



October 19, 2021

VIA E-FILE

Rosemary Chiavetta, Secretary
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105

Re: UGI Utilities, Inc.'s Universal Service and Energy Conservation Plan for 2020 – 2025; Petition to Amend Universal Service and Energy Conservation Plan for 2020-2025 ; Docket Nos. M-2019-3014966, P-2020-3019196.

Comments of CAUSE-PA

Dear Secretary Chiavetta:

Attached for filing, please find the **Comments of the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania (CAUSE-PA)**.

As indicated by the attached Certificate of Service, service on the parties was by email only upon prior consent of the parties of record to waive service of a hard copy.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "R. Pereira".

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BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

UGI Utilities, Inc. – Gas Division and	:	Docket No. M-2019-3014966
UGI Utilities, Inc. – Electric Division	:	
Universal Service and Energy Conservation	:	
Plan for 2020-2025	:	
	:	
UGI Utilities, Inc. – Gas Division and	:	Docket No. P-2020-3019196
UGI Utilities, Inc. – Electric Division	:	
Petition to Amend Universal Service and	:	
Energy Conservation Plan for 2020-2025	:	

CERTIFICATE OF SERVICE

I hereby certify that I have, on this day, served copies of the **Comments of the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania (CAUSE-PA)** in the above captioned matter in the manner and upon the following persons and in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party). The Parties of Record to this proceeding have agreed to accept electronic service, without the need for service of a hard copy.

VIA EMAIL ONLY

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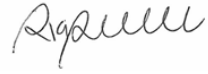
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Date: October 19, 2021

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

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COMMENTS OF THE COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA



PENNSYLVANIA UTILITY LAW PROJECT

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I. INTRODUCTION

The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), through its counsel at the Pennsylvania Utility Law Project, submits these Comments pursuant to the August 5, 2021 Order Directing Supplemental Information and Establishing Comment Period (hereinafter, August 5 Order), which invited interested parties to submit comments and reply comments to the Petition of UGI Utilities, Inc. (UGI) to revise its current 2020-2025 Universal Service and Energy Conservation Plan (Petition or proposed Amended 2020 USECP).

CAUSE-PA is a statewide unincorporated association of low income individuals which advocates on behalf of its members to enable consumers of limited economic means to connect to and maintain affordable electric, water, heating, and telecommunication services. CAUSE-PA membership is open to moderate and low income individuals residing in the Commonwealth of Pennsylvania who are committed to the goal of helping low income families maintain affordable access to utility services and achieve economic independence and family well-being. CAUSE-PA is therefore interested in and committed to achieving the creation, development, and implementation of effective universal service and energy efficiency programs which promote long term affordability of electricity, natural gas, water, wastewater, and communication services and, in turn, protect the health, safety, and welfare of economically vulnerable households across the state.

CAUSE-PA has for many years been an active participant in UGI's USECP proceedings, as well as other related proceedings that affect the ability of low income Pennsylvanians to access and maintain utility services to their home. CAUSE-PA thanks the Commission for this opportunity to submit comments.

The Commission's August 5 Order requested that UGI clarify several aspects of its Proposed Amended 2020 USECP, and sought comment on the Commission's Order and the Proposed Amended 2020 USECP from interested stakeholders. In response thereto, CAUSE-PA offers the following Comments. In short, CAUSE-PA strongly supports UGI's proposal to transition its current bill discount program design for its CAP to a percentage of income program design and reduce its applicable energy burden standards to help address longstanding unaffordability in UGI's CAP and ensure that low income customers are able to maintain affordable service to their homes – consistent with the universal service obligations in the Public Utility Code and established Commission policy.¹ While we recommend minor further adjustments to UGI's proposal below, we nevertheless urge the Commission to approve UGI's Proposed Amended 2020 USECP without delay.

II. BACKGROUND

On June 30, 2017, UGI submitted its initial 2018-2020 USECP (2018 USECP), at Docket Nos. M-2017-2598190, M-2017-2637094, M-2017-2637095, and M2017-2637098, which detailed UGI's universal service programs – including UGI's Customer Assistance Program (CAP), Low Income Usage Reduction Program (LIURP), Hardship Fund (Operation Share), and Customer Assistance and Referral Evaluation Services (CARES) program).

By Order entered on October 3, 2019, the Commission extended the duration of USECPs from three to five years and established a revised USECP filing schedule.² The October 3 Order required that electric distribution companies (EDCs) and natural gas distribution companies (NGDCs) to provide updated enrollment and budgetary projects for the extended USECP because

¹ 66 Pa. C.S. § 2802 (9)-(10), 2803, 2804(9); 52 Pa. Code § 69.265.

² Universal Service and Energy Conservation Plan Filing Schedule, Order, Docket No. M-2019-3012601 (Order entered October 3, 2019).

of the adjusted filing schedules. As a result of the October 3 Order, UGI's USECP was extended through 2025.

UGI subsequently filed revisions to its 2018 USECP on September 6, 2019. On October 24, 2019, UGI filed its 2020-2025 USECP (2020 USECP), docketed at Docket No. M-2019-3014966. On December 6, 2019, UGI filed revisions to its 2020 USECP.³ UGI's 2020 USECP was approved by Commission Order entered on January 16, 2020.

On November 5, 2019, and after extensive statewide inquiry and investigation through two separate proceedings,⁴ the Commission entered a Final Policy Statement and Order which made a number of critical reforms to the Commission's formal Customer Assistance Program (CAP) Policy Statement at 52 Pa. Code §§ 69.261-.267 (hereafter, Final CAP Policy Statement).⁵ One significant reform includes the Commission's reduction of maximum energy burden standards, made after the Commission determined that then-existing energy burden standards were unreasonable, unaffordable and did not fulfill the Commission's statutory obligation to ensure universal service programming is appropriately funded and accessible to low income customers.⁶ The Final CAP Policy Statement and Order was published in the *Pennsylvania Bulletin* on March

³ The 2020 USECP can be found at <https://www.puc.pa.gov/pcdocs/1646717.pdf>. (hereafter, Current 2020 USECP).

⁴ Energy Affordability for Low-Income Customers, Docket No. M-2017-2587711; Review of Universal Service and Energy Conservation Programs, Docket No. M-2017-2596907.

⁵ 2019 Amendments to CAP Policy Statement, Final Policy Statement and Order, Docket No. M-2019-3012599 (order entered Nov. 5, 2019) (hereinafter Final CAP Policy Statement and Order).

⁶ Final CAP Policy Statement and Order at 27. The Commission amended its CAP Policy Statement to reduce the maximum energy burden standards for customers enrolled in a utility-run CAP, setting a maximum *combined* energy burden of 10% for households with income between 51-150% of the Federal Poverty Level (FPL) and 6% for households with income between 0-50% FPL. Id. at 32-33. For electric baseload (non-heating) customers, the maximum energy burden was set at 4% for customers with income between 51-150% FPL and 2% for customers with income between 0-50% FPL. Id. In reducing the maximum energy burden standards, the Commission found that the existing maximum energy burden standards, originally established in 1992, "do not reflect reasonable or affordable payments for many low-income customers" - especially for those with income at or below 50% FPL. Id. at 27, 29-30.

21, 2020.⁷ Once fully implemented, the reforms included therein will help to correct longstanding unaffordability within CAPs.

To effectuate the Final CAP Policy Statement, utilities were directed to file and serve an addendum to their existing proposed Universal Service and Energy Conservation Plans (USECP) within 60 days of the Policy Statement's entry date. Each utility was to indicate whether its existing or pending USECP was consistent with the amended CAP Policy Statement and, if not, whether and how it planned to implement these new policy changes.

On February 5, 2020, UGI filed a Cover Letter, Addendum to its 2020 USECP, and Amendment to its 2020 USECP (Proposed Amended 2020 USECP).⁸ In its filing, UGI explained what aspects of its CAP currently conform to the recommendations set forth in the Final CAP Policy Statement.⁹

In its February 5 filing, UGI proposes to implement the following changes to its CAP in line with the recommendations in the Final CAP Policy Statement:¹⁰

1. Revise the Percent of Income Payment (PIP) CAP energy burdens;
2. Remove "payment troubled" as a requirement for CAP eligibility;
3. Remove the requirements that CAP customers must assign LIHEAP grants to UGI.

⁷ 50 Pa.B. 1652.

