



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET
HARRISBURG, PENNSYLVANIA 17120

IN REPLY, PLEASE
REFER TO OUR FILES
M-2015-2507139
M-2018-3005795
P-2022-3032265

May 9, 2022

To: All Parties of Record at Docket Nos.:

M-2015-2507139, PECO's 2018-2018 USECP

M-2018-3005795, PECO's 2019-2024 USECP (Proposed), and

R-2021-3024601, Pa. PUC, *et al.* v. PECO

RE: PECO Energy Company's (PECO's) Petition for Expedited Approval to Establish an Emergency Grant Program for Low-Income Customers, Docket No. P-2022-3032265

Overview

On April 26, 2022, PECO filed a Petition (April 2022 Petition) seeking expedited approval to amend its current 2016-2018 universal service and energy conservation plan (2016 USECP) to establish an emergency low-income grant program (Grant Program) for qualifying customers at or below 200% of the federal poverty income guidelines (FPIG) to distribute approximately \$3.7 million of unspent 2020 Low Income Usage Reduction Program (LIURP) funds in accordance with the settlement approved by the Pennsylvania Public Utility Commission (Commission) in PECO's 2021 Base Rate Case. The April 2022 Petition was docketed at M-2015-2507139 and P-2022-3032265. By this Secretarial Letter, we request stakeholder input on PECO's proposed Grant Program.

Background

On March 30, 2021, PECO filed for a general rate increase at *Pa. PUC, et al., v. PECO*, Docket Nos. R-2021-3024601, *et al.* (2021 Base Rate Case). On September 15, 2021, a joint petition for settlement was filed (2021 Base Rate Case Joint Petition), that, *inter alia*, proposed to reallocate all unspent LIURP funds from the 2020 program year (approximately \$3.7 million) to provide emergency grant assistance through the Matching Energy Assistance Fund (MEAF, PECO's Hardship Fund) over a two-year period, with a \$1.85 million allocation in 2021 and a \$1.85 million allocation in 2022. PECO agreed to allocate these MEAF proportionately to counties across its service territory based on the number of confirmed low-income customers in each county and make these grants available to households with incomes at or below 200% of the FPIG until the funds are expended. 2021 Base Rate Case Joint Petition at 10-11, ¶34.

The Administrative Law Judge's October 12, 2021 Recommended Decision recommended approval of this universal service provision in the 2021 Base Rate Case Joint Petition. The Commission adopted the Recommended Decision by order entered on November 18, 2021.

Summary of Proposed Grant Program

PECO reports it has already distributed substantially all of the unspent 2020 LIURP funds to the counties in its service territories, based on the number of customers with confirmed income at or below 200% of the FPIG.

Table 1. Distribution of 2020 LIURP Funds to Counties

County	Total Funding
Bucks	\$351,381
Chester	\$228,185
Delaware	\$384,506
Montgomery	\$403,478
Philadelphia	\$2,229,673
York	\$30,000

Source: April 2022 Petition at 6.

Disbursement to customers has not yet taken place. The Proposed Grant Program would address disbursement to customers. PECO states that its proposed methodology for the Grant Program is to automatically issue grants to customers whose incomes are confirmed to be at or below 200% of the FPIG. Grants would first be issued to income-eligible customers with a past due balance of \$500 and then to customers with a higher balance amount (*e.g.*, \$501, \$502) until the \$3.7 million is exhausted.¹ A grant equivalent to the low-income customer's full past-due balance would be applied to the customer's account, and a letter notifying the customer about the grant would be sent out. April 2022 Petition at 5-6.

York County disbursements would be handled slightly differently. PECO reports that the \$30,000 allocated to York County reflect the sum of all arrears owed by confirmed income-eligible customers as of December 31, 2021. If the Grant Program is approved and this amount does not address all current arrears owed by income-eligible York County customers, PECO reports that it will first apply grants to eligible customers with the highest balances and then lower balances until the \$30,000 is exhausted. April 2022 Petition at 6-7.

PECO proposes to incorporate the Grant Program as an addendum (Addendum G) to its 2016 USECP at Docket No. M-2015-2507139 and apply these automatic grants to customer bills within 60 days after receiving Commission approval. April 2022 Petition at 2, 5.

PECO served its April 2022 Petition to all parties of record in Docket Nos. M-2015-2507139 and R-2021-3024601. PECO also states that it shared its Grant Program proposal with the Office of Consumer Advocate, the Commission's Bureau of Investigation and Enforcement, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania, the Tenant Union Representative Network, and the Clean Energy Advocates. The parties did not reach consensus on this proposal. April 2022 Petition at 8.

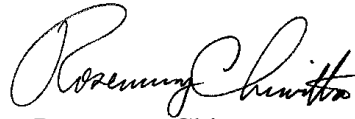
¹ PECO notes the final household identified for a grant in each county may receive a grant that is less than its full balance, depending on the amount.

Answers from Stakeholders

Before considering whether to approve the proposed Grant Program on an expedited basis, we will consider stakeholder input on the April 2022 Petition. As a reminder, substantive answers to the Petition, including PECO's request for expedited review, are due by May 16, 2022, under 52 Pa. Code 5.61, relating to answers.

If you have any questions, please contact Jennifer Johnson in the Commission's Bureau of Consumer Services at jennifjohn@pa.gov.

Sincerely,



Rosemary Chiavetta
Secretary

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