

**PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, PA 17105-3265**

Public Meeting held May 12, 2022

Commissioners Present:

Gladys Brown Dutrieuille, Chairman  
John F. Coleman, Jr., Vice Chairman, Statement  
Ralph V. Yanora

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| Peoples Natural Gas Company LLC Universal Service and Energy Conservation Plan for 2019-2024              | M-2018-3003177 |
| Peoples Gas Company LLC Universal and Energy Conservation Plan for 2019-2024                              | M-2020-3021343 |
| Amendment to Peoples Natural Gas Company LLC Universal Service and Energy Conservation Plan for 2015-2018 | P-2020-3017641 |
| Peoples Natural Gas Company LLC Universal Service and Energy Conservation Plan for 2015-2018              | M-2014-2432515 |

**ORDER**

**BY THE COMMISSION:**

On August 27, 2020, the Pennsylvania Public Utility Commission (Commission) entered a Tentative Order<sup>1</sup> regarding the Proposed 2019-2024 Universal Service and

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<sup>1</sup> Such orders are no longer titled “Tentative Order.” Tentative decisions of the Commission are subject to exceptions and become final without further Commission action if no exceptions are filed under 52 Pa. Code § 5.533(a). *See* 52 Pa. Code § 5.536(b) (relating to effect of failure to file exceptions). A request for further information prior to Commission action on a proposal from a public utility is not a Commission decision that could become final if no exceptions are filed; it is not a tentative approval of the public utility’s proposal. We now refer to such orders requesting further information and clarification as “orders directing supplemental information.”

Energy Conservation Plan (Proposed 2019 USECP)<sup>2</sup> for Peoples Natural Gas Company LLC (PNGC),<sup>3</sup> a large jurisdictional natural gas distribution company (NGDC), and Peoples Gas Company LLC (PGC), a small NGDC, (collectively, Peoples Companies).<sup>4</sup> The Tentative Order indicated issues that required further information on the record and requested stakeholder comments on the Proposed 2019 USECP. 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 Service and Energy Efficiency in Pennsylvania (CAUSE-PA) and the Office of Consumer Advocate (OCA) individually filed comments and reply comments on the Proposed 2019 USECP, the Tentative Order, and the Supplemental Information.

For the reasons articulated herein, this Order denies the proposals at Docket Nos. M-2014-2432515 and P-2020-3017641 to amend the Peoples Companies' existing 2015 USECP and addresses the proposals at Docket Nos. M-2018-3003177 and M-2020-3021343 regarding their proposed 2019 USECP.

After reviewing the comments and supplemental information filed by the parties in this proceeding, we direct the Peoples Companies to file and serve a Revised 2019 USECP, consistent with this Order, for the reasons articulated herein. The Peoples Companies existing 2015-2018 USECP (2015 USECP) will continue in operation in whole or in part until its 2019 USECP is fully implemented.

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<sup>2</sup> Unless indicated otherwise, citations herein to pages within the "Proposed 2019 USECP" are to the clean version of the Proposed 2019 USECP as submitted on May 8, 2020, available at <http://www.puc.pa.gov/pcdocs/1662817.pdf>. (The initial proposed 2019 USECP was filed July 2, 2018.)

<sup>3</sup> PNGC comprises "the historic Peoples Division" and "the former Equitable Division." Peoples July 2, 2018 Cover Letter at 1.

<sup>4</sup> PNGC's utility code is 122250 and PGC's utility code is 122350.

## I. BACKGROUND

NGDCs are subject to universal service obligations at 66 Pa.C.S. § 2203(8) and to the universal service reporting regulations at 52 Pa. Code §§ 62.1-62.8. There are four requisite components to a USECP: Customer Assistance Program (CAP), Low Income Usage Reduction Program (LIURP), Customer Assistance and Referral Evaluation Services (CARES), and a Hardship Fund.<sup>5</sup> Commission recommendations regarding CAPs are in the CAP Policy Statement at 52 Pa. Code §§ 69.261-69.267. LIURPs are subject to the regulations at 52 Pa. Code §§ 58.1-58.18.

As a NGDC serving approximately 591,996 residential customers,<sup>6</sup> PNGC is required to periodically file and serve and thereafter to maintain an approved USECP and to obtain an independent third-party review at least every six years.<sup>7</sup>

As a small NGDC serving less than 100,000 residential accounts,<sup>8</sup> PGC is not required to file and serve a USECP subject to Commission approval.<sup>9</sup> Since the processes and procedures of both PNGC and PGC are similar and since the two NGDCs share the same third-party administrators for their universal service programs, PGC voluntarily participates in the PNGC USECP, albeit with a few variances.

Unless indicated otherwise, references to the 2019 USECP herein refer collectively to both PNGC and PGC programs, processes, and procedures.

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<sup>5</sup> A CAP provides discounted bills and/or debt forgiveness for low-income residential customers; a LIURP provides weatherization and usage reduction services for low-income residential customers; (3) CARES provides referral services for payment-troubled residential customers experiencing a temporary hardship; and (4) a hardship fund provides grants to qualified residential customers with overdue balances and an inability to pay energy bills.

<sup>6</sup> *Report on 2020 Universal Service Programs & Collections Performance* at 5; <https://www.puc.pa.gov/media/1709/2020-universal-service-report-final.pdf>.

<sup>7</sup> *See* 52 Pa. Code §§ 62.1-62.6.

<sup>8</sup> PGC reported serving 58,000 residential customers in 2020. *Report on 2020 Universal Service Programs & Collections Performance* at 82.

<sup>9</sup> *See* 52 Pa. Code § 62.7.

*Policy Statement on Customer Assistance Programs, 52 Pa. Code §§ 69.261-69.267 (CAP Policy Statement (2020)), Docket No. M-2019-3012599*

The Commission's CAP Policy Statement (1999) was amended effective March 21, 2020, pursuant to an order and annex entered on November 5, 2019, and published in the *Pennsylvania Bulletin* on March 21, 2020. *See 2019 Amendments to Policy Statement on Customer Assistance Program, 52 Pa. Code §§ 69.261-69.267, Final Policy Statement and Order, Docket No. M-2019-3012599 (November 2019 Order and November 2019 Annex). See also 50 Pa.B. 1652.*<sup>10</sup>

The November 2019 Order, *inter alia*, strongly urged NGDCs and electric distribution companies (EDCs) to incorporate the CAP policy amendments into its USECPs to allow stakeholders to have a basis for meaningful input in a *Universal Service Rulemaking*.<sup>11</sup> November 2019 Order at 2.

*2019 Adjustment to USECP Filing Schedules, Docket No. M-2019-3012601*

On October 3, 2019, the Commission entered its order (October 2019 Order) in *Universal Service and Energy Conservation Plan (USECP) Filing Schedule and Independent Evaluation Filing Schedule*, Docket No. M-2019-3012601, to extend the duration of USECPs from the then-prescribed three years to at least five years. The filing schedule for third-party independent evaluations<sup>12</sup> was adjusted to coincide with the revised USECP duration and filing schedule. The October 2019 Order directed NGDCs

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<sup>10</sup> Available at <https://www.pacodeandbulletin.gov/Display/pabull?file=/secure/pabulletin/data/vol50/50-12/409.html>.