⁸ References herein to the Proposed Amended 2020 USECP refer to the clean copy filed on February 5, 2020, and can be found at <https://www.puc.pa.gov/pcdocs/1657961.pdf>.

⁹ As the Commission details in its August 5 Order, UGI's proposed Amended 2020 USECP sets forth several revisions to implement the recommendations set forth in the Commission's Final CAP Policy Statement and Order. Prime among these changes is meeting the reduced energy burdens for CAP customers. As noted in the Commission's Final CAP Policy Statement and Order, existing energy burdens were unreasonable, unaffordable, and inconsistent with the Commission's statutory obligation to ensure low income customers are able to maintain utility service in their homes.

¹⁰ February 2020 Addendum at 2-3.

On May 21, 2020, UGI filed a Petition seeking to revise UGI Electric Heating proposed PIP energy burdens and providing additional budget and enrollment projects. On June 10, 2020, CAUSE-PA and the Office of Consumer Advocate (OCA) filed respective Answers which addressed both UGI's proposed Addendum and its Petition. In its Answer, CAUSE-PA strongly supported nearly all of UGI's proposals, and was especially supportive of its proposal to adopt the energy burdens set forth in the Final CAP Policy Statement.¹¹ CAUSE-PA was also specifically supportive of UGI's proposal to (1) retain its current percentage of income payment requirements for electric heating customers at 51-150% FPL;¹² (2) revise language in its USECP to reflect that payment troubled status is not an eligibility requirement for CAP;¹³ and (3) revise language in its USECP to reflect that UGI will not require a customer to designate a LIHEAP grant to UGI as an eligibility requirement of CAP.¹⁴ In its Answer, CAUSE-PA recommended that UGI clarify language in its proposed Amended 2020 USECP related to acceptance of income documentation around CAP for 30 days or 12 months, whichever is most beneficial to the household,¹⁵ and that CAP households whose primary source of income is Social Security, Supplemental Security Income (SSI), or pensions should be required to recertify at least once every 3 years.¹⁶

On June 10, 2020, OCA also filed a Notice of Intervention and Public Statement; on July 29, 2020, the Office of Small Business Advocate (OSBA) filed a Notice of Intervention and Notice of Appearance. On June 30, 2020, UGI filed a Reply Answer to CAUSE-PA's Answer.

¹¹ CAUSE-PA Answer at ¶ 24.

¹² UGI Petition at ¶¶ 24-25.; CAUSE-PA Answer at ¶ 24.

¹³ UGI Petition at ¶ 31.; CAUSE-PA Answer at ¶ 24.

¹⁴ UGI Petition at ¶ 32.; CAUSE-PA Answer at ¶ 24.

¹⁵ CAUSE-PA Answer at ¶ 31.

¹⁶ Id. at ¶ 32.

On August 5, 2021, the Commission issued an Order Directing Supplemental Information and Establishing Comment Period. In response, and after seeking a brief extension of time, UGI filed supplemental information on September 14, 2021 (hereinafter, Supplemental Information).

III. COMMENTS

A. CAUSE-PA Response to the Commission's August 5 Order

CAUSE-PA submits the following Comments to Section III and IV of the Commission's August 5 Order for consideration regarding the various program amendments provided in UGI's proposed Amended 2020 USECP. For ease of review, CAUSE-PA's Comments follow the structure of the Commission's August 5 Order, Section III and IV, and respond in turn to the issues and analysis included therein.

As we discuss in our Comments below, as well as in our Answer to UGI's Petition, CAUSE-PA supports nearly all of the programmatic revisions included in UGI's Proposed Amended 2020 USECP. While we offer several minor recommendations below to improve certain aspects of UGI's Proposed Amended 2020 USECP, these recommendations should not serve to delay approval and implementation of the more critically important aspects of UGI's Proposed Amended 2020 USECP.

Ultimately, CAUSE-PA urges swift implementation of UGI's revised energy burden standards and other key proposed policy changes to remediate long-standing unaffordability within UGI's CAP without delay. We believe the concerns and recommendations raised by these Comments can and should be resolved in a timely fashion to allow for implementation of UGI's Proposed Amended 2020 USECP to proceed expeditiously.

While always of critical importance, the need to address long-standing and intractable unaffordability within customer assistance programming is even more pressing now as hundreds

of thousands of Pennsylvanians are struggling to afford basic life necessities as the COVID-19 crisis continues. Ongoing unaffordability within UGI's CAP – and unwarranted obstacles to universal service program access overall – is only exacerbating this crisis and must be remediated without delay. Finalizing UGI's reduced energy burden standards and other critical aspects of UGI's Petition will allow the Commission, UGI, and interested stakeholders to obtain important data to inform the pending universal service rulemaking. Implementation and reporting on UGI's progress will provide data necessary to fully vet the rulemaking, allowing for stakeholders to present informed comments and ultimately strengthening USECPs for all utilities. Therefore, following resolution of the issues raised below, CAUSE-PA recommends approval of UGI's Proposed Amended 2020 USECP.

Importantly, CAUSE-PA has identified several concerns related to language in UGI's Proposed Amended 2020 USECP that has been carried forward from UGI's currently-approved USECP. CAUSE-PA believes that these issues are outside the scope of the present proceeding, which is focused on examining UGI's proposed amendments designed to implement portions of the Final CAP Policy Statement. However, CAUSE-PA reserves its right to respond to any issues raised by other parties to this proceeding, or to raise additional issues or concerns about the full language of UGI's USECP in a future proceeding, as appropriate.

1. Modification of PIP Energy Burdens

To help ensure that its CAP is designed to deliver affordable CAP rates, capable of ensuring low income customers can reasonably afford to maintain service to their homes, UGI proposes to revise its CAP maximum energy burdens. Specifically, UGI proposes the following maximum energy burdens, differentiated by the CAP customers heating source:

Table 1: UGI's Natural Gas Heating Customers¹⁷

Income Category	Current PIP	Proposed PIP
0% to 50% FPIG	7%	4%
51% to 100% FPIG	8%	6%
101% to 150% FPIG	9%	6%

Table 2: UGI's Electric and Natural Gas Non-Heating Customers¹⁸

Income Category	Current PIP	Proposed PIP
0% to 50% FPIG	7%	2%
51% to 100% FPIG	8%	4%
101% to 150% FPIG	9%	4%

Table 3: UGI's Electric Heating Customers¹⁹

Income Category	Current PIP	Proposed PIP
0% to 50% FPIG	7%	6%
51% to 100% FPIG	8%	8%
101% to 150% FPIG	9%	9%

Additionally, UGI's Proposed Amended 2020 USECP maintains the structure of its CAP payments, whereby CAP customers pay the lower of their PIP amounts or average bill amount.

In its August 5 Order, the Commission requested that UGI provide information related to (1) projected average monthly CAP bills for 2022-2025, broken down by income tier, energy type, and utility based on UGI's existing and proposed PIP energy burdens; (2) projected cost impacts of the proposed PIP energy burdens; (3) projected impact on annual collection costs for 2022-2025 based on implementation of the proposed PIP energy burdens, broken down by

¹⁷ August 5 Order at 11. 2020 USECP at 16 (reproduced); Proposed Amended 2020 USECP at 16-17; May 2020 Petition at 4.

¹⁸ August 5 Order at 11. 2020 USECP at 16 (reproduced); Proposed Amended 2020 USECP at 17; May 2020 Petition at 4.

¹⁹ August 5 Order at 11 (reproduced). 2020 USECP at 16; May 2020 Petition at 4.

income tier; and (4) projected impact on unused LIHEAP grants returned to the Department of Human Services (DHS).²⁰

In response, UGI provided data related to existing and projected PIP account bill amounts and CAP average bills:

Table 4: Existing PIP Accounts/Projected PIP Accounts – 2022-2025²¹

	UGI Gas					UGI - Electric			
	NGNH – Existing	NGNH – Projected	NGH – Existing	NGH – Projected		ENH – Existing	ENH – Projected	EH – Existing	EH – Projected
0-50% FPL	\$30	\$18	\$52	\$36		\$48	\$18	\$51	\$46
51%-100% FPL	\$64	\$34	\$77	\$63		\$83	\$45	\$84	\$84
101-150% FPL	N/A	N/A	\$120	\$88		\$139	\$73	\$142	\$142

Table 5: Existing Average Monthly CAP Bills/Projected Average Monthly CAP Bills – 2022-2025²²

	UGI Gas					UGI - Electric			
	NGNH – Existing	NGNH – Projected	NGH – Existing	NGH – Projected		ENH – Existing	ENH – Projected	EH – Existing	EH - Projected
0-50% FPL	\$31	\$20	\$54	\$37		\$46	N/A	\$64	\$80
51%-100% FPL	\$29	\$25	\$72	\$65		\$66	\$42	\$82	\$82
101-150% FPL	\$29	\$28	\$83	\$75		\$90	\$56	\$118	\$118

UGI further projected consistent minimum bill payment amounts as a result of implementation of its CAP revisions - \$15 for Gas Non-Heating and Electric Non-Heating Customers, and \$25 for Gas Heating and Electric Heating Customers, with the exception of electric

²⁰ August 5 Order at 12-13.

