

**I&E Statement No. 1-R
Witness: Christine Wilson, CPA**

PENNSYLVANIA PUBLIC UTILITY COMMISSION

v.

AQUA PENNSYLVANIA, INC. & AQUA PENNSYLVANIA WASTEWATER, INC.

Docket Nos. R-2021-3027385 & R-2021-3027386

Rebuttal Testimony

of

Christine Wilson, CPA

Bureau of Investigation & Enforcement

Concerning:

Universal Service Plan

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1 **INTRODUCTION OF I&E WITNESS**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Christine Wilson. My business address is Pennsylvania Public Utility
4 Commission, Commonwealth Keystone Building, 400 North Street, Harrisburg,
5 PA 17120.

6

7 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

8 A. I am employed by the Pennsylvania Public Utility Commission (Commission) in
9 the Bureau of Investigation & Enforcement (I&E) as a Fixed Utility Financial
10 Analyst Supervisor.

11

12 **Q. ARE YOU THE SAME CHRISTINE WILSON WHO IS RESPONSIBLE**
13 **FOR THE DIRECT TESTIMONY CONTAINED IN I&E STATEMENT**
14 **NO. 1 AND THE SCHEDULES IN I&E EXHIBIT NO. 1?**

15 A. Yes.

16

17 **Q. DOES YOUR REBUTTAL TESTIMONY INCLUDE AN**
18 **ACCOMPANYING EXHIBIT?**

19 A. No.

20

21 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

22 A. The purpose of my rebuttal testimony is to address the direct testimony of Office

1 of Consumer Advocate (OCA) witness Roger Colton (OCA Statement No. 5)
2 concerning his recommendation that the low-income programming net costs be
3 recovered via base rates;¹ and (2) Coalition for Affordable Utility Services and
4 Energy Efficiency in Pennsylvania (CAUSE-PA) witness Harry Geller (CAUSE-
5 PA Statement No. 1) concerning his recommendation that the Commission
6 “[r]equire Aqua to suspend terminations, waive reconnection fees, and offer more
7 lengthy payment arrangements, regardless of customer account history, for at least
8 one year from the date of the final order in this rate case.”²

9
10 **RESPONSE TO OCA WITNESS ROGER COLTON**

11 **Q. SUMMARIZE MR. COLTON’S RECOMMENDATION AS IT RELATES**
12 **TO THE COMPANY’S REQUEST TO RECOVER LOW-INCOME**
13 **PROGRAM COSTS VIA A RECONCILABLE RIDER.**

14 A. Mr. Colton opines that the riders in place at the Peoples Companies are not
15 appropriate models upon which to develop cost recovery for Aqua’s low-income
16 programs by asserting that Peoples’ reconcilable rider is designed in response to
17 specific statutory language that applies only to gas and electric utilities.³ Since
18 Aqua’s proposal “is not governed by the Competition Acts applicable to
19 Pennsylvania’s natural gas and electric utilities”⁴ Mr. Colton suggests that a

¹ OCA Statement No. 5, pp. 42-43.
² CAUSE-PA Statement No. 1, p. 6.
³ OCA Statement No. 5, p. 43.
⁴ OCA Statement No. 5, p. 44.

1 reconcilable rider is inappropriate for Aqua. Instead, he recommends recovery of
2 net costs via base rates⁵ because variability in cost does not exist with Aqua's
3 proposal and that the overall costs are a small portion of total revenues
4 experienced by Aqua.⁶

5
6 **Q. DO YOU AGREE WITH MR. COLTON'S RECOMMENDATION FOR**
7 **AQUA'S LOW-INCOME COSTS TO BE RECOVERED VIA BASE**
8 **RATES?**

9 A. No. I recommend that if the Commission approves Aqua's program, as generally
10 designed, those costs of the program should be recovered via a reconcilable rider
11 like the gas and electric utilities as Aqua has proposed.

