



**VIA ELECTRONIC FILING**

April 25, 2022

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

Re: Docket No. M-2014-2432515 – Peoples Natural Gas Company LLC 2015-2018 Universal Service and Energy Conservation Plan

Docket No. M-2018-3003177 – Peoples Natural Gas Company LLC Universal Service and Energy Conservation Plan for 2019-2024

Dear Secretary Chiavetta:

In accordance with the Final Order issued on December 17, 2015 by the Public Utility Commission in Docket Number M-2014-2432515, the Company is required to report on the Customer Assistance Program (CAP) expansion as follows:

*PNGC shall also file and serve its annual report regarding E-CAP customer participation, costs, payment compliance and balance impact at this docket. At a minimum, PNGC should invite all parties to this proceeding to discuss the results of this report and potential program modifications.*

Attached is the annual report which discusses the Sixth Year Results of the ECAP Program and provides a Discussion of Pilot E-CAP Status and Potential Modifications and Considerations.

If you have any questions or concerns regarding this matter, please do not hesitate to contact the undersigned at (412) 208-6834 or Rita Black, Director, Community Assistance Programs at (412) 208-6530.

Very truly yours,

Jennifer L. Petrisek  
Sr. Counsel

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of § 1.54 (relating to service by a party).

### VIA ELECTRONIC MAIL:

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Jennifer L. Petrisek

Dated this 25<sup>th</sup> April, 2022.

In compliance with the Final Order issued December 17, 2015 by the Public Utility Commission, the Company is required to report on the CAP expansion as follows:

*PNGC shall also file and serve its annual report regarding E-CAP customer participation, costs, payment compliance and balance impact at this docket. At a minimum, PNGC should invite all parties to this proceeding to discuss the results of this report and potential program modifications.*

### Pilot E-CAP Background

The Pilot E-CAP was designed to provide the affordability and Arrearage Forgiveness benefits of CAP to customers with incomes between 151 and 200% of Federal Poverty Levels. Customers at this income level are not eligible for LIHEAP, a significant source of energy assistance, but they are eligible for Dollar Energy Fund's Hardship Program. They are additionally eligible for emergency assistance through the Company's Emergency Furnace and Line Repair programs. The goal of this Pilot is to identify customers within this income segment that have accrued significant balances and for whom a typical payment arrangement, spreading the balance over a number of months and adding it to the effective budget amount, would be unaffordable. As a participant in E-CAP, when customers make their CAP payment, they receive Arrearage Forgiveness benefits equal to 1/36 of their pre-CAP balance. The CAP payment is based on 11% of household income or the budget amount for the account, whichever is lowest.

Participants in E-CAP are subject to the same enrollment procedures, recertification requirements and payment reviews as all traditional CAP participants (i.e. incomes less than 150% FPL). Following the Commission's approval of the Pilot in its Final Order of December 17, 2015, the Company began employee training on the eligibility requirements of E-CAP and began enrollments in early 2016.

### Sixth Year Results

At year-end 2021, the total number of active participants in the Pilot CAP Expansion was 2,682. The attached graph reflects the enrollment levels by month for 2021. This figure includes 1,426 former Peoples Division customers, 992 former Equitable Division customers and 264 customers of Peoples Gas LLC (formerly Peoples TWP). In comparison, enrollment at year-end 2020 was 2,712 customers reflecting flat participation levels, even considering the economic difficulties that arose due to the COVID 19 pandemic. Customers applying for Hardship Funds with Dollar Energy Fund and whose account balances cannot be exhausted by the receipt of the grant, are targeted for enrollment in E-CAP.

This program is only beneficial to customers with significant balances. The CAP administrator carefully considers the full CAP payment when determining if it is appropriate to offer this program to individual customers. As with the traditional CAP program, the customer's calculated CAP payment will be based on percentage of income (11%) or budget amount, whichever is lower. In most, if not all cases within this pilot group, this initial calculation results in the customer receiving a base CAP payment of the account budget payment. An additional \$5 is added to the base payment for pre-CAP arrears and the currently effective CAP Plus amount is applied (currently \$5), resulting in the CAP payment available to the potential

participant. This should be compared to available payment arrangement terms to determine if CAP is the most affordable payment plan available. Enrollment fluctuates on a monthly basis.

In 2021, Arrearage Forgiveness benefits and CAP Credits for E-CAP customers were as follows:

Arrearage Forgiveness	\$ 799,342.73
CAP Credits	\$ 404,433.43

One of the main goals of the Pilot CAP Expansion is to not only manage arrearages, but to encourage payment habits, thus preventing an accumulation of additional arrearages. Payments received on accounts participating in the Pilot CAP program during 2021 exceeded \$3.5 million.

#### Discussion of Pilot E-CAP Status and Potential Modifications and Considerations

The Company filed its proposed Universal Service and Energy Conservation Plan on July 1, 2018. Under the proposed Plan, the expansion of CAP eligibility for customers within the 151-200% FPL would become permanent, ensuring that current participants can continue to receive arrearage forgiveness benefits and providing an affordable payment option for new applicants. The Company believes the six-year history of this pilot has shown that participation in CAP for customers within this income group provides an affordable option to households that do not have access to other resources. While federal programs have expanded the level of benefits available through LIHEAP, this income group is not eligible for such benefits and therefore cannot access assistance for arrears that have accrued. Further, the Company notes that economic impacts of the pandemic and rising inflation affect vulnerable households more negatively than those with higher incomes, increasing the need for programs such as this pilot CAP expansion.

Participants by Month 2021