²¹ Supplemental Information, Response to BCS-I-1 (reproduced).

²² Id. at BCS-I-1 (reproduced).

heating customers between 101-150% FFPL, who are indicated to not have a minimum bill amount.²³

UGI also provided data indicating total projected CAP credit expenditures, assuming implementation of the PIP energy burdens, of \$9,294,140 in 2022; \$10,397,682 in 2023; \$11,641,899 in 2024; and \$13,048,486 in 2025, not inclusive of additional administrative and PPA costs provided by UGI.²⁴ Further, UGI projected annual collection costs across both gas and electric divisions of \$2,798,479 in 2022; \$3,130,959 in 2023; \$3,505,636 in 2024; and \$3,929,187 in 2025 – though it is unclear whether these projections include likely improvements to collections costs as a result of improved affordability through CAP.²⁵ Finally, UGI projected the same number of LIHEAP refunds in 2021-2025 compared to 2020, and an increase in LIHEAP dollars returned to \$315,163 in 2021-2025, compared with the 2020 actual refunds for its gas division, and an increase of to \$23,276 in 2021-2025, compared to actual dollars returned of \$19,316, in its electric division.²⁶

CAUSE-PA strongly supports UGI's proposal to amend its CAP energy burden maximums in line with the energy burden recommendations set forth in the Final CAP Policy Statement. These proposed amendments will greatly improve affordability for the majority of CAP customers; will more precisely target affordability based on a household's ability to pay; will more equitably distribute CAP benefits to low income households; and will allow the most economically vulnerable CAP customers with the lowest household incomes (at or below 50% FPL) to realize

²³ Supplemental Information, Response to BCS-I-1.

²⁴ Id. at BCS-I-2.

²⁵ Id. at BCS-I-3.

²⁶ Id. at BCS-I-4.

considerable improvements in affordability, helping ensure that households with the greatest need are able to reasonable afford to maintain service to their homes.

Low income households are often forced to make dangerous decisions between utility services and critical medical care, food, clothing, and other basic necessities.²⁷ A family of four with income between 101-150% FPL has a gross annual income of between \$26,501 and \$39,750, while a family of four at 50% FPL has a gross annual income of \$13,250. Table 2 shows household income levels by percentage of FPL and household size.

Table 6: Federal Poverty Level by Household Size²⁸

Household/ Family Size	25%	50%	75%	100%	125%	150%	200%
1	\$3,220	\$6,440	\$9,660	\$12,880	\$16,100	\$19,320	\$25,760
2	\$4,355	\$8,710	\$13,065	\$17,420	\$21,775	\$26,130	\$34,840
3	\$5,490	\$10,980	\$16,470	\$21,960	\$27,450	\$32,940	\$43,920
4	\$6,625	\$13,250	\$19,875	\$26,500	\$33,125	\$39,750	\$53,000

For context, a full-time (40 hour/week) worker making minimum wage (\$7.25/hour) has a gross annual income of \$15,080 - assuming no time off. This would be 69% FPL for a single parent with two children or 114% FPL for a family of four with two parents working minimum wage jobs. This is substantially less than a household needs to meet their basic expenses in any of the counties in UGI’s service territories.

²⁷ See Review of Universal Service and Energy Conservation Programs, Joint Comments of CAUSE-PA & TURN et al., at 11-12, Docket No. M-2017-2596907 (Joint Comments filed August 8, 2017); see also Energy Affordability for Low-Income Customers in Pennsylvania, Joint Comments of TURN et al. & CAUSE-PA, at 12, Docket No. M2017-258-7711 (Comments filed May 8, 2019).

²⁸ U.S. Dept. of Health and Human Services, 2021 U.S. Federal Poverty Guidelines, available at: <https://aspe.hhs.gov/poverty-guidelines>.

According to UGI’s most recent third-party program evaluation, as of 2012, 34% of CAP participants reported that their annual household income was below \$10,000.²⁹ These customers have far less than the amount needed to meet basic, life expenses without financial assistance.

High energy burdens for low income households make it difficult to pay for other basic necessities such as housing, food, and medicine; threaten stable and continued employment and education; have a substantial and long-term impact on mental and physical health;³⁰ create serious risks to the household and the larger community; and negatively impact the greater economy.³¹ According to the US Energy Information Administration, roughly 1 in 5 households in 2015 – when the economy was experiencing a relatively prosperous period – reported that they reduce or forego other critical necessities like food and medicine to afford their home energy costs, and more than 1 in 10 reported keeping their home at an unsafe or unhealthy temperature.³² Even with financial assistance, low income households are still unable to afford the cost of energy. According to a survey conducted by the National Energy Assistance Directors’ Association (“NEADA”), 72% of LIHEAP recipients reported that they forego other necessities to afford energy, and 26% reported keeping their home at unsafe or unhealthy temperatures.³³

As recent research and data has continually shown, vulnerable low income families simply cannot afford the cost of energy services. The Commission found in its Energy Affordability

²⁹ 2012 Apprise Evaluation of UGI Utilities Gas Division and UGI Penn Natural Gas USECP, at 37, Table III-10, available at: https://www.puc.pa.gov/general/pdf/USP_Evaluation-UGI.pdf.

³⁰ Diana Hernández, Yumiko Aratani, Yang Jiang, Energy Insecurity among Families with Children, National Center for Children in Poverty, January 2014, at 3, available at: http://www.nccp.org/publications/pub_1086.html.

³¹ US EIA, Residential Energy Consumption Survey (2015), available at: <https://www.eia.gov/consumption/residential/reports/2015/energybills/>; see also NEADA, 2018 National Energy Assistance Survey, at 17, 20 (Dec. 2018), available at: <http://neada.org/wp-content/uploads/2015/03/liheapsurvey2018.pdf> (hereinafter NEADA Survey).

³² US EIA, Residential Energy Consumption Survey (2015), available at: <https://www.eia.gov/consumption/residential/reports/2015/energybills/>.

³³ NEADA Survey at 17, 20.

review that the outdated CAP Policy Statement energy burdens “do not reflect reasonable or affordable payments for many low-income customers.”³⁴ There are also well documented disparities in household energy burden based on race and ethnicity, which are driven largely by relative housing quality and access to programs and resources to remediate high usage.³⁵ Low income families in rural areas also face higher relative energy burdens.³⁶ Thus, as a matter of equity and to ensure application of just rates, it is critical that CAP rates are driven primarily by the relative need based on low income families energy burdens. Using outdated energy burden standards for CAP rates will likely result in increased strain on those households and an increased rate of service termination.

Importantly, we note that the projected cost of UGI’s proposal to reduce applicable energy burden standards are just and reasonable. As discussed in Section III.A.4 below, the overall projected cost of UGI’s proposed Amended 2020 USECP would not have an appreciable impact on the energy burden of higher income households – *even for those households just above the income threshold for CAP*. On balance, however, the proposed changes will substantially improve the applicable energy burden standards for the lowest income households, helping to ensure that the most economically vulnerable customers in UGI’s service territory can reasonably afford to maintain service to their homes. Indeed, UGI projects that its proposed energy burden maximums will reduce the average monthly CAP bill for all customer segments – save for electric heating

³⁴ Final CAP Policy Statement and Order at 27.

³⁵ See, e.g., Dan Treglia et al., Understanding Racial and Ethnic Disparities in Health Outcomes and Utility Insecurity Resulting from COVID-19 (Mar. 2021), available at: https://clsphila.org/wp-content/uploads/2021/03/CLS_UTILITYREPORT_20200324.pdf; see also Ctr. on Budget & Policy Priorities, Tracking the COVID-19 Economy’s Effects on Food, Housing, and Employment Hardships (Sept. 2021), available at: <https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-economys-effects-on-food-housing-and>.