12
13 **Q. WHAT MAIN CONCERN DO YOU HAVE ABOUT MR. COLTON'S**
14 **PROPOSAL TO ALLOW RECOVERY OF ONLY NET PROGRAM**
15 **COSTS?**

16 A. Mr. Colton mentions in the beginning of his direct testimony that only net costs of
17 the program be recovered via base rates⁷ but then does not explain how the
18 Company would not potentially over or under-recover associated net costs if

⁵ OCA Statement No. 5, pp. 4, 46.

⁶ OCA Statement No. 5, pp. 45-46.

⁷ OCA Statement No. 5, pp. 4, 42.

1 projections are incorporated as a component of base rates which would not be
2 updated until a future base rate case is filed with the Commission.

3
4 **Q. IS IT TRUE THAT NO OTHER WATER COMPANIES HAVE A**
5 **UNIVERSAL SERVICE PLAN SIMILAR TO WHAT AQUA PROPOSES**
6 **IN THIS PROCEEDING?**

7 A. Yes. However, given the magnitude of the proposed program and the fact the
8 settlement term in the Aqua/Peoples acquisition proceeding clearly indicated that,

9 Aqua PA will include in the Helping Hand collaborative agreed to in
10 its recent rate case settlement at Docket No. R-2018-3003558,
11 discussion of the development of a comprehensive universal service
12 and conservation program that will be proposed by Aqua PA. The
13 items to be evaluated for inclusion in Aqua PA's proposal include:
14 (1) a bill payment/customer assistance program; (2) a hardship fund;
15 (3) a water conservation program; (4) a low income service repair line
16 and replacement program; and (5) a comparable funding mechanism
17 that exists for electric and gas utilities in Pennsylvania. Aqua PA will
18 submit a rate recoverable universal service proposal in Aqua PA's
19 next base rate case that considers the best practices learned from the
20 Peoples Companies and through conversations from the Helping
21 Hand collaborative.⁸

22 As noted above, this settlement term clearly indicates that the parties agreed Aqua
23 would present a comparable funding mechanism as those used by gas and electric
24 utilities in Pennsylvania.

⁸ *Joint Application of Aqua America, Inc., Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc., Peoples Natural Gas Company LLC and Peoples Gas Company LLC for All of the Authority and the Necessary Certificates of Public Convenience to Approve a Change in Control of Peoples Natural Gas Company LLC and Peoples Gas Company LLC by Way of the Purchase of All of LDC Funding, LLC's Membership Interests by Aqua America, Inc., Docket Nos. A-2018-300606L A-2018-3006062 and A-2018-3006063, Settlement Term No. 108, pp. 23-24.*

1 **Q. PLEASE SUMMARIZE YOUR RECOMMENDATION AS IT RELATES**
2 **TO MR. COLTON’S PROPOSAL FOR AQUA TO RECOVER NET**
3 **UNIVERSAL SERVICE PLAN COSTS VIA BASE RATES.**

4 A. I recommend that Mr. Colton’s recommendation be denied and that if the
5 Commission decides to approve a full-scale universal service plan in this
6 proceeding that the cost be recovered via a reconcilable surcharge mechanism that
7 allows dollar-for-dollar net costs via a universal service rider like that used by the
8 Peoples Companies.

9
10 **Q. DO YOU HAVE ANY CHANGES TO YOUR RECOMMENDATIONS AS**
11 **PRESENTED IN DIRECT TESTIMONY?**

12 A. No. In direct testimony, I made two recommendations with respect to the
13 Company’s proposed Universal Service Plan. First, I recommended that the
14 Company be required to perform income verifications to admit participants into
15 the programs to ensure legitimacy of applicants and reduce misuse of the program.
16 Secondly, I recommended that the Company be required to demonstrate effort is
17 made to encourage participants to take advantage of the Federal Low-Income
18 Household Water Assistance Program funds made available via the American
19 Rescue Plan.⁹ Those recommendations have not changed.

⁹ I&E Statement No. 1, p. 45.