<sup>11</sup> On January 2, 2020, the Commission entered an order at Docket No. L-2019-3012600 directing its Bureau of Consumer Services (BCS) and Law Bureau to initiate a comprehensive universal service rulemaking.

<sup>12</sup> 52 Pa. Code § 62.6 (a-b).

and EDCs to provide updated enrollment and budget projections for the extended terms of their existing USECPs based on the new filing schedule. The Peoples Companies' Proposed 2019 USECP was extended through at least 2024.

## **II. HISTORY<sup>13</sup>**

### **A. 2015 USECP (Docket No. M-2014-2432515)**

The Peoples Companies most recent USECP was the 2015 USECP, approved by the Commission at Docket No. M-2014-2432515, by order entered on December 17, 2015 (December 2015 Order). The 2015 USECP, initially approved through 2018, is still in operation pending approval of the proposed 2019 USECP. A six-year evaluation of the Peoples Companies' universal service and energy conservation efforts was completed in August 2017 by Applied Public Policy Research Institute for Study and Evaluation (APPRISE) (2017 APPRISE Evaluation).<sup>14</sup>

The December 2015 Order also directed the Peoples Companies to file and serve annual reports regarding their three-year Extended-CAP (E-CAP) pilot. The annual reports were to include customer participation, costs, payment compliance, and balance impact. December 2015 Order at 21-22, 58. On March 31, 2017, the Peoples Companies filed a report detailing E-CAP participation, costs, and impacts for 2016. On October 5, 2018, the Peoples Companies filed a report detailing E-CAP participation, costs, and impacts for 2017. The Peoples Companies included a report detailing E-CAP participation, costs, and impacts for 2018 in its September 17, 2020 Supplemental Information in response to the Tentative Order. The Peoples Companies did not file an

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<sup>13</sup> This section contains an abbreviated history of changes related to the Peoples Companies universal service programs since the approval of its 2015 USECP. A more detailed history is provided in the Tentative Order at 6-13.

<sup>14</sup> The 2017 APPRISE Evaluation can be found at [http://www.puc.pa.gov/General/pdf/USP\\_Evaluation-Peoples.pdf](http://www.puc.pa.gov/General/pdf/USP_Evaluation-Peoples.pdf).

E-CAP report reflecting program data for 2019. On May 7, 2021, the Peoples Companies filed a report detailing E-CAP participation, costs, and impacts for 2020.

On January 3, 2020, the Peoples Companies filed and served a petition at Docket No. M-2014-2432515 that was also docketed at Docket No. P-2020-3017641 proposing, *inter alia*, to amend their existing 2015 USECP to incorporate recommended changes discussed in the November 2019 CAP Policy Statement and Order, including the adoption of a Consumer Education and Outreach Plan (CEOP).

**B. 2019 Base Rate Case (BRC), Docket Nos. R-2018-3006818, et al.**

On January 28, 2019, PNGC filed for a general rate increase at *Pa. PUC, et al., v. PNGC*, which was docketed at R-2018-3000164, *et al.* (2019 BRC). On July 9, 2019, a Joint Petition<sup>15</sup> for settlement was filed (2019 BRC Joint Petition) that, *inter alia*, proposed changes to PNGC's universal service programs or treatment of confirmed low-income customers. The Office of Administrative Law Judge's (OALJ's) July 30, 2019 Recommended Decision recommended approval of the 2019 BRC Joint Petition, without modification. The Commission approved the 2019 BRC Joint Petition by order entered on October 3, 2019.

As articulated in the 2019 BRC Joint Petition, PNGC, *inter alia*, agreed that it would:

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<sup>15</sup> The Joint Petitioners in PNGC's 2019 Base Rate Case were: PNGC; the Commission's Bureau of Investigation and Enforcement (BIE); OCA; the Office of Small Business Advocate (OSBA); Direct Energy Business, LLC, Direct Energy Services, LLC, and Direct Business Services, LLC (collectively, Direct Energy); the Pennsylvania Independent Oil & Gas Association (PIOGA); Community Action Association of Pennsylvania (CAAP); CAUSE-PA; and Snyder Brothers, Inc., VEC Energy LLC and Snyder Armclar Gas Company LP (collectively, Snyder Brothers).

- Waive High Bill Investigation Fees for customers at or below 150% of the Federal Poverty Income Guidelines (FPIG). 2019 BRC Joint Petition at 12, ¶48.<sup>16</sup>
- Integrate the Universal Service Riders of the Peoples and Equitable divisions in a manner that does not adversely affect either one of the divisions. PNGC agreed to submit a written plan for how it would ensure that funding for its LIURP would be equitably distributed between divisions within 90 days of the effective date of its rate increase.<sup>17</sup> 2019 BRC Joint Petition at 12, ¶50.
- Host an in-person collaborative meeting with interested parties to the 2019 BRC proceeding and other stakeholders, including BCS, to answer questions about its Proposed 2019 USECP within 120 days of the effective date of its rate increase. 2019 BRC Joint Petition at 12-13, ¶51.
- Increase its annual LIURP budget by \$650,000, divided proportionately between the Peoples and Equitable divisions. Any unspent funds at the end of each year will roll over and be added to the LIURP budget for the following year. 2019 BRC Joint Petition at 13, ¶52.
- Maintain existing business relationships with community-based organizations (CBOs), subject to each individual CBO's continued performance in conformance with contract requirements and USECP rules. 2019 BRC Joint Petition at 13, ¶53.

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<sup>16</sup> PNGC tariff specifies a \$75 service charge for a high bill investigation, which is waived if the customer's income is at or below 150% of the federal poverty level. PNGC PA. P.U.C. Tariff No. 47, First Revised Page No. 35. [https://www.peoples-gas.com/my-account/understand/files/gas-rates-files/Peoples\\_Current\\_Retail\\_Tariff.pdf](https://www.peoples-gas.com/my-account/understand/files/gas-rates-files/Peoples_Current_Retail_Tariff.pdf) (accessed on April 19, 2022).

<sup>17</sup> PNGC agreed to serve the plan to all parties in the 2019 BRC proceeding and BCS. PNGC agreed to include data about the actual spending for LIURP in each rate division over the last three years, as well as information about the estimated and confirmed low-income populations in each rate district. 2019 BRC Joint Petition at 12, ¶50. The plan was provided to the parties including BCS but not filed.

