatically in the coming months, further increasing the costs borne, automatically, by non-CAP residential customers regardless of income. Id. The decision of whether to allow this change at this critical point in time of the COVID-19 pandemic, and

¹⁴ EAP Reconsideration Order at 12.

¹⁵ EAP Reconsideration Order at 11-12.

¹⁶ EAP Reconsideration Order at 12.

¹⁷ Id.

¹⁸ 50 Pa. B. No. 1691-1695 (March 21, 2020).

associated economic crisis, is a discretionary decision on the part of the Commission. Id. In its Comments, the OCA recommended that the Commission postpone this change or mitigate the impact by moderating the change in the energy burdens until such time as a full consideration of the necessary balance during this pandemic can be had. Id.

If the Commission determines to change the energy burdens as a part of this proceeding, the OCA does not agree that the energy burdens should be changed without a full consideration of cost control measures that should accompany such change and data collection efforts that will assist in the evaluation of such change. OCA Comments at 6-14. The full impact of the proposed changes must be considered in the context of the Company's continued increases to the costs of the CAP program. See, OCA Comments at 7. The OCA has a particular concern about the impacts of such an addition to residential customer bills, particularly during this COVID-19 pandemic (and the economic downturn related to the pandemic), and in light of the proposed increases in PECO's universal service costs. Recognizing that the projections are just estimates, the OCA is concerned with further incremental cost increases under the PIPP design and unconstrained increases in the cost of CAP.

As the OCA discussed in its Comments, it will be important to have sufficient cost control measures in place if changes in the plan are contemplated. An important cost control measure recommended by the OCA in its Comments is to hold PECO's annual costs flowed through its automatic universal service cost recovery mechanism, to the levels projected in the filing until such time as a full impact evaluation of the program changes can be completed.¹⁹ Controlling the annual increases in the universal service charge will assist in managing the impact of the changes in the program during these difficult economic times and will allow for more experience to be

¹⁹ In the alternative, program costs could be limited to a percentage increase in residential distribution costs each year to ensure that the rates for residential customers remain reasonable.

gained with the program changes. It will also be particularly important in the evaluation of the modified program to analyze the CAP customer payment behavior under PECO's existing program and its revised program. PECO should be directed to collect and retain the necessary information so that its evaluator can complete the proper analysis.²⁰ See, OCA Comments at 7-8.

If the Commission determines to go forward with the full change in energy burdens proposed by PECO, the OCA recommends that the cost control measures discussed in Section A(1)(c) of the OCA's Comments be implemented. See, OCA Comments at 8-14. Among the cost mitigation and cost control measures to be discussed are 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 Low Income Usage Reduction Program resources (LIURP) to reduce high user bills; and re-examining HUD recipient participation.

As the OCA discussed in its Comments, the OCA also recommends that any change to the energy burdens consider the impact of the change to energy burdens on the unused Low Income Home Energy Assistance Program (LIHEAP) grants. OCA Comments at 13-14. The Company has not provided any analysis to explain why it does not anticipate an increase in the amount of money in returned LIHEAP grants. A more complete analysis is needed regarding the impact of the proposed CAP energy burdens on the amount of LIHEAP benefits that would be returned to DHS.

²⁰ Important information to collect (or calculate) for CAP participants both before and after program modification, for example, would include: (1) the payment coverage ratio (percent of billed revenue actually collected); (2) the number of complete and timely payments; (3) the "Bills Behind" (as defined by BCS); (4) the percentage of accounts, along with the corresponding percentage of dollars, in arrears; and (5) the level of in-program arrears. Collecting corresponding data for the twelve months preceding CAP participation should be required as well.

B. Payment Arrangements for CAP Customers and In-Program Arrearage Forgiveness.

In the Tentative Order, the Commission identified a concern with PECO's level of in-program CAP arrears and the number of payment arrangements that PECO has offered to CAP customers. Tentative Order at 38-41. The OCA discussed in its Comments that the OCA shares the Commission's concern. OCA Comments at 14-15. As the Commission correctly identified in its Tentative Order, PECO currently offers an in-program arrearage forgiveness program as a part of its last USECP and forgave approximately \$21 million of accumulated in-program arrears for CAP customers. Tentative Order at 37-38. In the fall of 2011, PECO previously forgave \$25 million of CAP arrears. Tentative Order at 37.

