



November 8, 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.

Dear Secretary Chiavetta:

Attached for filing, please find the **Reply 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 "Ria M. Pereira".

Ria M. Pereira, Esq.
Counsel for CAUSE-PA

CC: Certificate of Service
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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 **Reply 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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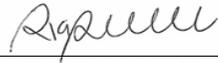
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Date: November 8, 2021

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

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**REPLY 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 Service and Energy Efficiency in Pennsylvania (CAUSE-PA), through its counsel at the Pennsylvania Utility Law Project, files these Reply Comments in response to the Initial Comments of the Office of Consumer Advocate (OCA) regarding 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).

On October 19, 2021, CAUSE-PA and OCA each submitted Initial Comments in response to UGI's Proposed Amended 2020 USECP and the issues identified in the Commission's August 5 Order. CAUSE-PA submits the following Reply Comments for the Commission's consideration in response to the Initial Comments of OCA. For the sake of brevity, CAUSE-PA will not reiterate points raised and issues identified in Initial Comments, but instead incorporates and maintains those positions by reference. To the extent an aspect of OCA's Initial Comments is not addressed below, that does not necessarily indicate CAUSE-PA's agreement therewith.

II. REPLY COMMENTS

CAUSE-PA submits the following Reply Comments in response to the Comments submitted by OCA. As discussed in CAUSE-PA's Initial Comments and its Answer to UGI's Petition, CAUSE-PA supports nearly all the programmatic revisions included in UGI's Proposed Amended 2020 USECP. (CAUSE-PA Comments at 6). In particular, CAUSE-PA urged swift implementation of UGI's proposed revised energy burden standards and other key proposed policy changes to remediate long-standing unaffordability within UGI's Customer Assistance Program (CAP). (Id.) As discussed below, CAUSE-PA opposes OCA's proposed restriction on annual CAP spending which will act as a barrier to at-need customers' access to UGI's CAP and will undermine the statutory requirements and policy goals of the Program. Further, while we believe it ultimately unnecessary, CAUSE-PA does not oppose OCA's recommendation to track returned LIHEAP grants, as long as it does not stand as an impediment to swift implementation of UGI's proposed USECP modifications. As discussed below, CAUSE-PA also supports OCA's recommendations that UGI be required to (1) take affirmative steps to develop a Community Education and Outreach Plan (CEOP); (2) clarify that CAP participation stays with the customer should the customer relocate within the Company's service territory; (3) clarify that CAP participants with fixed household incomes should recertify their income every three years; and (4) provide CAP credits for each bill a CAP participant receives.

A. Energy Burdens and OCA Recommendations

Upon review of Supplemental Information and interrogatory responses provided by UGI, OCA indicates support of the proposed changes to energy burdens, specifically pointing to "the benefits provided to CAP participants and the relatively low impact on other ratepayers of the proposed changes to the energy burdens." (OCA Comments at 7). Due to the low cost increase

associated with the modifications to the energy burdens, OCA does not believe the additional cost control measures that OCA has recommended in other recent USECP proceedings are necessary – apart from recommending that annual costs running through UGI’s automatic universal service cost recovery mechanism are held to projected levels until a full impact evaluation of the proposed changes is completed. (Id. at 6).¹ OCA also recommends that UGI be required to track the number of unused LIHEAP grants returned by the Department of Human Services (DHS) and provide such information as part of its next USECP proceeding. (Id. at 8).

CAUSE-PA agrees with OCA that reducing energy burdens for CAP customers will provide significant benefits, especially to the lowest income customers, and that the minor increase in cost to non-CAP residential customers is inherently just and reasonable. CAUSE-PA firmly maintains our position urging the Commission to approve UGI’s proposal to reduce its CAP energy burden standards without modification or delay. (CAUSE-PA Comments at 13-14). For the reasons discussed below, CAUSE-PA opposes OCA’s recommendations to impose restrictions on annual Program costs. While CAUSE-PA does not oppose OCA’s recommendation to track unused LIHEAP grant returned to DHS, we assert that any additional data tracking requirements should not impede swift implementation of UGI’s proposed USECP modifications.

1. CAUSE-PA opposes OCA’s recommendation to restrict annual Program costs.

In Initial Comments, OCA recommended that the Commission “hold the 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.” (OCA Comments at 7). In the alternative, OCA suggests in a footnote in Initial Comments, that

¹ OCA also notes that revised projections showing a less significant cost increase to non-CAP residential ratepayers ameliorated prior concerns put forward by OCA in Answer to UGI’s Petition. UGI Utilities, Inc.- Gas Division and UGI Utilities, Inc.- Electric Division Petition to Amend Universal and Energy Conservation Plan for 2020-2025, Docket No. P-2020-3019196, Answer of the Office of Consumer Advocate (Answer filed June 10, 2020).