- Update its training materials within 60 days of the effective date of its rate increase to clarify that additional medical certificate renewals, beyond the first three certificates, are available to customers who continue to pay their current charges or budget bill amount while protected by a medical certificate. PNGC agreed to share its updated training materials with the parties to the 2019 BRC proceeding. 2019 BRC Joint Petition at 13, ¶54.
- Inform customers upon submission of a medical certificate that they can continue to renew their medical certificates so long as they continue to pay their current bill or budget bill, but if they fail to do so they are limited to three certificates. 2019 BRC Joint Petition at 13-14, ¶55.
- Review its residential accounts at least once every six months to ensure that it is not holding deposits for customers who are confirmed low-income. If deposits for confirmed low-income customers are being held, PNGC will refund those deposits within 30 days. 2019 BRC Joint Petition at 14, ¶56.<sup>18</sup>
- Identify enhanced steps taken to bolster CAP enrollments in its 2019 USECP. 2019 BRC Joint Petition at 14, ¶57.
- Revise its Universal Service cost recovery tariff to reflect a bad debt offset of 3.86% for all CAP participation exceeding 32,300.<sup>19</sup> PNGC will no longer track CAP participation separately for the Peoples and Equitable divisions. 2019 BRC Joint Petition at 14, ¶58.

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<sup>18</sup> PNGC tariff specifies that, *inter alia*, the utility may refund a security deposit with interest when a customer meets certain conditions or upon the discretion of the utility. PNGC PA. P.U.C. Tariff No. 47, First Revised Page No. 19.

<sup>19</sup> See PNGC PA. P.U.C. Tariff No. 47, Ninth Revised Page No. 68.

- Adopt a procedure, within six months, under which it will not disconnect service to a confirmed low-income customer for nonpayment without first providing a stand-alone Plain English notice to that customer of the customer’s right to enter into CAP and an explanation of CAP’s arrearage forgiveness benefits. PNGC agreed to develop the Plain English notice in collaboration with its Universal Service Advisory Group (USAG). 2019 BRC Joint Petition at 14, ¶59.
- Discuss the following topics with its USAG no later than October 2019 and present recommendations of the USAG to the Commission in either its next round of comments regarding its USECP, or its next BRC, whichever comes first: (1) CAP outreach; (2) why customers do not respond to written shutoff notices that inform customers in arrears of the need to contact PNGC in order to avoid the disconnection of service; and (3) why customers do not successfully complete deferred payment agreements. 2019 BRC Joint Petition at 15, ¶62-63.
- Revise its tariff to explicitly provide that the reconnection fee will be waived for all customers with income at or below 150% of the FPIG.<sup>20</sup> 2019 BRC Joint Petition at 15, ¶64.
- Collaborate with the Duquesne Light Company (Duquesne) on their CAPs with the objective to enhance the experience for their mutual low-income customers, including enabling data and document sharing to reduce barriers to enrollment, develop a universal CAP application, and investigate methods of shared recertification that decreases the number of CAP customers removed from CAP for failure to recertify. 2019 BRC Joint Petition at 15, ¶65.

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<sup>20</sup> See Peoples Natural Gas January 1, 2022 Tariff at 20.

### **C. 2019 USECP (Docket Nos. M-2018-3003177 & M-2020-3021343)**

In compliance with Commission regulations, the Peoples Companies initially submitted their Proposed 2019 USECP on July 2, 2018, and served OCA, CAUSE-PA, OSBA, and BIE. Initially, the proposed 2019 USECP was assigned only docket number M-2018-3003177 for PNGC. Thereafter, in recognition that PNGC and PGC are separate jurisdictional utilities with unique utility codes, PGC's voluntary participation in the 2019 USECP was assigned Docket No. M-2020-3021343.

On January 6, 2020, the Peoples Companies filed and served their Addendum (January 2020 Addendum) at Docket No. M-2020-3003177 proposing, *inter alia*, to amend their proposed 2019 USECP to incorporate recommended changes discussed in the Final CAP Policy Statement and Order, including a CEOP.

The January 2020 Addendum, in addition to providing universal service program enrollment and budget projections through 2024, also proposed to incorporate other changes to the Proposed 2019 USECP consistent with amendments to the CAP Policy Statement (2020). The January 2020 Addendum also indicated changes to the Proposed 2019 USECP based on the approved 2019 BRC Joint Petition at Docket No. R-2018-3006818.

On February 25, 2020, Commission staff convened a meeting to allow stakeholders an opportunity to provide informal comments and questions about the Proposed 2019 USECP. Representatives from the Peoples Companies, the Pennsylvania Utility Law Project (PULP, legal counsel for CAUSE-PA), OCA, and BIE were invited to participate.

The Peoples Companies filed and served additional amendments to their Proposed 2019 USECP on April 24, 2020, and May 8, 2020. The April 24, 2020 filing (April 2020

filing), which was filed at Docket No. P-2020-3017641,<sup>21</sup> proposed to modify the proposed budgets for CAP, the Emergency Furnace and Service Line Repair (EFSLR) Program Pilot, and the Hardship Fund in the Proposed 2019 USECP.<sup>22</sup> The May 8, 2020 filing (May 2020 filing), which was also filed at Docket No. P-2020-3017641, reflected further modifications to the description of eligibility for the EFSLR Program Pilot in the Proposed 2019 USECP.<sup>23</sup>

On August 27, 2020, the Commission entered a Tentative Order<sup>24</sup> identifying issues in the Proposed 2019 USECP requiring further clarification and withholding approval of the 2019 USECP until a review of requested information and stakeholder comments is complete. The Tentative Order requested that the Peoples Companies submit supplemental information regarding their Proposed 2019 USECP.

On September 17, 2020, the Peoples Companies filed Supplemental Information with Attachments A-B and D-H. On September 21, 2020, the Peoples Companies filed additional Supplemental Information with Attachment C.

On September 22, 2020, OCA filed a Notice of Intervention and Public Statement at Docket No. M-2018-3003177.

On September 23, 2020, September 25, 2020, September 29, 2020, October 2, 2020, October 6, 2020, and October 7, 2020, the Peoples Companies provided responses, which were not filed as part of the record, to OCA's interrogatories.

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<sup>21</sup> A January 3, 2020 filing (January 2020 Addendum re 2015 USECP at Docket No. M-2014-2432515) was assigned Docket No. P-2020-3017641 as a petition to incorporate changes into the 2015 USECP consistent with the amendments to the CAP Policy Statement.

<sup>22</sup> The proposed revisions to the Proposed 2019 USECP should have been filed at Docket No. M-2018-3003177. It is not necessary to file a petition to revise a pending proposed USECP.

<sup>23</sup> The substance of these two filings will be fully considered herein.

<sup>24</sup> The caption of the Tentative Order included *Petition of PNGC to Modify the Budget for the Equitable Division*, Docket No. P-2019-3007044. We note that the petition was approved by order entered on May 9, 2019, and the docket was closed. That petition is, therefore, no longer an issue.

On October 5, 2020, the Peoples Companies filed proposed revisions to pages 2 and 7 of their proposed 2019 USECP at Docket Nos. M-2018-3003177 and M-2020-3021343 to clarify the status of the CAP customer information sharing agreement with Duquesne Light Company.

CAUSE-PA filed comments on October 20, 2020 and OCA filed comments on October 21, 2020. CAUSE-PA and OCA individually filed reply comments on November 4, 2020. The Peoples Companies did not file reply comments.