As the OCA discussed in its Comments, the OCA shares the Commission's concern about the level of in-program arrears that CAP customers continue to have in spite of two programs over the last decade that have specifically been designed to address in-program arrears. The Commission specifically examined in its questions the number of CAP customers that have had one, two, and three payment arrangements over the course of a three-year period. The Company identified that in 2018, it issued approximately 19,810 payment arrangements to CAP customers; in 2019, approximately 19,757 payment arrangements; and in 2020, approximately 20,444 payment arrangements to CAP customers. In 2020, CAP customers with two payments over three-years owed an average of \$1,084 for customers at 0-50% of the FPL; \$952 for customers at 51-100% of the FPL; and \$1,063 for customers at 101-150% of the FPL. For customers with three payment arrangements over three years, the average balance is approximately \$200 more for each of the income categories. Supplemental Information at 15.²¹ The trend is similar for 2018 and

²¹ PECO Energy Company Universal Service and Energy Conservation Plan for 2019-2024 Submitted in Compliance with 52 Pa. Code §§ 54.74 and 62.4, Docket No. M-2018-3005795, Docket No. M-2018-3005795; Petition of PECO Energy Company to Amend its Amended Proposed 2019-2024 Universal Service and Energy Conservation Plan- filed July 8, 2020, Docket No. P-2020-3020727; Petition of PECO Energy Company to Amend its Amended Proposed 2019-2024 Universal Service and Energy Conservation Plan – filed September 25, 2020, Docket No. P-2020-3022154, Responses of PECO Energy Company to the Supplemental Data Requests Contained in

2019. In fact, average balances appear to have decreased from 2019 to 2020. Supplemental Information at 15. The IPAF program, which will close in October 2021, appears to have been more successful in retiring some CAP customers' pre-FCO program arrears. Supplemental Information at 16. With an original balance of \$30,814,533, only \$4,092,117 remains as of March 2020. Supplemental Information at 16.

In its Joint Comments, CAUSE-PA/TURN propose that PECO continue to offer additional payment arrangements to CAP participants. CAUSE-PA/TURN Comments at 25-26. CAUSE-PA/TURN also propose the development of a new in-program arrearage forgiveness program.²² CAUSE-PA/TURN Comments at 27-28. Specifically, with respect to the new in-program arrearage forgiveness program CAUSE-PA/TURN propose rolling over the remaining \$4 million from the existing FCO In-Program Arrearage Forgiveness Program into a new in-program arrearage forgiveness program due to the unaffordability of the Fixed Credit Option (FCO) program design. CAUSE-PA/TURN Comments at 27-28.

The OCA submits that CAUSE-PA/TURN argue, without any factual support, that the reason for the remaining \$4 million is due to the unaffordability of the FCO program. CAUSE-PA/TURN Comments at 24. But to put it in perspective, what CAUSE-PA/TURN do not identify is that approximately \$21 million of the original \$25 million was previously forgiven through the In-Program Arrearage Forgiveness Program (IPAF) to address affordability issues under the prior program. Now, in Comments, CAUSE-PA/TURN recommends that an additional in-program arrearage forgiveness program be implemented to address the unaffordability of the FCO program design. CAUSE-PA/TURN Comments at 42-43.

the Pennsylvania Public Utility Commission's Tentative USECP Order Entered May 6, 2021 (June 10, 2021) (Supplemental Information).

²² In its Comments, the OCA recommended that former CAP participants be eligible for arrearage forgiveness on a new balance. OCA Comments at 16. For the reasons set forth in these Reply Comments, the OCA does not recommend that CAP customers enrolled in CAP be authorized another arrearage forgiveness program within CAP.

Contrary to CAUSE-PA/TURN's Comments, however, PECO's 2019 APPRISE Evaluation of the FCO found any number of factors contributing to unaffordability outside of the energy burdens in the FCO program design.²³ The Table below, for example, presents data for both 2016 (pre-FCO) and 2018 (during FCO). While it might appear that the FCO resulted in more CAP participants having burdens exceeding the PUC target burdens under the FCO (31%) than before the FCO (24%), the Table demonstrates some of the nuances that the OCA discusses. The percentage of customers exceeding the PUC target burden because they reached the maximum CAP credit limit, for example, increased from 48% to 57%; the percentage of participants exceeding the PUC target burden because they paid the minimum bill increased from 26% to 53%. It was, in other words, not the target energy burdens, but other aspects of the program which were in play.

