

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17120**

**Peoples Natural Gas Company LLC
and Peoples Gas Company LLC
2019-2024 Universal Service and
Energy Conservation Plan
submitted in compliance with 52 Pa.
Code § 62.4**

**Public Meeting May 12, 2022
3003177-BCS
Docket No. M-2018-3003177
M-2020-3021343
P-2020-3017641
M-2014-2432515**

STATEMENT OF VICE CHAIRMAN JOHN F. COLEMAN, JR.

On August 27, 2020, the Pennsylvania Public Utility Commission (Commission) entered a Tentative Order, withholding approval of the Proposed 2019-2024 Universal Service and Energy Conservation Plan (Proposed 2019 USECP) for Peoples Natural Gas Company LLC (Peoples Natural Gas) and Peoples Gas Company LLC (Peoples Gas) (collectively, Peoples Companies), pending review of requested additional information and stakeholder comments. On September 17, 2020 and September 21, 2020, the Peoples Companies filed Supplemental Information in response to the Tentative Order. The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) and the Office of Consumer Advocate (OCA) individually filed comments and reply comments to the Proposed 2019 USECP, the Tentative Order, and the Supplemental Information.

As part of their Proposed 2019 USECP, the Peoples Companies sought to reduce the energy burdens associated with their customer assistance programs (CAPs). The Peoples Companies also proposed to eliminate the \$5 co-pay for CAP customers with pre-program arrearages and the \$5 CAP Plus charge for all CAP customers. In the Tentative Order, the Commission requested additional cost estimates related to these proposed changes, including projected data for 2020 through 2024. In their Supplemental Information, the Peoples Companies estimated that these proposed changes will increase annual CAP costs by approximately \$8 million for Peoples Natural Gas and by approximately \$714,000 for Peoples Gas by 2024.

As discussed in its comments and reply comments, the OCA does not agree that the energy burdens, the co-pay amount for arrearage forgiveness, and the CAP Plus amount should be changed at this time.¹ The OCA submits that referral of these issues to the Commission's Office of Administrative Law Judge (OALJ) may be appropriate.

¹ CAUSE-PA supports the Peoples Companies' proposals on these issues.

While I do not believe a referral to OALJ is necessary at this time, I share the OCA's concerns about the cost impact of lowering the energy burdens and removing other payment responsibilities from CAP customers. Costs for the Peoples Companies' CAPs are recovered from non-CAP residential ratepayers regardless of income. As I have noted in prior universal service proceedings, the Commission must ensure that universal service programs are operated in a cost-effective manner.² The Commission must also balance the interests of the residential customers who benefit from the program and the residential customers who pay for the program. This balance is especially important for those households with low or moderate incomes who do not participate in customer assistance programs or whose incomes place them just beyond the eligibility requirements for these programs.

The proposed Order before us today directs the Peoples Companies to track data related to these CAP payment changes for review during their next USECP. I agree with the proposed Order, but I also encourage the Peoples Companies to take more immediate action if CAP costs increase beyond the projected budgets. The Commission recently approved a Joint Petition for Settlement in Duquesne Light Company's 2020-2025 USECP which contained a provision whereby Duquesne Light Company will notify the parties to their proceeding and seek their input if USECP costs will exceed the projected budget by 10% and file a petition with the Commission explaining the cost increase and outlining possible programmatic cost-containment measures.³

I believe similar provisions should be considered for inclusion in all USECPs. The Peoples Companies' Proposed 2019 USECP will be in effect for at least five years after it is approved. The Peoples Companies' next proposed USECP is not due until April 1, 2028, for the five years starting January 1, 2029. The Commission should not wait until five years, or more, have passed to address any disproportionate cost impact to the residential customers who are paying for the Peoples Companies' CAPs. To that end, I encourage the Peoples Companies to notify the parties to this proceeding and seek their input if CAP costs will exceed the annual projected budget by 10% and to file a petition with the Commission explaining the cost increase and outlining possible cost-containment measures.

Date: May 12, 2022



JOHN F. COLEMAN, JR., VICE CHAIRMAN

² 66 Pa. C.S. §§ 2203(8) and 2804(9).

³ *Duquesne Light Company Universal Service and Energy Conservation Plan for 2020-2025 Submitted in Compliance with 52 Pa. Code § 54.74*, Docket No. M-2019-3008227.