**D. Petition to Establish a COVID-19 Pandemic Assistance Program (Docket Nos. P-2020-3022041 & P-2020-3022043)**

On September 22, 2020, the Peoples Companies filed and served two substantially similar petitions (collectively September 2020 Petitions), which were docketed at P-2020-3022041 (PNGC) and P-2020-3022043 (PGC), seeking expedited approval to implement a temporary Pandemic Assistance Program (PAP) funded by their Pipeline Penalty Credits and Refund Proceeds to provide grants to certain residential and small-business customers experiencing reduced income due to the COVID-19 pandemic.

On October 13, 2020, OCA, CAUSE-PA, and OSBA separately filed Answers to the September 2020 Petitions. OCA and CAUSE-PA were supportive of the September 2020 Petitions. OSBA took no position in regard to the use of the residential portion of the pipeline credits and refunds but opposed the proposals as applicable to small business customers. OSBA contended that the proposals should be adjudicated before the OALJ before the Commission renders a decision. OSBA Notice of Intervention and Answer at 4-5.

On August 19, 2021, the Peoples Companies filed two substantially similar Petitions (August 2021 Withdrawal Petitions) seeking to withdraw the September 2020 Petitions. The Peoples Companies requested this withdrawal because other forms of assistance had been made available to customers impacted by the COVID-19 pandemic since the September 2020 Petitions were filed, including the revised termination moratorium and payment arrangement requirements established by the Commission.<sup>25</sup> August 2021 Withdrawal Petitions at 2. No parties filed objections to the August 2021 Withdrawal Petitions. The August 2021 Withdrawal Petitions were approved by the Commission via Secretarial Letter issued on October 22, 2021.

### **III. DISCUSSION**

The Peoples Companies' Proposed 2019 USECP, as amended, contains the four components that help low-income customers maintain utility service mandated by 66 Pa.C.S. §§ 2202 and 2203 (1) CAP, (2) LIURP, (3) CARES, and (4) Hardship Fund. We shall discuss each program, eligibility criteria, projected needs assessments, projected enrollment levels, program budgets, use of community-based organizations, and organizational structure in greater detail below.

#### **A. Summary of Modifications to the Universal Service Programs**

The Peoples Companies propose several program provisions for their Proposed 2019 USECP that differ from their 2015 USECP. The Peoples Companies propose the following modifications to their existing Universal Service Programs:

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<sup>25</sup> See *Public Utility Service Termination Moratorium Order*, Docket No. M-2020-3019244 (Order entered on March 18, 2021).

## 1. Proposed CAP Modifications

- Partner with Duquesne to assist customers in the CAP enrollment process.
- Permit customers to re-enter CAP up to nine (9) months after service termination or removal from CAP. Upon re-entering CAP, customers will be billed the CAP payment amount they were charged before termination or removal.
- Incorporate the E-CAP pilot as a permanent part of their CAP and commence offering CAP benefits to customers with incomes between 151%-200% of the FPIG.
- Charge CAP customers with incomes at or below 200% of the FPIG a maximum of 4%, 5%, 6%, or 7% of income (based on their FPIG level) or their average bill, whichever is less.
- Eliminate monthly pre-program arrearage (PPA) co-payment and CAP Plus charges.
- Develop a report and process to allow customers to maintain CAP status when they transfer natural gas service to a new property within the Peoples Companies' service territory.
- Train CAP agencies to instruct CAP applicants that income from the past 30 days or 12 months can be used to establish eligibility and how these different timeframes may benefit the customer.

- Eliminate “payment troubled” as a criterion for CAP eligibility.
- Remove customers from CAP if they exceed \$1,000 CAP credits annually and the excess usage (*i.e.*, usage exceeding \$1,000 CAP credits) cannot be justified.
- Implement an online CAP application.
- Adopt the Commission-approved standardized zero-income form.
- Establish recertification timelines consistent with the maximum recommended timeframes in the CAP Policy Statement (2020).
- Establish a CEOP.
- Exclude unearned income of minors when determining CAP eligibility and benefits at enrollment and recertification.

## **2. Proposed LIURP Modifications**

- Increase per job allowance to include heating system remediation. Address pre-determined usage reduction measures and, in some cases, health and safety measures to allow the Peoples Companies to perform LIURP weatherization projects.
- Increase the random inspection rate above 25% of annual jobs to allow for more effective quality control of program measure installations and new contractors.

- Increase the annual budget for PNGC’s Equitable Division EFSLR Program Pilot to \$400,000.
- Increase the annual budget for the PGC EFSLR Program Pilot to \$60,000.
- Include minor restoration costs to ensure gas line safety for replacements that include excavation for the EFSLR Program Pilot.
- Increase annual EFSLR Program Pilot budgets by 3% every year to cover rising labor and material costs.
- Permit up to 25% of the annual EFSLR Program Pilot budget to serve renters.

### **3. Proposed CARES and Hardship Fund Modifications**

- Partner with EDCs to:
  - Provide services and resources to shared vulnerable customers.
  - Share customer documentation to verify program eligibility.

*Resolution:* With the exception of the proposed changes and other issues that are specifically addressed in this Order, the Commission approves the Peoples Companies’ proposed changes to its universal service programs for its 2019 USECP as listed above. Unless otherwise specifically addressed, the Peoples Companies may not implement any changes until final approval of the compliance filing at this docket. The Peoples Companies shall make all necessary system enhancements to implement these changes within 90 days from the entry date of this Order. The Peoples Companies shall file and serve a letter at this docket when implementation is completed.

## **B. Program Descriptions**

### **1. CAP**

Enrollment in the Peoples Companies' CAP helps customers maintain gas service through more affordable payments and the opportunity to eliminate pre-program balances through 1/36<sup>th</sup> monthly PPA forgiveness. All Peoples Companies' CAP customers can have their PPAs forgiven over three years of timely, in-full CAP payments. The Peoples Companies apply PPA forgiveness for each timely and full monthly payment, regardless of existing CAP in-program arrears, and for any months missed once the CAP in-program arrears balance is paid in full. The determination of income-eligibility for CAP participation is based on household income over the past 30 days or 12 months, whichever timeframe is more likely to result in the household being income-qualified.

To be eligible for CAP or E-CAP, a household must have income at or below 200% of the FPIG<sup>26</sup> and have an active residential natural gas heating account with one of the Peoples Companies. Customers with incomes between 151% and 200% of the FPIG must also (1) have at least one broken payment arrangement and a balance of \$800 or more and (2) apply for a Hardship Fund grant before enrolling in E-CAP, if available.<sup>27</sup>

The Peoples Companies calculate a customer's monthly CAP bill based on a percentage of the household's gross income or the average annual bill for the residence, whichever is less. If a customer's calculated percentage of income exceeds the average

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<sup>26</sup> Section 69.262 defines low-income customers as those whose gross annual income is 150% or less of the FPIG. 52 Pa. Code § 69.262. In PNGC's 2015 USECP proceeding, the Commission approved the E-CAP pilot to provide certain CAP benefits to customers with household incomes between 151% and 200% of the FPIG.