		2016 CAP Participants				2018 CAP Participants			
		Obs.	Below	Within	Above	Obs.	Below	Within	Above
Electric Heating	All	11,631	6%	15%	24%	11,940	45%	24%	31%
	>=Max CAP Credit	418	40%	12%	48%	315	29%	14%	57%
	Min Bill	164	74%	12%	14%	641	31%	13%	57%
Electric only (electric baseload)	All	89,674	41%	24%	35%	86,062	19%	37%	44%
	>=Max CAP Credit	6,415	13%	13%	74%	3,768	8%	14%	79%
	Min Bill	2,677	50%	24%	26%	3,277	20%	27%	53%

²³ See, [PECO Energy Company Universal Services Program Six-Year Evaluation Report](#), Docket No. M-2019-3011281 (June 30, 2019) ([2019 APPRISE Evaluation](#) or [Evaluation](#)).

In addition, PECO's 2019 APPRISE Evaluation explicitly stated that "Most of the CAP participants who were above the target burden were at or below 50 percent of the poverty level."²⁴

The OCA submits that one reason that CAP participants with income at or below 50% of Poverty tend to have burdens that exceed the PUC targets is because of mandatory minimum payments. Minimum payments are required when a CAP participant's income is sufficiently low the participant would make no payment, or a *de minimis* payment, toward the utility bill. Without a minimum payment, for example, in a percentage of income program, a customer would make *no* payment toward their bill. In all circumstances, the Commission has held, customers are to make a minimum payment determined in proceedings reviewing each utility's USECP. A move from the FCO to a percentage of income program does not mean that minimum payments will be eliminated.

Particularly if the in-program arrears of CAP participants are not exclusively (or primarily) related to the operation of the FCO, but are instead related to other aspects of the operation of CAP (e.g., maximum CAP credits, minimum payments), it would be particularly inappropriate to adopt an IPAF program within this rate case without also considering what other changes should be made, if any, to address any issues with those other CAP design features. Moreover, if the unaffordability of the FCO lies, as the PECO evaluation found, primarily with customers with income at or below 50% of Poverty, it would seem to be inappropriate to adopt an IPAF for customers at all income ranges.

For the reasons set forth above in the OCA's Comments, the OCA does not support the implementation of another in-program arrearage forgiveness program. Instead of developing a new in-program arrearage forgiveness program or payment arrangement upon payment arrangement that may drive CAP customers further into debt, the OCA submits that the

²⁴ 2019 APPRISE Evaluation at 149.

Commission should direct PECO to analyze the reasons that CAP customers are accumulating significant balances while in CAP. OCA Comments at 15.

C. CAP Re-Enrollment.

In the Tentative Order, the Commission provided:

PECO proposes to offer a payment arrangement for overdue balances at CAP reenrollment for customers who have been out of the program for at least 12 months, it is not clear whether PECO requires customers to pay the residential tariff rate or the CAP price for usage during months spent out of the program. Columbia Gas and PGW, for example, allow CAP customers to pay the CAP price for usage during any months spent out of the program when they reenroll. Payment of this CAP “catch-up” amount also allows customers to earn PPA forgiveness for the months spent outside the program.

Tentative Order at 42.²⁵ In the Tentative Order, the Commission asked PECO to identify whether CAP customers who re-enroll in CAP must pay the full retail rate or the CAP rate. Tentative Order a 42. PECO responded that it does not offer this option. Supplemental Information at 17.