³⁶ See, e.g., ACEEE, The High Cost of Energy in Rural America (July 2018), available at: <https://www.aceee.org/sites/default/files/publications/researchreports/u1806.pdf>.

customers at or below 50% FPL in its Electric Division and electric non-heating customers, and electric non-heating customers, about whom UGI did not provide projected average annual CAP bills. UGI's proposed adjustments to CAP energy burden maximums will allow CAP rates to be determined more closely based on CAP customers' ability to pay and will help address and remediate disparities – including race-based disparities in energy burden – ensuring a more equitable and just distribution of CAP benefits. The proposed changes will substantially improve applicable energy burden standards for low income households, helping to ensure that Pennsylvania's economically vulnerable households can reasonably afford to maintain service to their homes. CAUSE-PA does not seek to minimize the additional projected costs in UGI's supplemental information, but rather to put these costs in context of the far-reaching benefits to low income customers, other ratepayers, the Company, and Pennsylvania's communities.

To ensure that UGI's CAP customers receive affordable and reasonable rates through the Program, consistent with the Public Utility Code and the Commission's Final CAP Policy Statement, CAUSE-PA urges the Commission to approve UGI's proposal to reduce its applicable CAP energy burden standards without delay.

a. It is inappropriate and unnecessary to further delay approval of UGI's proposed CAP energy burden amendments.

In its August 5 Order, the Commission notes the OCA's position – set forth in its June 10 Answer to UGI's Petition – that UGI's proposed Amended 2020 USECP should not be approved until a full analysis of the changes impacts on LIHEAP are conducted.³⁷ As discussed above, UGI projected in its Supplemental Information that the same number of LIHEAP refunds in 2021-2025 compared to 2020, and an increase in LIHEAP dollars returned of \$315,163 in

³⁷ August 5 Order at 17-18.

2021-2025, compared with the 2020 actual refunds for its gas division, and an increase of \$23,276 in 2021-2025, compared to actual dollars returned of \$19,316, in its electric division.³⁸ CAUSE-PA asserts that, based on these projections, impeding critical improvements to UGI's CAP to conduct further analysis of this issue is unnecessary and inappropriate – serving only to delay.

The Commission has already investigated data related to LIHEAP in the context of the Final CAP Policy Statement and has recognized that LIHEAP is a federal program with a fixed budget that relies on an annual appropriation that could be eliminated in the federal budget in any given year.³⁹ Unlike many other federal assistance programs, LIHEAP is not an “entitlement” program, and grant amounts can change dramatically from year to year.⁴⁰ Further, LIHEAP is inadequate to serve all CAP customers – let alone all low income customers who may be eligible for assistance for regulated and unregulated home heating service through LIHEAP. Once LIHEAP funds are expended – or the program closes for the season – there is no additional assistance available until the following program year. Finally and crucially, LIHEAP “refunds” are not reallocated back to the federal government. Instead, any grant funding returned to DHS is reapportioned to other Pennsylvanians in need of home energy assistance. CAUSE-PA submits that no further analysis is necessary to determine anticipated impact of the revised energy burdens on LIHEAP grants. The Commission should require UGI to implement the proposed revised energy burdens without delay and without requiring UGI to unnecessarily analyze the anticipated impact on the revised energy burdens of LIHEAP grants.

³⁸ Response to BCS-I-4.

³⁹ Pa. Dept. of Human Services, Low-Income Home Energy Assistance Program Final State Plan, Fiscal Year 2021, at i (2020) (explaining federal funding).

⁴⁰ Id. at i-x (explaining federal funding and detailing changes from previous program year).

In its August 5 Order, the Commission also notes that OCA generally urges the Commission to allow for further time to gather data on UGI's proposed Amended 2020 USECP.⁴¹ CAUSE-PA submits that there has already been ample time for the parties to investigate and gather relevant data regarding UGI's proposed Amended 2020 USECP. On September 22, 2021, OCA served discovery on UGI, and responses to OCA's discovery were served on October 12, 2021. While this was close in time to when initial comments are due in this proceeding, we note that this was OCA's first issuance of any discovery on UGI to gather further data related to UGI's proposal in 12 months after OCA filed its Answer in Response to UGI's Petition to Amend. According to the Commission's regulations, parties to proceedings "shall initiate discovery as early in the proceedings as reasonably possible."⁴² The regulations further provide that "the right to discovery commences with a complaint, protest or other adverse pleading is filed or when the Commission institutes an investigation or an on the record proceeding, whichever is earlier."⁴³ (emphasis added). In other words, OCA had both the right and obligation to commence discovery when it filed an adverse Answer to UGI's Petition on June 10, 2020 – 12 months prior to the Commission's August 5 Order. If OCA had reservations regarding UGI's proposal, it can and should have commenced discovery before September 2021 – over a year after UGI filed its proposal with the Commission, and over a month after the Commission issued its August 5 Order in this proceeding. CAUSE-PA submits that further time for investigation of UGI's filing will only serve to unnecessarily delay resolution of critical affordability issues in this proceeding – infringing on parties right to be heard in a timely and efficient manner.

⁴¹ August 5 Order at 17-18.

⁴² 52 Pa. Code § 5.331(b) (emphasis added).

⁴³ Id.

CAUSE-PA believes that it is unnecessary and inappropriate to delay implementation of the UGI's Proposed Amended 2020 USECP and asserts that implementation of the amended USECP will, as the Commission explicitly intended, provide critical real-world data and information to better inform future USECP proceeding. Swift review and approval of these proposed amendments will ensure that UGI can implement critical and necessary changes to its universal service programs in a timely manner consistent with and in furtherance of the Commission's thoroughly vetted and approved Final CAP Policy Statement. CAUSE-PA therefore urges the Commission to approve these aspects of UGI's proposed Amended 2020 USECP without delay.

2. Assignment of LIHEAP Grants

Currently, all UGI CAP customers are required to apply for and direct to UGI their LIHEAP Cash or Crisis grants.⁴⁴ UGI's proposed Amended 2020 USECP revises its CAP requirements so that, while CAP customers are still required to apply for a LIHEAP grant if eligible, the customer will no longer be required to designate UGI as the receiver of the LIHEAP grant.⁴⁵ UGI also proposes that proof that a customer received a LIHEAP grant will also satisfy UGI's income verification requirements and allow a customer to self-certify for CAP.⁴⁶

In its August 5 Order, the Commission indicated that UGI's proposal to eliminate its CAP requirement that customers assign LIHEAP grants to UGI appears to be consistent with Section 69.265(8)(v) of the Final CAP Policy Statement, which recommends that EDCs and NGDCs should inform CAP customers of their responsibility to apply for LIHEAP, as well as the

⁴⁴ Current 2020 USECP at 18, available at: https://www.puc.pa.gov/media/1530/ugi_2020-25_usecp_rev12-2019.pdf.

⁴⁵ Proposed Amended 2020 USECP at 18; February 2020 Addendum at 3.

⁴⁶ May 2020 Petition at 18.

Commission's November 2019 Order, which eliminated the recommendation in the Final CAP Policy Statement that customers should direct LIHEAP grants to the utility sponsoring the customer's CAP,⁴⁷ or that the customer be penalized for not applying for LIHEAP.⁴⁸

CAUSE-PA strongly supports UGI eliminating its requirement in its 2020 USECP that CAP customers assign LIHEAP grants to UGI. As discussed, this revision is consistent with Section 69.265(8)(v) of the Final CAP Policy Statement and the Commission's November 2019 Order. As CAUSE-PA discussed in its Answer to UGI's Petition, low income households are often forced to make dangerous decisions between utility services and critical medical care, food, clothing, and other basic necessities.⁴⁹ Eliminating the requirement that CAP customers direct LIHEAP grants to UGI will help to remove common barriers to program accessibility, enrollment, and retention, and will allow low income customers to choose to assign their LIHEAP grants to the utility with which they have the most need during LIHEAP season. As such, we urge the Commission to approve UGI's proposal to eliminate its USECP requirement that CAP customers apply for and direct to UGI their LIHEAP Cash or Crisis grants.

Notwithstanding this support, CAUSE-PA recommends that UGI be directed to clarify in its proposed Amended 2020 USECP whether CAP customers are still required to apply for LIHEAP as a condition of remaining in CAP. CAUSE-PA believes that further clarification is necessary related to whether UGI will continue to require CAP customers to apply for LIHEAP as a condition of remaining in CAP. Pages 18-19 of the proposed Redlined 2020 USECP indicate that, in order to remain eligible for participation in CAP, a customer must agree to apply for a

⁴⁷ November 2019 Order at 5, 47-52, 101-102. CAP Policy Statement (1999), Section 69.265(9)(i).