<sup>27</sup> These customers receive arrearage forgiveness and are required to pay 11% of their income or their average bill, whichever is less, plus a \$5 monthly PPA co-pay and CAP Plus charges. *See Peoples 2015-2018 USECP Final Order*, Docket No. M-2014-2432515 (order entered on December 17, 2015), at 16-22.

bill for the residence, the average bill will be the CAP payment amount. The minimum monthly CAP payment is \$25.

The Peoples Companies apply monthly CAP credits at billing. They have a \$1,000 annual CAP credit limit unless the customer's household increases in size, experiences a serious illness, or consumes energy beyond its ability to control. The Peoples Companies refer special needs customers, identified through this process, to CARES.

The Peoples Companies will monitor CAP customer accounts to identify any customer whose weather-normalized annual usage has increased by more than 25% for PNGC and 20% for PGC and will contact that customer to determine if the usage is justified. Justified usage may include the same special circumstances outlined above for exceeding CAP credit limits.

Customers reporting zero income will be able to enroll in CAP by completing the zero-income form and are required to recertify their income every six months. CAP customers that receive a LIHEAP grant annually or that are on a fixed income (*i.e.*, pension, Social Security, and/or disability) must recertify once every three years. All other CAP participants must recertify every two years.

The Peoples Companies send recertification notification letters 60 days and 30 days before the recertification date. The Peoples Companies remove customers from CAP if they do not recertify by the end of this 60-day period.

Final CAP bills are calculated by determining gas usage from the last billing date to the end of service date and applying currently effective residential tariff rates rather than CAP billing. Remaining pre-CAP balances are also due with the final bill.

Based on our analysis in the Tentative Order of the Peoples Companies' CAP, we requested clarification and/or correction regarding the following issues. The following discussion reflects resolution of those issues:

*a. Proposal to incorporate the E-CAP pilot as a permanent aspect of the Peoples Companies' CAP (i.e., provide CAP benefits to customers with incomes between 151% and 200% of the FPIG)*

The Proposed 2019 USECP proposes to fully integrate the E-CAP pilot into the Peoples Companies' CAP. The Proposed 2019 USECP also proposes to decrease the percent of income payment (PIP) for E-CAP customers from 11% of their household income or their average bill to 7% of their household income or their average bill. Proposed 2019 USECP at 8.

The Tentative Order questioned whether the Peoples Companies' 2016 and 2017 E-CAP data provide sufficient data to determine whether E-CAP meets the goals of improving payment behavior and decreasing default rates for their participants and reducing the Peoples Companies' bad debt and credit/collection costs. The Tentative Order also questioned whether it is appropriate to permanently allow one public utility to offer CAP benefits, even if modified beyond the CAP Policy Statement (2020) recommendations, to customers at income levels above 150% of the FPIG and/or to allow recovery of such costs from ratepayers. Tentative Order at 24-26.

The Commission requested more information about the past costs of the E-CAP pilot and the projected costs of any proposed permanent expansion of the Peoples Companies' CAP to include customers above 150% of the FPIG. This included, *inter alia*, (1) actual annual enrollment levels and expenditures (*i.e.*, CAP credits, PPA forgiveness, and administrative costs) for CAP customers with incomes between 151% and 200% of the FPIG from 2018 through 2019; (2) projected annual enrollment levels

and expenditures (*i.e.*, CAP credits, PPA forgiveness, and administrative costs) for CAP customers with incomes between 151% and 200% of the FPIG for 2020 through 2024; (3) an analysis of E-CAP participant pre- and post-program payment behavior (*e.g.*, percent of bills paid on-time and in-full) and termination rates from 2016-2019; and (4) the impact of E-CAP on the Peoples Companies' bad debt and credit/collection costs. Tentative Order at 26-27.

The Peoples Companies provided the following information in response to the data requested in the Tentative Order.

*2018-2019 E-CAP enrollment and expenditures*

The Peoples Companies report that the enrollment in E-CAP as of August 2020 is 2,342. September 17, 2020 Supplemental Information, Attachment A at 6. Table 1 reflects the requested E-CAP data for 2018-2019:

**Table 1. E-CAP Data for 2018-2019**

| <b>Year</b> | <b>Utility</b> | <b>E-CAP Participants (Average)</b> | <b>CAP Credits</b> | <b>PPA Forgiveness</b> | <b>Total Expenditures</b> |
|-------------|----------------|-------------------------------------|--------------------|------------------------|---------------------------|
| <b>2018</b> | PNGC*          | 1,908                               | \$325,576          | \$499,771              | \$825,347                 |
| <b>2019</b> | PNGC**         | 2,287                               | \$235,031          | \$337,948              | \$572,979                 |

*Source:* September 17, 2020 Supplemental Information, Attachment A at 1, 3, 5, & 7.

\* For 2018, the totals were reported as Peoples Division E-CAP average of 1,190, Equitable Division E-CAP average of 718, and PGC E-CAP average of 274 customers. September 17, 2020 Supplemental Information, Attachment B at 1.

\*\* For 2019, the totals were reported as Peoples Division E-CAP average of 1,392, Equitable Division E-CAP average of 895, and PGC E-CAP average of 280 customers. September 17, 2020 Supplemental Information, Attachment A at 7.

*2020-2024 E-CAP enrollment and expenditure projections*

The Peoples Companies provided the projected enrollment and E-CAP credit estimates for E-CAP customers at 151% to 200% of the FPIG through 2024 in Tables 2 and 3.

**Table 2. Projected E-CAP Enrollment Levels for 2020-2024 (151%-200% of FPIG)**

| <b>Year</b>  | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> |
|--------------|-------------|-------------|-------------|-------------|-------------|
| <b>PNGC</b>  | 2,098       | 2,140       | 2,172       | 2,193       | 2,204       |
| <b>PGC</b>   | 277         | 283         | 287         | 290         | 291         |
| <b>Total</b> | 2,375       | 2,423       | 2,459       | 2,483       | 2,495       |

Source: September 17, 2020 Supplemental Information, Attachment B at 1.

**Table 3. Projected E-CAP CAP Credits for 2020-2024 (151%-200% of FPIG)**

| <b>Year</b>  | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> |
|--------------|-------------|-------------|-------------|-------------|-------------|
| <b>PNGC</b>  | \$63,737    | \$65,012    | \$65,987    | \$66,647    | \$66,980    |
| <b>PGC</b>   | \$14,911    | \$15,209    | \$15,437    | \$15,591    | \$15,669    |
| <b>Total</b> | \$78,648    | \$80,221    | \$81,424    | \$82,238    | \$82,649    |

Source: September 17, 2020 Supplemental Information, Attachment D at 1-2.