1 **RESPONSE TO CAUSE-PA WITNESS HARRY GELLER**

2 **Q. SUMMARIZE MR. GELLER’S RECOMMENDATION RELATED TO**
3 **TERMINATIONS, RECONNECTION FEES, AND PAYMENT**
4 **ARRANGEMENTS.**

5 A. Mr. Geller recommends that Aqua should be required to suspend terminations,
6 waive reconnection fees, and offer more lengthy payment arrangements regardless
7 of customer account history for at least one year beyond the date of the final order
8 in this proceeding.¹⁰

9
10 **Q. WHAT IS THE BASIS OF MR. GELLER’S RECOMMENDATION**
11 **RELATED TO TERMINATIONS AND RECONNECTION FEES?**

12 A. Mr. Geller asserts that suspending terminations and offering more lengthy
13 payment arrangements would allow time for the Low-Income Household Water
14 Assistance Program to be fully implemented and accessible to those in need.¹¹ He
15 further erroneously asserts that, “it would be contrary to the Commission’s
16 regulatory policy, administratively inefficient, and unconscionable to allow
17 terminations to move forward when relief is on the way.”¹²

¹⁰ CAUSE-PA Statement No. 1, p. 6 and pp. 32-33.

¹¹ CAUSE-PA Statement No. 1, p. 32.

¹² CAUSE-PA Statement No. 1, p. 33.

1 **Q. WHAT IS THE BASIS FOR MR. GELLER’S RECOMMENDATION THAT**
2 **AQUA WAIVE ITS RECONNECTION FEES FOR ONE YEAR FROM**
3 **THE FINAL ORDER DATE IN THIS PROCEEDING REGARDLESS OF**
4 **CUSTOMER ACCOUNT HISTORY?**

5 A. He states it is essential that customers attempting to reconnect can do so without
6 facing fees that create unnecessary barriers to reconnection and that all customers
7 benefit when their neighbors can readily connect to and maintain water and
8 wastewater services.¹³

9
10 **Q. DO YOU AGREE WITH MR. GELLER’S RECOMMENDATION THAT**
11 **AQUA SHOULD BE REQUIRED TO SUSPEND TERMINATIONS,**
12 **WAIVE RECONNECTION FEES, AND OFFER MORE LENGTHY**
13 **PAYMENT ARRANGEMENTS REGARDLESS OF CUSTOMER**
14 **ACCOUNT HISTORY FOR AT LEAST ONE YEAR BEYOND THE DATE**
15 **OF THE FINAL ORDER IN THIS PROCEEDING?**

16 A. No. The deadline for expiration of these proposed changes by Mr. Geller is
17 somewhat arbitrary as it relates to the ongoing pandemic. The Commission
18 addressed extended payment arrangements earlier this year; however, as explained
19 below, the requirement for utilities to follow such guidance has since expired.

¹³ CAUSE-PA Statement No. 1, p. 33.

1 **Q. PLEASE CONTINUE.**

2 A. In a motion in response to the lifting of the utility service termination moratorium
3 earlier this year, Chairman Brown Dutrieuille issued a statement¹⁴ detailing
4 modifications to existing arrearage collection policies to be applied to all utilities
5 for both residential and small business customers.¹⁵ These modifications offered
6 flexible, generous, and reasonable repayment options for ratepayers which most
7 significantly includes extended minimum repayment terms. The Chairman
8 indicated that it is time to return to the regular collections process, and she alluded
9 to decreasing COVID-19 cases, deployment of vaccinations, improving
10 employment statistics, and federal government aid including various stimulus
11 payments. Subsequently, the Chairman’s motion received unanimous support by
12 the remaining three Commissioners. Additionally, Commissioner Coleman
13 provided a statement in which he specifically affirmed his support of the
14 Chairman’s motion.¹⁶

15
16 **Q. HAS THE GUIDANCE ON EXTENDED PAYMENT ARRANGEMENTS**
17 **EXPIRED?**

18 A. Yes. On July 15, 2021, the Commission issued an Order related to the *Public*
19 *Utility Service Termination Moratorium; COVID-19 Cost Tracking and Creation*

¹⁴ Motion of Chairman Gladys Brown Dutrieuille, Docket No. M-2020-3019244, March 11, 2021.