“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.” (OCA Comments at 7, footnote 13).

CAUSE-PA opposes OCA’s proposal to set a cap on annual program costs. CAUSE-PA is concerned that adopting these proposed restrictions would serve as a significant deterrent for UGI to conduct robust outreach necessary to assist struggling families to access CAP to maintain utility services in their homes. Limiting the amount that UGI can recover is likely to indirectly limit CAP enrollment and impede access to assistance programs that are available to those in need.² Indeed, in a prior UGI USECP proceeding, the Commission directed UGI to *remove* CAP enrollment limits for all of its companies, stating, “[l]ow-income households within UGI’s territory should not be denied CAP because the maximum number of customers has been reached...”.³

Further, CAUSE-PA asserts that OCA has not provided data to support their recommendations to either hold annual costs to levels projected in UGI’s Proposed Amended 2020 USECP or to limit program costs to a percentage increase in residential distribution costs each year. Should the Commission be inclined to impose these restrictions in recovery of universal service costs, CAUSE-PA asserts that further proceedings are necessary to examine OCA’s proposal. For these reasons, CAUSE-PA recommends the Commission reject OCA’s recommendation.

² 66 Pa. C.S. §§ 2202, 2203(8), (9); 66 Pa. C.S. § 1410.1; Review of Universal Service and Energy Conservation Programs, Docket No. M-2017-2596907, Joint Reply Comments of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania, Tenant Union Representative Network, and Action Alliance of Senior Citizens of Greater Philadelphia, at 12 (Joint Reply Comments filed Oct. 16, 2017).

³ See UGI Utilities, Inc.- Gas Division, UGI Utilities, Inc.-Electric Division, UGI Penn Natural Gas, Inc., and UGI Central Penn Gas, Inc., Universal Service and Energy Conservation Plan for 2014-2017 Submitted in Compliance with 52 Pa. Code § 54.74 and § 62.4., Final Order, Docket No. M-2013-2371824, pgs. 12-14 (entered January 15, 2015). The Commission directed UGI to remove CAP enrollment limits for all of its companies, stating that “Low-income household within UGI’s territory should not be denied CAP because the maximum number of customers has been reached...”.

2. *CAUSE-PA does not oppose OCA's recommendation that UGI track unused LIHEAP grants –as long as such tracking does not impede swift implementation of UGI's proposed USECP modifications.*

In its Initial Comments, OCA recommends UGI track the number of unused LIHEAP grants returned to the Pennsylvania Department of Human Services (DHS) and that information would be provided as part of UGI's next USECP. (OCA Comments at 8). OCA specifically recommends that UGI track “the number of annual CAP accounts which have had or may have unused LIHEAP funds returned to DHS and the total and average annual amount of those funds. UGI shall provide actual data for 2021-2024, broken down by income tier (*i.e.*, 0%-50%, 51%-100%, and 101%-150%).” (Id.) OCA notes that it is not requesting this data be tracked for the Proposed Amended 2020 USECP, but rather for the Plan filing that will commence in 2025. (Id.)

While we do not agree that such additional tracking is necessary, CAUSE-PA does not oppose OCA's recommendation that UGI track certain data related to unused LIHEAP funds returned to DHS – as long as this data tracking does not impede the swift implementation of UGI's proposed USECP improvements. However, we reiterate our position from CAUSE-PA's Initial Comments that further evaluation of LIHEAP grants is ultimately unnecessary because (1) an extensive evaluation was already conducted by the Commission through the Final CAP Policy Statement proceeding; (2) LIHEAP is not guaranteed to any customer nor is the federal funding guaranteed for any program year; (3) LIHEAP grants can be applied to other utilities than UGI, such as for deliverable fuels;⁴ and (4) not all low income households are LIHEAP eligible, including particularly vulnerable immigrant consumers who often face disproportionately higher

⁴ Final CAP Policy Statement and Order at 50-52 (“As low-income customers may participate in more than one CAP – or may use their LIHEAP grant to obtain a deliverable fuel source – these provisions are no longer appropriate as they could require households to choose between CAPs or between a CAP and a necessary fuel delivery.”); 52 Pa. Code § 69.265(9).

energy burdens.⁵ (CAUSE-PA Comments at 15-17). CAUSE-PA again urges the Commission to implement its proposed revised energy burdens without delay or modification.