The Peoples Companies state that they are unable to differentiate administrative costs between CAP and E-CAP. September 17, 2020 Supplemental Information at 1. The Peoples Companies did not provide E-CAP PPA forgiveness cost projections through 2024.<sup>28</sup>

*2016-2019 E-CAP participants' pre- and post-program behavior*

The Peoples Companies report that some E-CAP customers showed significant improvement in their payment behaviors after enrollment while others showed no changes. From 2016 through 2019, almost two-thirds of E-CAP customers made more monthly payments after enrollment in E-CAP. Approximately 13% of E-CAP customers paid at the same frequency as they had pre-enrollment and 24% paid less frequently. The

<sup>28</sup> PPA forgiveness projections provided in the Peoples Companies Supplemental Information reflect total anticipated PPA costs associated for all CAP and E-CAP customers through 2024. September 17 Supplemental Information, Attachment D at 1-2. As such, these projections had limited value in our analysis of the potential costs of E-CAP through 2024.

Peoples Companies state that these E-CAP payment behaviors are consistent with the payment behaviors of CAP participants at all income levels with PPAs. September 21, 2020 Supplemental Information, Attachment C at 1.

*E-CAP impact on bad debt and credit collection costs*

The Peoples Companies report that associated bad debt risk is high across low-income accounts. Approximately one-half of E-CAP participants received fewer termination notices after enrollment while a quarter of E-CAP participants received more termination notices. The percentage of E-CAP customers receiving zero termination notices post-enrollment rose from 31% in 2016 to 43% in 2019. September 21, 2020 Supplemental Information, Attachment C at 2.

*Comments*

OCA supports continuing E-CAP with their current energy burdens but expresses concern with the low number of E-CAP customers who pay their bill in full each month and the length of time spent in the program.

E-CAP participation has steadily increased from 2018 through 2020 and now approximately 2,400 customers participate in the program. The OCA's understanding of the primary purpose of E-CAP is to assist customers between 151 [and] 200% of the [FPIG] in resolving large arrearages. The [Peoples] Companies provided in response to OCA Set I, No. 7 that there are not a lot of new enrollees each month but [that] the number of enrolled participants is growing. It appears as if participation is increasing because participants are enrolling in the program and staying in the program, without retiring their arrears.

OCA Comments at 13.

OCA proposes limiting E-CAP participation to 30 months and providing 1/24<sup>th</sup> monthly arrearage forgiveness for each payment made in full. Any arrears remaining at the end of the 30 months would be placed back on the customer's account under the standard residential rate. Establishing time limits to E-CAP would help control participation levels and costs while maintaining the benefits of the program. OCA Comments at 13-14.

CAUSE-PA supports the continuation of the Peoples Companies' E-CAP pilot at the proposed 7% energy burden and suggests enhancing data collection for the duration of the 2019-2024 USECP. CAUSE-PA argues that the Peoples Companies' Supplemental Information shows that customers in the 151% to 200% tier of FPIG are in critical need of CAP benefits and that enrollment in E-CAP results in improved payment behavior and reduced collections expenses. CAUSE-PA recommends that the Peoples Companies work with their USAG to further recognize and explore expanded metrics for the pilot which may allow a more in-depth analysis. CAUSE-PA Comments at 9, 11, 13.

OCA does not support reducing the E-CAP energy burden from 11% to 7% but agrees with CAUSE-PA that this program should be evaluated by the Peoples Companies USAG. OCA Reply Comments at 4-5.

*Resolution:* We note that neither the 1999 CAP Policy Statement nor the 2020 CAP Policy Statement addresses energy burdens for customers with incomes exceeding 150% of the FPIG. The December 2015 Order approved implementation of the E-CAP pilot for a three-year period, 2015-2018, to determine whether the program (1) demonstrates a need by meeting projected enrollment levels, (2) improves payment behavior and decreases default rate for their participants, and (3) reduces the Peoples Companies' bad debt and credit/collection costs. December 2015 Order at 21. The information provided by the Peoples Companies shows some success in achieving these metrics. The Peoples Companies report that two-thirds of E-CAP participants are improving payment behavior

with over half seeing a decrease in termination activity. We note that the Peoples Companies are still offering E-CAP.

The question before us is whether E-CAP should be retained as a pilot, be fully incorporated into the Peoples Companies' CAP, be revised, or be discontinued. The Peoples Companies' data show that some E-CAP participants demonstrate improved payment behaviors while other E-CAP participants showed no improvement. The Peoples Companies state that E-CAP participant payment behavior stayed the same at an average of 13% or decreased at an average of 24% and that these averages reflect the payment behaviors of CAP participants at all income levels with PPAs, as described above. September 21, 2020 Supplemental Information, Attachment C at 1.

The Commission agrees with OCA that the E-CAP pilot was designed to primarily help customers just above 150% of the FPIG address arrearage balances. We have been presented with no evidence that these customers should remain in E-CAP after their arrearages have been addressed through PPA forgiveness. When these balances are forgiven, the Peoples Companies should remove the customer from E-CAP if the monthly payment is based only on the fact that the customer is between 151% and 200% of the FPIG. Therefore, the time spent in E-CAP should be limited for most customers. However, we are not persuaded to establish an arbitrary time limit for program participation at this time for customers who are still income-qualified under E-CAP and meeting PPA forgiveness obligations. Additional years of program data are needed to determine if finite time limits are appropriate and, if so, what time periods should be established. We will revisit this issue in the Peoples Companies' next periodic USECP review. As data becomes available, we may revisit this determination prior to the Peoples Companies next periodic USECP review.

The Commission also agrees with both OCA and CAUSE-PA that the Peoples Companies should involve their USAG in the evaluation of E-CAP by determining further metrics to assess E-CAP's effectiveness.

Additionally, the Peoples Companies have not demonstrated that the current E-CAP PIP payment amount (11% of income or average bill, whichever is less) is unaffordable for current E-CAP participants. Therefore, we do not support the Commission approving E-CAP as a permanent addition to the Peoples Companies' CAP offering or to approve reduction of the E-CAP energy burden at this time. However, the Commission does support retaining E-CAP as a pilot program for the duration of the 2019 USECP at the current energy burden of 11% with PPA forgiveness. This is due, in part, to the impact of the COVID-19 pandemic on utility customer arrearages in Pennsylvania.

Accordingly, we approve extending the E-CAP pilot for the duration of the Peoples Companies' 2019 USECP but deny the proposal to reduce the energy burdens for E-CAP pilot participants from 11% to 7%. E-CAP customers whose income remains above 150% of the FPIG after their PPA balance is reduced to zero are to be removed from E-CAP. The Peoples Companies shall continue to file and serve their annual E-CAP reports at Docket Nos. M-2018-3003177 and M-2020-3021343 and shall share E-CAP data and progress with the USAG for the duration of the 2019 USECP.

*b. Proposal to charge CAP customers with incomes at or below 150% of the FPIG a maximum of 4%, 5%, or 6% of income or their average bill, whichever is less; Proposal to eliminate PPA co-pays and CAP Plus charges; Proposal to review minimum payment requirements*

As shown in Table 4 below, the Peoples Companies proposed to amend the CAP PIP levels consistent with the recommended maximum energy burdens in the CAP Policy

Statement (2020) within 30 days after receiving Commission approval. January 2020 Addendum at 1.