⁴⁸ *Id.* at Section 69.265(9)(ii) and (iv).

⁴⁹ CAUSE-PA Answer to Petition at ¶ 26.

LIHEAP Cash or Crisis grant.⁵⁰ However, page 21 of the Redlined USECP states that “[a] customer will not be deemed ineligible for CAP on the basis for failure to participate in LIHEAP.”⁵¹ Similarly, page 2 of the Redlined USECP indicates that “UGI also actively encourages low-income customers to apply for grant from [LIHEAP]” (emphasis added) – rather than requiring LIHEAP application.⁵²

UGI should be required to clarify that CAP customers will be encouraged – not required - to apply for LIHEAP as a condition of remaining in CAP. While CAUSE-PA appreciates that LIHEAP grants can serve as a way of reducing overall CAP costs, there are a variety of reasons that CAP customers might not apply for a LIHEAP grant, or may otherwise choose not to direct their LIHEAP grant to UGI – including barriers to submitting LIHEAP applications or obtaining necessary required documentation during LIHEAP season, the need for LIHEAP assistance for other sources of heat, confusion about the application process, or other ineligibility. These customers should not be punished if they are not able to apply for LIHEAP. Instead, UGI should perform outreach and train its representatives to inform its CAP customers of the benefits and process of apply for LIHEAP – regardless of what utility the customers choose to allocate their LIHEAP grants towards. CAUSE-PA recommends that the Commission direct UGI to amend its proposed Amended 2020 USECP to clarify that CAP customers are not required to apply for LIHEAP to remain in CAP.

UGI indicated through discovery that it was UGI’s intent to *encourage* CAP customers to apply for LIHEAP – not to require application as a condition of participation in CAP.⁵³ CAUSE-

⁵⁰ Redlines proposed 2020 USECP at 18-19.

⁵¹ *Id.* at 21.

⁵² *Id.* at 2.

⁵³ Appendix A, OCA-I-15.

PA appreciates this intent, though we nevertheless believe further clarification is still necessary. On page 19 of its Proposed Amended 2020 USECP, CAP participants must still agree to “apply for a LIHEAP Cash or Crisis grant.” Adding the word “encourage” – as proposed by UGI – does not obviate the obligation on CAP participants to apply for LIHEAP, but instead further confuses the issue.⁵⁴ CAUSE-PA recommends that UGI further revise its Amended 2020 USECP to clarify that applying for LIHEAP is not a requirement, and to remove the above mentioned language from page 19 that obligates CAP customers to apply for LIHEAP assistance as a condition of participation in CAP.

In sum, CAUSE-PA strongly supports UGI’s proposal to eliminate its USECP requirement that CAP customers apply for and direct to UGI their LIHEAP Cash or Crisis grants. To eliminate inconsistencies and ambiguities within the Proposed Amended 2020 USECP, CAUSE-PA urges the Commission to direct UGI to revise its USECP consistent with these Comments and the Commission’s Final CAP Policy Statement.

3. Payment Troubled Requirement

Currently, UGI’s USECP allows eligible low income, payment troubled residential customers to enroll in CAP.⁵⁵ In its proposed Amended 2020 USECP, UGI proposes to remove the requirement that customers must be payment troubled to qualify for CAP.⁵⁶ Thus, all income-eligible customers will be CAP eligible – regardless of payment troubled status.⁵⁷

⁵⁴ Appendix A, OCA-I-22.

⁵⁵ Current 2020 USECP at 11.

⁵⁶ Proposed Amended 2020 USECP at 2, 7, and 11; February 2020 Addendum at 3.

⁵⁷ August 5 Order at 14.

In its August 5 Order, the Commission found that elimination of the payment troubled requirement appeared consistent with Section 69.265(4) of the Final CAP Policy Statement and the Commission's November 2019 Order, which recommend that CAPs should not required customers to be payment troubled in order to qualify for CAP.⁵⁸ The August 5 Order indicated that it was not clear how eliminating this payment troubled criteria would impact CAP enrollment and costs, and directed UGI to identify (1) how many households it rejected for CAP annually based on its payment troubled requirement for 2020; (2) how many additional customers it projects may be eligible for CAP annually through 2025 if its proposal were approved; and (3) projected annual cost impacts of enrolling these additional customers in CAP based on current and proposed CAP PIP energy burdens.⁵⁹

In response, UGI explained that it does not reject CAP applicants based on payment troubled status, but rather enrolls applicants into CAP with no arrearages.⁶⁰ UGI therefore concludes that there is no annual cost impact associated with enrolling these applicants into CAP.⁶¹

CAUSE-PA supports UGI's proposal to remove its CAP requirement that customers must be payment troubled to qualify for CAP so that all income-eligible customers will be CAP-eligible, regardless of their payment troubled status. This proposed amendment is consistent with Section 69.265(4) of the Final CAP Policy Statement, which clearly indicates that utilities should not require payment troubled status to qualify for CAP. Eliminating this requirement will help low income customers who struggle on a monthly basis to make ends meet -- and who often forgo other basic necessities such as food, medicine, or housing costs in order to afford monthly utility bills --

⁵⁸ November 2019 Order at 5, 41-47, 101.

⁵⁹ August 5 Order at 14.

⁶⁰ Supplemental Information, Response to BCS-I-5.

⁶¹ Id.

to realize critical bill savings through UGI’s CAP without having to show that they have fallen behind in their monthly bills. Rather than wait for a customer to accrue substantial arrears, this proposed amendment will allow CAP to serve a prevention role – helping to reduce overall programmatic costs.

As such, CAUSE-PA asserts that UGI’s proposal to eliminate its requirement that CAP applicants show payment troubled status is reasonable, in the public interest, and should be approved by the Commission without modification.

4. CAP Enrollment and Budgets

In its May 2020 Petition, UGI set forth budgetary and enrollment projections based on the implementation of its proposed PIP revisions and estimated increases in CAP enrollments. Specifically, and as summarized by the Commission in its August 5 Order, UGI projects the following increases in CAP enrollment and budget based on implementation of its Proposed Amended 2020 USECP:

Table 7: Changes in CAP Enrollments (Current v. Proposed PIP): 2020-2025⁶²

Year	Enrollment Change (Current v. Proposed) (UGI Gas)	Enrollment Change (Current v. Proposed) (UGI Electric)		Budget Change (Current v. Proposed) (UGI Gas)	Budget Change (Current v. Proposed) (UGI Electric)
2020	+4,053	+552		+\$4,445,820	+\$980,627
2021	+4,174	+569		+\$4,579,195	+\$1,011,224
2022	+4,300	+586		+\$4,716,570	+\$1,041,561
2023	+4,429	+603		+\$4,858,068	+\$1,072,808
2024	+4,562	+621		+\$5,003,809	+\$1,104,992
2025	+4,699	+640		+\$5,153,924	+\$1,138,142

⁶² CAP Projections from May 2020 Petition at 6. August 5 Order at 16.

In its August 5 Order, the Commission noted that UGI’s CAP enrollment and budget projections are based, in part, on data as of May 2020 and the estimated impact of the COVID-19 pandemic on program enrollment.⁶³ As it has been over a year since these projections were made, the Commission directed UGI to provide updated CAP enrollment and budget estimates for 2021-2025 for UGI Gas and UGI Electric, based on current and proposed PIPs.⁶⁴ The Commission also found that UGI failed to provide sufficient information to calculate monthly cost recovered from residential ratepayers based on current and proposed CAP models.⁶⁵ The Commission directed UGI to provide the average monthly number of total residential customers and the average monthly number of CAP customers for UGI Gas and UGI Electric for 2020, and the projected total residential and CAP customer numbers through 2025.⁶⁶

In response, UGI provided the following updated projected CAP enrollment increases for 2021-2025 – which UGI estimates will not vary based on the revised PIP energy burdens.⁶⁷

Table 8: Projected CAP Enrollment (2021-2025)

	Projected Enrollment (Gas) – Supplemental Information	Projected Enrollment (Electric) – Supplemental Information
2021	23,237	3,179
2022	26,781	3,664
2023	29,963	4,099
2024	33,549	4,589

⁶³ August 5 Order at 16-17.