B. Consumer Education and Outreach Plan

In Initial Comments, OCA noted that UGI did not outline a plan to execute a Consumer Education and Outreach Plan (CEOP). (OCA Comments at 9). CAUSE-PA also discussed in its Initial Comments UGI's failure to set forth a CEOP. (CAUSE-PA Comments at 34-36). OCA's and CAUSE-PA's Initial Comments similarly discuss the critical importance of outreach and how taking a proactive approach to reach customers, who would benefit from available assistance programs to allow them to maintain life-sustaining service to their homes, is vital. (CAUSE-PA Comments at 34-36; OCA Comments at 10-13).

In Initial Comments, OCA recommends that UGI should provide a timeline for providing a CEOP, which addresses when UGI plans to file the CEOP and how UGI will target outreach to customers at or below 50% FPL. (OCA Comments at 9). Further, OCA contends the plan should not only include a discussion of outreach and education activities but should also include quantitative outcomes by which success (or the lack thereof) can be measured. (Id. at 13).

In support of its recommendation, OCA explains that UGI has a historically low percentage of customers from 0-50% FPL enrolled in its CAP – especially compared to the estimated number of low income customers in the Companies' service territories. (Id. at 10). OCA points to the recommendation of its expert witness, Mr. Roger Colton, in UGI Electric's 2021 base rate proceeding, that UGI develop a Public Partnership Outreach Plan (PPOP) which includes identification of public assistance programs which have income-eligibility guidelines at or below those for being deemed eligible for CAP, the winter shut-off moratorium, or as a confirmed low

⁵ Final CAP Policy Statement and Order at 50.

income customers; contact with program administrators; and affirmative outreach to customers identified through the process recommended by Mr. Colton. (Id. at 12).

CAUSE-PA agrees with OCA that developing an outreach plan is of critical importance, and that such a plan should focus on outreach to the lowest income households. Customers at 0-50% FPL live at dire levels of poverty and are most likely to have electricity bills that represent high percentages of their household incomes – and are thus most likely to have payment troubles. Taking a proactive approach to reach these customers will help to improve participation rates in CAP, help low income customers to better afford their bills, and ultimately improve payment behavior and reduce terminations among low income customers.

CAUSE-PA supports OCA’s recommendation that UGI should be required to take affirmative steps to develop a CEOP. However, CAUSE-PA submits that enhanced program outreach will not have the intended effect if the programs on which the outreach is based are consistently underfunded or inadequate to provide affordable bills for low income customers. As discussed, compounding barriers to participation – such as placing restrictions on annual CAP funding – is at odds with OCA’s proposal to increase UGI’s outreach efforts. CAUSE-PA submits that outreach and education is a critical component of the entire package of universal service provisions and the better the program, the better the product, and the easier it will be to enroll customers.

For these reasons, CAUSE-PA strongly supports OCA’s recommendations that UGI be required to provide a timeline for development of its CEOP as a pivotal part of helping low income customers learn about and enroll in UGI’s universal service programs. Notwithstanding this support, CAUSE-PA asserts that these recommendations should not serve to delay approval and implementation of critically important aspects of UGI’s Proposed Amended 2020 USECP. UGI

should instead be required to work with members of its Universal Service Advisory Committee over the next year to develop its CEOP, including plans for targeted outreach to customers with income at or below 50% FPL.

C. Income Verification (30 days or 12 months)

In Initial Comments, OCA notes that UGI's Proposed Amended 2020 USECP does not include a provision for extended income verification procedures for customers whose income is not likely to change year-to-year. (OCA Comments at 13-14). Thus, OCA recommends that CAP participants with fixed incomes should not have to recertify annually. (Id. at 14, 16). OCA noted in its Initial Comments that UGI has removed a significant number of customers from CAP due to a failure to recertify. (Id. at 15). Specifically, OCA notes that between October 2020 and September 2021, a quarter of CAP removals were for failure to recertify – a particularly large percentage as UGI was barred from removing CAP participants due to failure to recertify through June 2021. (Id. at 15).

CAUSE-PA similarly noted concern in Initial Comments that UGI requires all non-LIHEAP customers to recertify their income on an annual basis – including CAP households whose primary source of income is Social Security, SSI, or Pensions. (CAUSE-PA Comments at 31). CAUSE-PA recommended that UGI's Proposed Amended USECP should be revised to require customers whose primary sources of income are Social Security, SSI, or pensions to recertify income for the purposes of CAP every 3 years. (Id. at 34). Like OCA, CAUSE-PA noted the significant number of CAP removals in 2021 for failure to recertify. (Id. at 33). For the reasons set forth in the Initial Comments of CAUSE-PA and OCA, and described above, CAUSE-PA supports OCA's recommendation that CAP participants with a fixed household income should recertify their income every 3 years and again urges the Commission to direct

UGI to 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.