**Table 4. Current vs. Proposed CAP Energy Burdens**

| <b>FPIG Level</b>           | <b>Current PIP</b> | <b>Proposed PIP</b> |
|-----------------------------|--------------------|---------------------|
| <b>0% to 50%</b>            | 8%                 | 4%                  |
| <b>51% to 100%</b>          | 9%                 | 5%                  |
| <b>101% to 150%</b>         | 10%                | 6%                  |
| <b>151% to 200% (E-CAP)</b> | 11%                | 7%                  |

*Source:* January 2020 Addendum at 1 and Proposed 2019 USECP at 8.

The Peoples Companies also propose to eliminate the \$5 co-pay for CAP customers with PPAs and the CAP Plus charge for all CAP customers. They further state that they will review the current minimum payment of \$25 with their USAG and will thereafter petition to amend the CAP minimum payment if a change appears warranted. January 2020 Addendum at 1.

In the Tentative Order, the Commission requested additional cost estimates related to these proposed changes. Specifically, the Peoples Companies were requested to, *inter alia*, (1) provide estimates of how each individual change in their proposed CAP payment (*i.e.*, energy burden decrease, elimination of the PPA co-pay, and elimination of CAP Plus) will increase CAP costs for each year of the proposed USECP by household FPIG tier and (2) identify the number of CAP accounts which may have unused LIHEAP funds returned to DHS and the average amount of those funds for each household FPIG tier. The Peoples Companies were requested to provide actual data for 2018 and 2019 and projected data for 2020 through 2024 based on the proposed PIP levels. Tentative Order at 28.

*Cost Projections – Energy Burden Decrease*

The Peoples Companies provided projected estimates of the energy burden decreases for 2020 through 2024, as seen in tables 5 and 6 below. The Peoples Companies estimate that total annual costs for CAP would increase by over \$5 million for PNGC and over \$447,000 for PGC by 2024 due to the proposed decrease in the PIP energy burdens.

**Table 5. Projected 2020-2024 PNGC CAP Cost Increases Based on Proposed PIP Energy Burdens**

|                  | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> |
|------------------|-------------|-------------|-------------|-------------|-------------|
| <b>0%-50%</b>    | \$1,391,852 | \$1,419,758 | \$1,441,055 | \$1,455,465 | \$1,462,742 |
| <b>51%-100%</b>  | \$2,847,802 | \$2,904,758 | \$2,948,329 | \$2,977,812 | \$2,992,701 |
| <b>101%-150%</b> | \$774,593   | \$790,084   | \$801,936   | \$809,955   | \$814,005   |
| <b>Total</b>     | \$5,014,247 | \$5,114,600 | \$5,191,320 | \$5,243,232 | \$5,269,448 |

Source: September 17, 2020 Supplemental Information, Attachment D at 1-2.

**Table 6. Projected 2020-2024 PGC CAP Cost Increases Based on Proposed PIP Energy Burdens**

|                  | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> |
|------------------|-------------|-------------|-------------|-------------|-------------|
| <b>0%-50%</b>    | \$132,729   | \$135,384   | \$137,415   | \$138,789   | \$139,483   |
| <b>51%-100%</b>  | \$144,884   | \$147,782   | \$149,998   | \$151,498   | \$152,256   |
| <b>101%-150%</b> | \$148,462   | \$151,431   | \$153,703   | \$155,240   | \$156,016   |
| <b>Total</b>     | \$426,075   | \$434,597   | \$441,116   | \$445,527   | \$447,755   |

Source: September 17, 2020 Supplemental Information, Attachment D at 4-5.

*Cost Projections – Elimination of \$5 PPA Monthly Co-pay*

The Peoples Companies state that the elimination of the \$5 monthly PPA co-pay would reduce CAP payments by \$60 annually for CAP customers with PPAs. September 17, 2020 Supplemental Information at 1. As reflected in the tables below, the Peoples Companies estimate that total annual costs for CAP and E-CAP would increase

by almost \$750,000 for PNGC and almost \$78,500 for PGC by 2024 due to the elimination of the \$5 monthly PPA co-pay.

**Table 7. Projected 2020-2024 PNGC CAP and E-CAP Cost Increases Based on Elimination of \$5 PPA Monthly Co-Pay**

|                  | 2020      | 2021      | 2022      | 2023      | 2024      |
|------------------|-----------|-----------|-----------|-----------|-----------|
| <b>0%-50%</b>    | \$185,409 | \$189,117 | \$191,954 | \$193,873 | \$194,843 |
| <b>51%-100%</b>  | \$250,858 | \$255,876 | \$259,714 | \$262,311 | \$263,622 |
| <b>101%-150%</b> | \$191,639 | \$195,472 | \$198,404 | \$200,388 | \$201,390 |
| <b>151%-200%</b> | \$84,472  | \$86,162  | \$87,454  | \$88,329  | \$88,770  |
| <b>Total</b>     | \$712,378 | \$726,627 | \$737,526 | \$744,901 | \$748,625 |

Source: September 17, 2020 Supplemental Information, Attachment D at 1-2.

**Table 8. Projected 2020-2024 PGC CAP and E-CAP Cost Increases Based on Elimination of \$5 PPA Monthly Co-Pay**

|                  | 2020     | 2021     | 2022     | 2023     | 2024     |
|------------------|----------|----------|----------|----------|----------|
| <b>0%-50%</b>    | \$14,989 | \$15,289 | \$15,518 | \$15,673 | \$15,751 |
| <b>51%-100%</b>  | \$27,836 | \$28,393 | \$28,819 | \$29,107 | \$29,253 |
| <b>101%-150%</b> | \$21,573 | \$22,005 | \$22,335 | \$22,558 | \$22,671 |
| <b>151%-200%</b> | \$10,278 | \$10,484 | \$10,641 | \$10,747 | \$10,801 |
| <b>Total</b>     | \$74,676 | \$76,221 | \$77,313 | \$78,085 | \$78,476 |

Source: September 17, 2020 Supplemental Information, Attachment D at 4-5.

*Cost Projections – Elimination of Monthly CAP Plus Charge*

The current CAP Plus charge is \$5 monthly. According to the Peoples Companies, the elimination of this charge would further reduce CAP payments by \$60 annually for each CAP and E-CAP customer. September 17, 2020 Supplemental Information at 1. As reflected in the tables below, the Peoples Companies estimate that total annual costs for CAP and E-CAP would increase by over \$1.9 million for PNGC and over \$187,000 for PGC by 2024 due to the elimination of the monthly CAP Plus charge.