⁶⁴ Id.

⁶⁵ Id. at 17.

⁶⁶ Id.

⁶⁷ Supplemental Information, Response to BCS-I-6.

2025	37,602	5,144
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Notably, UGI’s updated enrollment projections in their Supplemental Information posit a considerable increase in projected enrollment compared to UGI’s May 2020 projections – with UGI projecting in its Supplemental responses 37,602 enrollments in UGI Gas CAP, and 5,144 enrollments in UGI electric CAP in 2025, compared to UGI’s projected enrollments in May 2020 of 32,243 enrollments in UGI Gas CAP and 4,323 enrollments in UGI Electric CAP in 2025 (assuming the proposed energy burdens).⁶⁸

UGI also provided the following updated budgetary projections for 2021-2025:

Table 9: Budget Projections (2021-2025): Current and Revised PIP

	Gas			Electric		
	Budget based on current PIP	Budget based on revised PIP	Difference	Budget based on current PIP	Budget based on proposed PIP	Difference
2021	\$10,434,110	\$10,654,358	\$220,248	\$1,427,466	\$1,491,883	\$64,417
2022	\$11,892,348	\$12,313,065	\$420,717	\$1,626,985	\$1,728,880	\$101,895
2023	\$13,454,219	\$13,775,688	\$321,469	\$1,840,641	\$1,930,328	\$89,687
2024	\$15,064,456	\$15,424,097	\$359,641	\$2,060,596	\$2,161,509	\$100,913
2025	\$16,884,426	\$17,287,522	\$403,096	\$2,309,810	\$2,427,229	\$117,419

UGI further provided the following data on the number of its actual CAP customers in 2019-2021 and its projected residential and CAP customers in 2022-2025:⁶⁹

⁶⁸ Id. at BCS-I-6.

⁶⁹ Id. at BCS-I-7.

Table 10: Actual and Projected Residential, CAP, and Residential Non-CAP customers

	Residential Gas	CAP Gas	Residential Non-CAP Gas		Residential Electric	CAP Electric	Residential Non-CAP Electric
Actuals							
2019	597,230	19,744	577,486		55,131	2,796	52,335
2020	604,375	23,867	580,508		54,969	3,212	51,757
2021	609,338	24,405	584,933		55,096	3,348	51,748
Projections							
2022	610,066	26,781	583,285		54,614	3,664	50,950
2023	618,306	29,963	588,343		54,614	4,099	50,515
2024	628,239	33,549	594,690		54,614	4,589	50,025
2025	637,130	37,602	599,528		54,614	5,144	49,470

By 2025, the total projected budget increase attributable to UGI’s proposed revised energy burden standards is \$403,096 for UGI Gas and \$117,419 for UGI electric. Assuming that UGI’s residential and CAP enrollment projections are accurate, these CAP costs would be spread over 599,528 non-CAP residential UGI Gas customers and 49,470 non-CAP UGI Electric residential customers by 2025 – resulting in a maximum increased cost to UGI Gas non-CAP residential ratepayers of approximately \$0.67 per year – or \$0.06 per month; and to UGI Electric non-CAP residential ratepayers of approximately \$2.37 per year – or \$0.20 per month. While CAUSE-PA acknowledges the increased cost to non-CAP UGI residential customers, these costs are minor when weighed against the significant improvements to affordability and accessibility of CAP low income customers will experience if UGI’s proposed improvements are approved.

Importantly, this increased monthly cost to other residential ratepayers will not measurably increase the applicable energy burden of households that are not income eligible for CAP – even those just over the income threshold for CAP. By 2025, the impact of the proposed increase to the energy burden of a 2-person household at 151% FPL, just above the income threshold for CAP,

would be just 0.003% for UGI Gas and 0.009% for UGI Electric; while the increased energy burden to a 4-person household from the proposed amendments would be just 0.002% a month per month for UGI Gas and 0.006% for UGI Electric.⁷⁰ Comparatively, the proposed changes would reduce household energy burden for the lowest income households by several full percentage points. While any increase in rates must be carefully considered, we believe the balance weighs strongly in favor of approving UGI's proposed CAP amendments – and will not place an unreasonable burden on other ratepayers.

It is important to keep in mind that UGI's projections do not include the cost savings that are likely to follow as a result of the dramatic improvements in CAP affordability, CAP retention, and CAP collection policies. As the Commission explored throughout the underlying investigations that resulted in amendment to the Final CAP Policy Statement, it is well documented that targeting a truly affordable bill improvement payment frequency and bill coverage rates. Once implemented, UGI's proposed program changes have the potential to dramatically improve payment coverage and frequency rates, thereby decreasing uncollectible and collections-related expenses. While it is critical to carefully consider the costs and benefits of USECP amendments, CAUSE-PA asserts that, on balance, the increase in the cost of CAP as a result of UGI's proposed USECP amendments is well worth the benefit of making significant improvements to affordability for customers facing extreme levels of economic hardship and disproportionately high energy costs.

UGI's cost projections also assume a significant increase in CAP enrollment, even compared to its previous projected enrollment projects provided to the Commission pursuant to its

⁷⁰ A 2-person household at 151% FPL has a monthly household income of \$2,178, while a 4-person household at 151% FPL has a monthly household income of \$3,313. U.S. Dept. of Health and Human Services, 2021 U.S. Federal Poverty Guidelines, available at: <https://aspe.hhs.gov/poverty-guidelines>.

Petition. As discussed, UGI projects in its Supplemental Information that 37,602 enrollments in UGI Gas CAP, and 5,144 enrollments in UGI electric CAP in 2025.⁷¹ Compared to UGI 2021 number of CAP customers – 23,237 in its Gas division and 3,179 in its Electric division, UGI projects a 38% growth rate over existing enrollment rates. While CAUSE-PA is hopeful that these projections are realized given the well documented need for assistance amongst low income customers, it is highly unlikely that the Program will increase at these projected rates. However, even assuming this high projected growth rate, CAUSE-PA continues to believe that the projected CAP costs remain well within reason.

CAUSE-PA asserts that – on balance – the projected increased CAP costs as a result of the proposed improvements in the Proposed Amended 2020 USECP is well worth the benefit of realizing significant improvements to affordability for low income customers who face disproportionately high energy costs and experience profound economic hardships on a daily basis that require them to make untenable choices between affording utility services and other basic necessities – such as food, shelter, and medicine.

Finally, consistent with the Commission’s November 5 Order and the cost recovery practices of comparable utilities across the nation, CAUSE-PA again urges the Commission to encourage UGI to make a proposal in its next base rate proceeding to spread the cost of CAP and other universal service programs across all rate classes.⁷² UGI currently recovers CAP costs exclusively from non-CAP residential customers.⁷³ Spreading the costs of CAP to all ratepayers would help to ensure that residential consumers do not continue to bear the full costs of this public purpose program. As the Commission concluded in its November 5 Order, “the Commission finds

⁷¹ Supplemental Information, Response to BCS-I-6.

⁷² See November 5 Order at 80-97.

⁷³ UGI Reply Answer at ¶ 13.

it appropriate to consider recovery of the costs of CAP costs from all ratepayer classes... [and] will no longer routinely exempt non-residential classes from universal service obligations.”⁷⁴ Indeed, residential customers do not cause energy poverty, and should not alone shoulder the burden of addressing it.

In its Reply Answer, UGI objects to CAUSE-PA’s recommendation that the Commission issue a statement or order to encourage UGI to spread CAP and other universal service program costs across all rate classes.⁷⁵ UGI claims that CAUSE-PA attempted an “end-run” around the UGI Gas 2020 rate proceedings, and argues that the Commission encouraging or directing recovery of universal service costs across all classes would have statewide impact and is more appropriately addressed in statewide proceedings, including the universal service rulemaking at Docket No. L-2019-3012600.⁷⁶ UGI also argues that there is no basis in this proceeding to determine CAP and other universal service program costs should be recovered from all customer classes.⁷⁷

The Commission has already had a statewide proceeding on the matter, in which it concluded that it would no longer routinely exempt non-residential customers from sharing in the cost of providing universally accessible electric and natural gas services. CAUSE-PA’s recommendation that UGI should be encouraged or directed by the Commission to move towards allocation of universal service costs across all customer classes is not only supported by the plain language of the Final CAP Policy Statement, but voluminous records related to the statewide investigation of CAP affordability which led to the Commission’s issuance of its Final CAP Policy

⁷⁴ November 5 Order at 80-97.