OCA additionally noted its concern in Initial Comments that UGI's data suggests that nearly half of the low income customers removed from CAP from October 2020 through September 2021 were removed because the customer relocated. (OCA Comments at 16).⁶ It is unclear based on the data provided by UGI if the moving customers relocated to another service territory or if they stayed within UGI territory. (Id.) As OCA correctly noted, Commission policy maintains that CAP enrollment moves with the customer when they relocate within a utility's territory, so they do not need to reapply for CAP, nor do they need to recertify. (Id.)

As OCA noted, more than half of participants who were removed from CAP were removed because they "moved." (OCA Comments at 16). These figures are striking and raise particular red flags given that low income customers are more likely to move compared to other residential customers.⁷ Moreover, particularly vulnerable low income customers – such as victims of domestic violence – are often forced to move with greater frequency in order to establish and maintain safety. These low income customers should not be punished, losing essential CAP rates, for deciding or being required to relocate. As such, CAUSE-PA supports OCA's recommendation that UGI should be directed to clarify in its Proposed Amended 2020

⁶ UGI Response to OCA Set I, No. 11.

⁷ Kimberly Skobba and Edward G. Goetz, Mobility Decisions of Very Low-Income Households Cityscape, A Journal of Policy Development and Research, Volume 15, Number 2, Cityscape, U.S. Department of Housing and Urban Development • Office of Policy Development and Research (2013), available at: <https://www.huduser.gov/portal/periodicals/cityscpe/vol15num2/ch11.pdf>

USECP that CAP participation stays with the customer should the customer relocate within the Company's service territory.

D. Providing CAP Credits

In Initial Comments, OCA expressed concern with how UGI applies CAP credits and disagrees with UGI's policy to not apply CAP credits unless a CAP bill is paid in full and on the billing date. (OCA Comments at 17-18). In order to receive CAP credits, customers must bring payments up to date. (Id.; Amended 2020-2025 USECP at 20). If a UGI CAP customer falls behind in making a payment one month and does not have the payment caught up by the time the next month's bill is issued, that CAP customer will be charged the full residential rate. (Id.) OCA disagreed with this policy, noting the harmful impact it could have on UGI CAP customers who regularly make payments but may not make payments by the due date or are in a position where they need to catch up on payments. (OCA Comments at 17-18). OCA correctly noted that the correct handling of CAP customers who fail to pay bills on time should be to place the customer in the collection cycle as opposed to denying the customer the opportunity to receive bill credits. (Id. at 18). OCA recommended the Commission direct UGI to provide CAP credits for each bill a CAP participant receives. (Id.)

CAUSE-PA supports OCA's recommendation that CAP credits should be applied to CAP bills monthly irrespective of payments made. UGI's current policy is punitive and undermines CAP affordability goals. Low income customers participating in CAP may receive their income at times that do not align with when bills are received or due, placing these customers in a position where they are perpetually late making payments. Low income households typically live paycheck

to paycheck with little to no extra income to carry them through when funds are exhausted.⁸ If these payments are late enough where there is overlap in the next billing cycle, CAP credits would not be applied, per UGI's policy, even though the customer is consistently paying their bill. This causes CAP households to fall even further behind – compounding affordability challenges. As OCA discussed in Initial Comments, this policy also results in customer confusion, given that customers who may have fallen more than one month behind in payments may not know the amount needed to pay to be caught up, since they would have been charged one month at the PIP rate and the next month (after a missed payment) at the full residential rate. (OCA Comments at 17-18). We note that UGI's policy regarding late CAP payments also adds an unnecessary layer of administrative complexity for UGI to calculate CAP bills and to accurately collect data related to CAP collections.

CAUSE-PA therefore joins OCA in recommending that the Commission direct UGI to provide CAP credits for each bill a CAP participant receives. We additionally recommend that UGI discuss with its Universal Services and Advisory Committee (USAC) the potential opportunities associated with more closely aligning CAP customer billing dates for when they receive income.

⁸ Barrage, L., Chin, I., Chyn, E., Hastings, J, The Impact of Bill Receipt Timing Among Low-Income and Aged Households: New Evidence from Administrative Electricity Bill Data (accessed Nov. 1, 2021), available at: <https://www.nber.org/sites/default/files/2020-05/NB19-09%20Barrage%20Chin%20Chyn%20Hastings%20REVISED.pdf>.

III. CONCLUSION

CAUSE-PA appreciates the Commission's thoughtful consideration of the issues raised above and in our Initial Comments. We urge the Commission to act in accordance with our Comments and Reply Comments to ensure that all customers – regardless of income – are able to access safe, affordable service within UGI's service territory.

Respectfully Submitted,

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