¹⁵ CAUSE-PA Statement No. 1, p. 6 and pp. 32-33.

¹⁶ Statement of Commissioner John F. Coleman, Jr., Docket No. M-2020-3019244, on March 11, 2021.

1 *of Regulatory Asset* at Docket Nos. M-2020-3019244 and M-2020-3019755
2 (Ordered Entered July 15, 2021) (July 15, 2021 Order).¹⁷

3 The Commission’s July 15, 2021 Order discusses prior Orders related to the
4 prohibition of service terminations, reconnections, payment arrangement
5 instructions, the regulatory asset treatment for related expenses, and the tracking
6 of extraordinary, nonrecurring incremental COVID-19 related expenses.¹⁸
7 Subsequent to these prior Commission Orders, the July 15, 2021 Order explains,
8 the Pennsylvania Legislature and the Governor took actions which caused the
9 effectiveness of the Commission’s Orders to extend until September 30, 2021
10 unless terminated earlier by the Commission.¹⁹ Therefore, “all payment
11 arrangements for residential customers and small business customers established
12 before September 30, 2021, pursuant to provisions of the October 13, 2020, and
13 March 18, 2021, Orders, shall continue for the duration of the arrangement under
14 the terms and conditions outlined in the March 18, 2021 Order.” The July 15,
15 2021 Order concluded, however, “[a]fter September 30, 2021, payment
16 arrangements must adhere to the Public Utility Code and Commission
17 regulations.”²⁰

18 In short, the enhanced payment arrangements are no longer in effect.

¹⁷ *Public Utility Service Termination Moratorium; COVID-19 Cost Tracking and Creation of Regulatory Asset*, at Docket Nos. M-2020-3019244 and M-2020-3019775 (Order Entered July 15, 2021) (July 15, 2021 Order).

¹⁸ July 15, 2021 Order, p. 2.

¹⁹ July 15, 2021 Order, p. 3.

²⁰ *Public Utility Service Termination Moratorium; COVID-19 Cost Tracking and Creation of Regulatory Asset*, at Docket Nos. M-2020-3019244 and M-2020-3019775 (Order Entered July 15, 2021), p. 3.

1 **Q. ARE THERE ANY OTHER RECENT COMMISSION ORDERS THAT**
2 **ARE RELEVANT TO MR. GELLER’S RECOMMENDATION AS**
3 **DISCUSSED ABOVE?**

4 A. In a Commission Order associated with UGI Utilities, Inc. – Gas and Electric
5 Divisions’ (UGI), regarding a proceeding where UGI proposed COVID-19
6 Emergency Relief Programs (ERP) at Docket Nos. P-2021-3023839, P-2021-
7 3023992, and M-2019-3014966 (herein referred to as the UGI ERP Order, Order
8 Entered November 12, 2021), the Commission discussed the expiration of certain
9 temporary, voluntary modifications to UGI Gas’s 2020-2025 Universal Service
10 and Energy Conservation Plan and noted that the Commission has approved
11 additional customer protections which became effective on March 31, 2021,
12 related to extended payment arrangements for up to five years for residential
13 customers.²¹ Additionally, the Commission noted the state and federal assistance
14 programs available and encouraged utilities to communicate with customers about
15 the availability of such aid.²²

16
17 **Q. PLEASE SUMMARIZE YOUR RECOMMENDATION RELATED TO MR.**
18 **GELLER’S PROPOSED CHANGES.**

19 A. I understand and respect Mr. Geller’s concerns; however, I believe that if such
20 changes to terminations, reconnections fees, and payment arrangements are

²¹ UGI ERP Order, p. 5.

²² UGI ERP Order, p. 5.

1 implemented, it would be most appropriate for the Commission to implement such
2 changes on a statewide basis. I believe if the Commission intended to require such
3 payment arrangements, this would have been clearly communicated by now.
4 Thus, I recommend Mr. Geller's proposed changes should be denied.

5

6 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

7 A. Yes.