⁷⁵ CAUSE-PA Answer at ¶ 42.

⁷⁶ UGI Reply Answer at ¶¶ 16-17.

⁷⁷ Id. at ¶ 18.

Statement.⁷⁸ In sum, CAUSE-PA asserts that it is entirely appropriate based on the Final CAP Policy Statement, and its associated investigation, to address the allocation of UGI's universal service costs in this proceeding.

B. Additional Issues Identified by CAUSE-PA

1. Income Documentation Time Frame (30 days/ 12 months)

Notwithstanding CAUSE-PA's strong support of UGI's proposed USECP amendments described above and consistent with CAUSE-PA's Answer to UGI's Petition,⁷⁹ CAUSE-PA recommends that UGI revise its proposed Amended 2020 USECP to resolve conflicting terms between UGI's Petition, its 2020 USECP, and its February 5 Addendum.

The Commission's Final CAP Policy Statement establishes standards for income verification, and provides that utilities should accept income documentation of at least the last 30 days or 12 months for the purpose of CAP enrollment and recertification.⁸⁰ In Paragraph 3 of its Response in the February 5 Addendum, UGI indicates that its CAP "income documentation procedures are in accordance with this provision as shown on page 18 of the Company's recently-approved USECP."⁸¹ However, UGI's proposed Amended 2020 USECP fails to set forth any language describing this income documentation timeframe calculation.

In its Answer to UGI's Petition, CAUSE-PA recommends that UGI clarify in its proposed Amended 2020 USECP that it will accept, for income verification purposes, income

⁷⁸ Energy Affordability for Low-Income Customers, Docket No. M-2017-2587711; Review of Universal Service and Energy Conservation Programs, Docket No. M-2017-2596907.

⁷⁹ See CAUSE-PA Answer to Petition at para 31.

⁸⁰ 52 Pa. Code § 69.265(8)(ii)(B)(I).

⁸¹ February 5 Addendum at 3.

documentation for the last 30 days or 12 months, whichever is most beneficial to the customer.⁸²

In Reply, UGI argues that this change was not necessary and cites to page 17 of its approved USECP, which lists the following types of “Household Income Documents” that a customer may use to certify its income status:

(a) recent paystubs or W-2 forms; (b) verified copy of rent receipts for rental income; (c) benefit letter or copy of a bank statement for social security, pension, disability or Supplemental Security Income (“SSI”); (d) verification letter (alimony support); (e) unemployment determination letter; (f) notarized letter stating income; and (g) zero income form.⁸³

UGI argues that certain of these documents may document income for 30 days or 12 months, and therefore believes that they have adhered to the income documentation recommendations in the Final CAP Policy Statement.⁸⁴ Despite its protest, UGI agrees to amend its USECP to include clarification of its income documentation requirement.⁸⁵

After review of the additional filings in this matter, CAUSE-PA stands by its position that UGI should be required to revise its Proposed Amended 2020 USECP to clarify that UGI accepts income documentation for CAP for the previous 30 days or 12 months, whichever is most beneficial to the customer. Allowing customers the flexibility to submit income documentation for either the last 30 days or 12 months is critical to ensuring that the maximum number of customers in need of assistance are able to enroll and realize the benefits of CAP to maintain services in their homes.

UGI erroneously contends that listing various forms of income documentation -- which typically span different time periods -- is tantamount to the flexibility of clearly stating that customer may provide income documentation for either the previous 30 days or 12 months – and

⁸² See CAUSE-PA Answer to Petition at para 31.

⁸³ UGI Reply Answer at para. 5.

⁸⁴ Id. at ¶ 5.

⁸⁵ Id. at ¶¶ 5-6.

that UGI will use the timeframe most advantageous to the customer in determining CAP eligibility. This is simply not true, and leaves open questions related to (1) whether CAP applicants and customers can provide income documents that typically span shorter periods of time – such as paystubs, rent receipts of rental income, a verification letters of support – for a 12 month period; (2) the acceptable documentation period for customers who are paid, or otherwise receive income, for periods short of 30 days – including most salaried and hourly workers; and (3) the appropriate timeframe that notarized letters stating income, or other verification letters, must include.

In sum, CAUSE-PA does not believe that UGI’s CAP income documentation language in its Proposed Amended USECP provides sufficient clarity related to UGI’s income documentation requirements. CAUSE-PA therefore recommends that UGI be required to revise its Proposed Amended 2020 USECP to clearly state that UGI will accept income documentation for the last 30 days or 12 months, *whichever is the most beneficial to the household*. Clarification of these terms is necessary to ensure that the 2020 USECP complies with the Final CAP Policy Statement, to avoid confusion, and to ensure that the provisions of the 2020 USECP are applied in a consistent manner.

2. Recertification time frame

Currently, UGI requires that all non-LIHEAP customers recertify their income on an annual basis – including CAP households whose primary source of income is Social Security, SSI, or pensions.⁸⁶ The Final CAP Policy Statement recommends that “CAP households who primary sources of income is Social Security, Supplemental Security Income (SSI), or pensions should be required to recertify at least once every three (3) years.”⁸⁷ UGI indicates in its February 5

⁸⁶ Current 2020 USECP at 20-21.

⁸⁷ Final CAP Policy Statement at 69-70.

Addendum, Paragraph 12 that its CAP recertification timeframes are “in accordance with the CAP Policy Statement Order as indicated on pages 20-21 of the currently approved USECP.”⁸⁸ However, upon review, UGI’s 2020 USECP does not mention specific recertification timeframes for households with these primary sources of income.

In its Answer to UGI’s Petition, CAUSE-PA recommends that the Commission require UGI to explicitly state in its 2020 USECP that CAP households whose primary source of income is Social Security, SSI, or a pension should only be required to recertify for CAP every 3 years, consistent with the recommendations in the Final CAP Policy Statement.⁸⁹ UGI argues that this revision is unnecessary (1) because the Final CAP Policy Statement indicates that households whose primary source of income is Social Security, SSI, or pensions should be required to recertify **at least** once every three years;⁹⁰ (2) these revisions would require changes to information technology programming, correspondence and interaction between UGI and Community Based Organizations (CBOs), and changes to customers service policies and practices;⁹¹ and (3) while income for CAP customers receiving Social Security, SSI, or pensions might be stable annually, CAP eligibility may change for a number of other reasons, including changes to household composition or supplemental income sources.⁹²

After review, CAUSE-PA stands by its position that it is reasonable and appropriate to revise UGI’s Proposed Amended 2020 USECP to require customers whose primary sources of income are Social Security, SSI, or pensions to recertify income for the purposes of CAP every 3

⁸⁸ February 5 Addendum at 5.

⁸⁹ CAUSE-PA Answer to Petition at ¶ 32.

⁹⁰ UGI Reply Answer at ¶ 8.

⁹¹ Id. at ¶ 9.

⁹² Id. at ¶ 10.

years. As the Final CAP Policy Statement explained, “[e]lderly residents and people with disabilities often rely on income sources which do not increase much from year-to-year, if at all. Annual changes in these income amounts typically have minimal impact on CAP benefit calculations.”⁹³

Low income CAP customers with these sources of income often represent particularly vulnerable customer segments – including Seniors and consumers with disabilities – who will face unnecessary barriers to remaining in CAP if they are not able to meet their recertification requirements every year. As CAUSE-PA explained in its Answer to UGI’s Petition, recertification is particularly difficult for Seniors and individuals with a disability, as these households more often lack accessible transportation options and/or the technology necessary to gather and submit income documentation. Difficulties accessing income documentation have only been worsened as a result of the COVID-19 pandemic, especially for those Seniors or individuals with disabilities who have underlying conditions that further limit their ability to collect and submit documentation. In addition, ongoing delays in post service are anticipated to continue and may grow even more pronounced over time –⁹⁴ further complicating the ability of Seniors and individuals with disabilities to access necessary documentation. Further, from May 2021 to September 2021, UGI reported 2,302 CAP removals for failure to recertify.⁹⁵ This is a significant number, and further supports that UGI should be required to take action to eliminate unnecessary barriers to customers remaining in CAP.

⁹³ Final CAP Policy Statement at 69.

⁹⁴ Jonathan Franklin, Mail Delivery Is About to Get Slower and Pricier Just In Time For The Holidays, NPR (September 28, 2021), available at: <https://www.npr.org/2021/09/28/1041304836/slower-mail-delivery-higher-prices-holiday-season>.