In its Joint Comments, CAUSE-PA/TURN recommend that CAP customers be permitted to “cure” the amount outstanding to allow CAP customers to re-enroll in CAP and to receive arrearage forgiveness for those months. CAUSE-PA/TURN Comments at 32-34. The OCA supports the CAUSE-PA/TURN proposal to allow the opportunity for a CAP customer to cure the outstanding CAP amount and to receive arrearage forgiveness for the missed payments. As CAUSE-PA/TURN and the Tentative Order note, other utilities such as Columbia Gas of Pennsylvania (Columbia) and Philadelphia Gas Works (PGW) have adopted the approach of allowing CAP customers to “cure” the amount of missed payments in order to re-enroll in CAP and to receive arrearage forgiveness for the missed months. CAUSE-PA/TURN Comments at 33-34; Tentative Order at 42.²⁶ As CAUSE-PA/TURN noted in their Comments, a cure option would

²⁵ Columbia Gas 2015-2018 USECP, Docket No. M-2014-2424462, Order at 23 (Order entered Aug. 12, 2015); PGW 2017-2020 USECP, Docket No. M-2016-2542415, Order at 28-30 (Order entered Aug. 3, 2017).

²⁶ Columbia Gas 2015-2018 USECP, Docket No. M-2014-2424462, Order at 23 (Order entered Aug. 12, 2015); PGW 2017-2020 USECP, Docket No. M-2016-2542415, Order at 28-30 (Order entered Aug. 3, 2017).

allow CAP customers who did not recertify and were removed from the program to resume participation in CAP and to receive arrearage forgiveness once the cure amount is paid. CAUSE-PA/TURN Comments at 33-34.

For the reasons set forth above, the OCA submits that the CAUSE-PA/TURN proposal should be approved.

D. CAP Outreach

In their Comments, CAUSE-PA/TURN recommend five modifications to PECO's CAP outreach initiatives. CAUSE-PA/TURN Comments at 35-39. First, CAUSE-PA/TURN recommend that PECO "should conduct an updated needs assessment that examines the impact of COVID-19 on households in its service territory." CAUSE-PA/TURN Comments at 35-36. Second, CAUSE-PA/TURN also recommend that PECO should review its zip code and neighborhood-based indicators on need such as zip code data on arrears, payment arrangements, shut off notices, terminations and CAP enrollment in order to target outreach to areas with low levels of CAP enrollment, but high levels of arrears, shut-off notices, and/or terminations. CAUSE-PA/TURN Comments at 36. Third, CAUSE-PA/TURN recommend that PECO should also track, geographically and by reason, the application approvals and denials for CAP; LIURP; PECO's Hardship Fund, MEAF; and program removals. CAUSE-PA/TURN Comments at 36-37. CAUSE-PA/TURN argue that tracking the data will allow the Company to assess if there are barriers to program access. CAUSE-PA/TURN Comments at 36-37. Fourth, CAUSE-PA/TURN also recommend that PECO solicit feedback from community groups and stakeholders on how to make applications more accessible. CAUSE-PA/TURN Comments at 37. Finally, CAUSE-PA/TURN recommend that PECO do targeted outreach to limited English proficient households through neighborhood-based outreach and partnerships with community organizations that work with LEP households. CAUSE-PA/TURN Comments at 37-39. The OCA supports the proposed recommendations of CAUSE-PA/TURN regarding additional outreach initiatives. The OCA

submits that the information requested will allow PECO to more accurately target its outreach to customers.

The OCA submits that these efforts should, in particular, work to target outreach towards customers at or below 50% of the FPL. In its Comments, the OCA also identified concerns with PECO's targeted outreach to customers at or below 50% of the FPL. OCA Comments at 17-20. As the OCA noted in its Comments, PECO has historically had a low participation percentage of those in the lowest tier of poverty. PECO's participation rate of customers between 0-50% of FPL was 22.6% in 2017, 22.3% in 2018, 22.4% in 2019. The Company's estimated number of participating customers is low when compared to the number of estimated low-income customers in the Company's service territory. For example, compare the USECP at pages 2 and 9-10 which estimate a low-income population of 269,000 people in the service territory as compared to an estimated 120,000 CAP participants by 2024. The OCA recommended that PECO take action to address these participation rates.