⁹⁵ Appendix A, OCA-I-11.

CAUSE-PA does not deny that CAP eligibility might change for a variety of reasons other than changes in household income. However, CAUSE-PA is not suggesting wholesale elimination of recertification timeframes for these particularly vulnerable CAP customers, but instead extending the periods for recertification to provide critical flexibility for Seniors and customers with disabilities who are unable to meet their recertification deadlines each year, and who will be subjected to the loss of critical CAP bill savings as a result of these accessibility barriers. Further, while these revisions might require changes to UGI's IT and to its policies/procedures – as well as additional training and coordination amongst UGI's CBOs – UGI will already be in the process of substantially revising its policies, procedures, training, and IT to accommodate the changes it proposes in its Proposed Amended 2020 USECP. CAUSE-PA asserts that it is neither reasonable nor equitable to impede critical flexibility which will allow particularly vulnerable customers to remain in CAP in light of needing to make these internal adjustments.

CAUSE-PA therefore urges the Commission to direct that UGI revise the income documentation timeframes in its proposed Amended 2020 USECP so that customers whose primary sources of income are Social Security, SSI, or pensions are required to recertify household income for the purposes of CAP every 3 years.

3. Consumer Outreach and Education Plan (CEOP)

In its February 5, 2020 Addendum, UGI indicates that it will further develop its Consumer Education and Outreach Plan (CEOP) through a collaborative process, involving members of OCA, the Bureau of Consumer Services (BCS), local agency representatives, and counsel for CAUSE-PA.⁹⁶ While UGI indicates in its February 5 Addendum that its currently-approved USECP contains details related to this collaborative process at page 4, upon review, it appears that

⁹⁶ February 5, 2020 Addendum at 5.

the only reference to consumer education is found at page 12 of UGI’s current USECP, which indicates that UGI “will work with its USAC to explore opportunities to provide consistent education to CAP customers during their participation in CAP.”⁹⁷

In its Final CAP Policy Statement, the Commission explained that consumer education and outreach plans are “paramount to customer awareness of, and enrollment in, universal service program”, and noted the almost uniform disparity amongst utilities between the total number of potentially income-qualified households and those enrolled in assistance.⁹⁸ The Commission recommended that each utility should develop enhanced CEOPs with the stakeholder input and submit them as a component of their proposed USECPs going forward.⁹⁹ The Commission also recommended that CEOPs should be tailored to the demographics of specific service territories, span the duration of the universal service period, and should identify efforts to educate and enroll eligible and interested customers at or below 50% FPL.¹⁰⁰ The Commission emphasized that CEOPs should also identify resources and translations services and materials for customers who are Limited English Proficiency (LEP).¹⁰¹

Based on UGI’s filings, it appears unclear what steps, if any, UGI has taken to develop and implement a CEOP. As described in UGI’s projected needs assessment attached to its Proposed Amended 2020 USECP, UGI estimates that 140,888 low income customers reside between UGI South and UGI North.¹⁰² However, it appears that UGI has only identified 57,330 of these

⁹⁷ 2020 USECP, Docket No. M-2017-2598190 at 12, available at: https://www.puc.pa.gov/media/1530/ugi_2020-25_usecp_rev12-2019.pdf.

⁹⁸ Final CAP Policy Statement at 76.

⁹⁹ *Id.* at 77.

¹⁰⁰ *Id.*

¹⁰¹ *Id.*

¹⁰² Proposed 2020 USECP at Appendix B.

customers as low income.¹⁰³ The wide disparity between UGI's estimated low income customers and those customer who have been identified as low income underscores the need for UGI to develop a robust CEOP in conjunction with interested parties, stakeholders, and community representatives.

CAUSE-PA recommends that UGI be required to provide, in short order, a detailed CEOP. In accordance with the recommendations in the Final CAP Policy Statement, this CEOP should (1) be developed with the stakeholder input; (2) be tailored to the communities in UGI's service territories – including communities that have traditionally been underserved and have experienced disproportionate utility insecurity, including low income communities and communities of color; (3) set forth a plan for consumer outreach and education that spans the term of the proposed USECP; (4) specifically identify outreach efforts to educate and enroll eligible and interested customers at or below 50% FPL; (5) specifically identify outreach efforts to educate and enroll eligible and interested LEP customers; and (6) identify resources, translation services, and materials for LEP customers. That said, the Commission should not delay resolution of the other pending amendments while UGI develops, and the Commission reviews, a comprehensive CEOP.

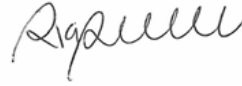
IV. CONCLUSION

CAUSE-PA thanks the Commission for its thoughtful consideration of the issues raised above and for the opportunity to submit comments concerning the August 5, 2021 Order regarding UGI's Petition to revise its current 2020 USECP. We urge the Commission to act in accordance with these Comments to ensure that all customers – regardless of income – are able to access safe and affordable services within the UGI's service territories.

¹⁰³ Id.

Respectfully Submitted,

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CAUSE-PA Comments
Appendix A
Cited Discovery Responses

UGI Utilities, Inc.
Response to Data Requests of
Office of Consumer Advocate

Docket Nos. M-2019-3014966 &
P-2020-3019196
Delivered on October 12, 2021

OCA-I-11:

Redline USECP: page 13: UGI says that its administering agencies “will be responsible for processing the annual recertification of all requirements. . .” Please provide by month for the most recent 36 months available:

- a. The number of exits from CAP at the time of recertification.
- b. The number of exits at the time of recertification due to a failure to recertify.
- c. The number of exits at the time of recertification by reason for the exit for reasons other than a failure to recertify (e.g., no longer income eligible).

Response:

- a. The number of CAP removals for FY 2021 are provided in the following table:

Reason for Exit	2021 Fiscal Year CAP Removal at Time of Recertification												Grand Total
	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	
Customer does not qualify	1				1	1	2			2			7
Customer failed to comply with program rules				2					1	1	1	1	6
Customer requested removal	16	13	10	11	7	17	20	20	41	40	40	15	257
No active UGI account	18	3	2	1	11	14	9	23	25		4	6	120
Removed - Bankruptcy	3	1					3	2	3	1		2	15
Removed - Choose P/A						3	16	144	298	169	115	144	924
Removed - Customer moved	368	332	337	238	301	364	327	345	365	348	368	401	4245
Removed - Deceased	6	1	3	6	3	7	5	10	15	9	6	13	84
Removed - Failure to recertify								2	3	1541	577	176	2302
Removed - Head of household not residing in the home	2		1			1	1	1	1		2		9
Removed - Invalid customer class	1				2	1			4				8
Removed - No Benefit	3	3	2		1	4	6	10	37	44	18	6	134
Removed - Non payment								1	2			3	6
Removed - Over income	42	35	24	36	41	51	76	105	89	77	71	66	726
Removed - Seasonal							1						1
Removed - Unauthorized usage										2	1		3
Grand Total	460	388	379	294	367	463	466	663	884	2234	1203	833	8847

- b. Please see the response to a. Removals resumed at the end of the recent moratorium. Per the 2020 Gas Base Rate Case Docket No. R-2019-3015162 the Company was required to resume removal from CAP for failure to recertify as of June 30, 2021.
- c. See the response to a.

UGI Utilities, Inc.
Response to Data Requests of
Office of Consumer Advocate

Docket Nos. M-2019-3014966 &
P-2020-3019196
Delivered on October 12, 2021

OCA-I-15:

Redline USECP: page 19: Please provide by month for the most recent 36 months available the number of applicants who have been denied enrollment in CAP, or removed from CAP, due to a failure to apply for LIHEAP.

Response:

The Company encourages customers to apply, but it does not remove customers for failure to apply for LIHEAP as the customer may have directed the LIHEAP funding to another utility provider.

UGI Utilities, Inc.
Response to Data Requests of
Office of Consumer Advocate

Docket Nos. M-2019-3014966 &
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OCA-I-22:

Redline USECP: page 21: Note that page 21 is inconsistent with the earlier statement in the USECP (page 19) which says that someone **MUST** apply for LIHEAP (even if not directing that LIHEAP to UGI) in order to participate in CAP. Which one is the real rule?

Response:

The language on page 21 is the appropriate statement. The language on page 19 was still included to “encourage” CAP customers to apply for LIHEAP and the word “encourage” was missed on the redline version.