In previous rate cases, OCA witness, Roger Colton, has recommended that utilities conduct certain outreach efforts to improve its participation rate, particularly in the 0-50% of FPL population. For example, Mr. Colton testified in Columbia's 2020 base rate case that a utility should (1) use the community as a means of identifying such customers rather than rely on call center contacts; (2) focus on relationship-building; (3) go to where the customers, live, work, shop, play, and pray rather than rely on the customers initiating contacts; and (4) rely on grassroots "trusted messengers" from within the community.²⁷ Mr. Colton, in that same testimony, recommended that outreach could be built into the Company's collections process by offering customers a chance to enroll in CAP when a confirmed low-income customer seeks to enter into a payment arrangement, is about to be terminated for non-payment, is disconnected for non-

²⁷ Columbia, Opinion and Order at 162-63.

payment, and/or is contacted by the Company and found to either be using a potentially unsafe heating source or is without service.²⁸

The recommendations of CAUSE-PA/TURN provide important data to help the Company to concentrate its efforts to identify geographic areas where outreach is needed and can enable the Company to specifically target its outreach. The recommendations complement the OCA's recommendations and should be adopted.

E. MEAF Changes in Response to COVID-19

In response to COVID-19, PECO amended its Hardship Fund requirements to increase eligibility to 200% of the FPL; to waive the requirement that a customer must be in imminent danger of losing service or had lost service; and to waive the two-year waiting period between Hardship Fund grants. CAUSE-PA/TURN Comments at. 55. The amendments expired on March 31, 2021. CAUSE-PA/TURN Comments at. 55. In their Comments, CAUSE-PA/TURN recommend continuation of these eligibility changes in PECO's USECP. CAUSE-PA/TURN Comments at 56. The OCA supports CAUSE-PA/TURN's recommendation to continue the COVID-19 MEAF eligibility requirements.

As CAUSE-PA/TURN correctly note, the effects of the COVID-19 pandemic continue for low-income customers and economic recovery is continuing for the indefinite future. CAUSE-PA/TURN Comments at 55-56. Pennsylvania low-income customers continue to have difficulties paying their basic living expenses. The COVID-19 impacts on Pennsylvania residential customers have been tracked by the Household Census PULSE Surveys for Week 28 (April 14 through April 26)(the first week of Phase 3.1 of the Census PULSE Surveys) through Week 34 (July 6 through July 13)(the most recent PULSE Survey available). In the Table, the income ranges where the percentage of Pennsylvania residents having no difficulty at all in paying usual household expenses

²⁸ Id., at 163.

is lower in Week 34 than it was in Week 28 is shaded in green. In contrast, in the Table, the income ranges where the percentage of Pennsylvania residents having a “somewhat” or “very” difficult time is higher in Week 34 than in Week 28 is shaded in blue.

Week	Below \$25,000	<u>Not at All Difficult</u>			<u>Somewhat or Very Difficult</u>			
		\$25,000 \$34,999	\$35,000 \$49,999	\$50,000 \$74,999	Below \$25,000	\$25,000 \$34,999	\$35,000 \$49,999	\$50,000 \$74,999
28	20.6%	33.6%	51.6%	52.1%	54.8%	45.8%	21.4%	18.6%
29	25.2%	25.5%	45.7%	55.7%	48.6%	54.6%	29.0%	19.0%
30	19.7%	26.5%	45.2%	56.6%	56.5%	47.1%	30.7%	19.7%
31	25.2%	28.7%	44.4%	47.9%	50.2%	53.9%	20.6%	26.3%
32	18.2%	30.6%	44.4%	59.1%	53.0%	45.8%	30.6%	24.9%
33	25.6%	26.2%	48.7%	58.7%	49.3%	57.2%	28.3%	19.5%
34	23.5%	44.0%	35.4%	43.8%	58.2%	36.8%	29.8%	31.2%

Moreover, as CAUSE-PA/TURN note, the MEAF Hardship Fund has consistently been underspent from 2010 through 2019 so there would be sufficient funding to support the expanded eligibility for the program. CAUSE-PA/TURN Comments at 58.

The OCA submits that increasing the eligibility requirements for MEAF would provide important needed assistance to low-income customers below 200% of the FPL as they continue to work through the long-term impacts of COVID-19. The increase in the eligibility requirements would also not impact the overall ability of the MEAF Hardship Fund to continue to provide assistance to customers below 150% of the FPL.

III. CONCLUSION

WHEREFORE, the Office of Consumer Advocate requests that the PECO Energy Company Universal Service and Energy Conservation Plan for 2019-2024 be approved subject to the recommendations in the OCA's Comments and identified herein.

Respectfully Submitted,

/s/ Christy M. Appleby

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