**Table 9. Projected 2020-2024 PNGC CAP and E-CAP Cost Increases Based on Elimination of \$5 CAP Plus Monthly Charge**

|                  | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> |
|------------------|-------------|-------------|-------------|-------------|-------------|
| <b>0%-50%</b>    | \$463,523   | \$472,793   | \$479,885   | \$484,684   | \$487,107   |
| <b>51%-100%</b>  | \$760,177   | \$775,380   | \$787,011   | \$794,881   | \$798,856   |
| <b>101%-150%</b> | \$504,312   | \$514,399   | \$522,115   | \$527,336   | \$529,973   |
| <b>151%-200%</b> | \$126,078   | \$128,600   | \$130,529   | \$131,834   | \$132,493   |
| <b>Total</b>     | \$1,854,090 | \$1,891,172 | \$1,919,540 | \$1,938,735 | \$1,948,429 |

*Source:* September 17, 2020 Supplemental Information, Attachment D at 1-2.

**Table 10. Projected 2020-2024 PGC CAP and E-CAP Cost Increases Based on Elimination of \$5 CAP Plus Monthly Charge**

|                  | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> |
|------------------|-------------|-------------|-------------|-------------|-------------|
| <b>0%-50%</b>    | \$35,688    | \$36,401    | \$36,947    | \$37,317    | \$37,503    |
| <b>51%-100%</b>  | \$71,375    | \$72,803    | \$73,895    | \$74,633    | \$75,007    |
| <b>101%-150%</b> | \$55,316    | \$56,422    | \$57,268    | \$57,841    | \$58,130    |
| <b>151%-200%</b> | \$16,059    | \$16,381    | \$16,626    | \$16,793    | \$16,876    |
| <b>Total</b>     | \$178,438   | \$182,007   | \$184,736   | \$186,584   | \$187,516   |

*Source:* September 17, 2020 Supplemental Information, Attachment D at 4-5.

*Total Cost of all Proposed CAP and E-CAP Payment Changes*

As reflected in the tables below, the information provided by the Peoples Companies indicate that the total annual cost of these proposed changes to CAP and E-CAP bills would increase annual program costs by approximately \$8 million for PNGC and \$714,000 for PGC by 2024. Monthly CAP costs recovered from non-CAP residential ratepayers are projected to increase on average by slightly more than \$1 per month for customers of each public utility.

**Table 11. Projected 2020-2024 PNGC Increases in CAP and E-CAP Costs Based on All Proposed Payment Changes (i.e., energy burden, PPA co-payment, CAP Plus)**

|  | 2020        | 2021        | 2022        | 2023        | 2024        |
|--|-------------|-------------|-------------|-------------|-------------|
| <b>0%-50%</b>  | \$2,040,784 | \$2,081,668 | \$2,112,894 | \$2,134,022 | \$2,144,692 |
| <b>51%-100%</b>  | \$3,858,837 | \$3,936,014 | \$3,995,054 | \$4,035,004 | \$4,055,179 |
| <b>101%-150%</b>   | \$1,470,544 | \$1,499,955 | \$1,522,455 | \$1,537,679 | \$1,545,368 |
| <b>151%-200%*</b>  | \$210,550   | \$214,762   | \$217,983   | \$220,163   | \$221,263   |
| <b>Total</b>   | \$7,580,715 | \$7,732,399 | \$7,848,386 | \$7,926,868 | \$7,966,502 |
| <b>Average Monthly Cost per Non-CAP Residential Customer**</b> | \$1.12      | \$1.14      | \$1.16      | \$1.17      | \$1.18      |

\* As we have rejected changes to PNGC’s E-CAP energy burdens, the 151%-200% category reflects only the costs of eliminating the \$5 PPA co-payment and \$5 CAP Plus Charge.

\*\*Based on 563,104 non-CAP residential customers for PNGC in 2020. *Report on 2020 Universal Service Programs & Collections Performance* at 5 and 59.

**Table 12. Projected 2020-2024 PGC Increases in CAP and E-CAP Costs Based on All Proposed Payment Changes (i.e., energy burden, PPA co-payment, CAP Plus)**

|  | 2020      | 2021      | 2022      | 2023      | 2024      |
|--|-----------|-----------|-----------|-----------|-----------|
| <b>0%-50%</b>  | \$183,406 | \$187,074 | \$189,880 | \$191,779 | \$192,737 |
| <b>51%-100%</b>  | \$244,095 | \$248,978 | \$252,712 | \$255,238 | \$256,516 |
| <b>101%-150%</b>   | \$225,351 | \$229,858 | \$233,306 | \$235,639 | \$236,817 |
| <b>151%-200%*</b>  | \$26,337  | \$26,865  | \$27,267  | \$27,540  | \$27,677  |
| <b>Total</b>   | \$679,189 | \$692,775 | \$703,165 | \$710,196 | \$713,747 |
| <b>Average Monthly Cost per Non-CAP Residential Customer**</b> | \$1.03    | \$1.05    | \$1.06    | \$1.07    | \$1.08    |

\*As we have rejected changes to PGC’s E-CAP energy burdens, the 151%-200% category reflects only the costs of eliminating the \$5 PPA co-payment and \$5 CAP Plus Charge.

\*\*Based on 55,121 non-CAP residential customers for PGC in 2020. *Report on 2020 Universal Service Programs & Collections Performance* at 82.

*Impact of the proposed energy burden changes on unused LIHEAP grants for 2018-2019*

The Peoples Companies state that LIHEAP refunds typically occur for CAP customers with incomes between 0%-50% of the FPIG that pay the minimum payment. These customers are sometimes unable to fully exhaust the account credit created by their

LIHEAP grants within the allotted time period.<sup>29</sup> September 17, 2020 Supplemental Information at 1-2.

The Peoples Companies report that of the 33,583 customers across both public utilities who received LIHEAP grants in 2018, approximately 1.4% (455) had unused LIHEAP funds refunded to DHS. PNGC had an average LIHEAP refund of \$108 while PGC's average refund was \$114. September 17, 2020 Supplemental Information at 2.

The Peoples Companies also report that of the 33,110 customers across both public utilities who received LIHEAP grants in 2019, approximately 1.2% (411) had unused LIHEAP funds refunded to DHS. PNGC had an average LIHEAP refund of \$167 while PGC's average refund was \$177. September 17, 2020 Supplemental Information at 2.

The Peoples Companies state that similar LIHEAP refund amounts are projected for 2020-2024 as they are not proposing a change to CAP minimum payment requirements at this time.<sup>30</sup> The Peoples Companies project that PNGC would partially refund approximately 410 LIHEAP payments annually (averaging \$138 each) and that PGC would partially refund approximately 23 LIHEAP payments annually (averaging \$146 each) from 2020 through 2024. September 17, 2020 Supplemental Information at 2.

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<sup>29</sup> "All LIHEAP funds that have not been expended on or before June 30 of the year following the LIHEAP program year in which benefits were authorized must be refunded." FY 2021 LIHEAP State Plan at § 601.46.

[https://www.dhs.pa.gov/Services/Assistance/Documents/Heating%20Assistance\\_LIHEAP/State%20Plan%2020-21.pdf](https://www.dhs.pa.gov/Services/Assistance/Documents/Heating%20Assistance_LIHEAP/State%20Plan%2020-21.pdf)

<sup>30</sup> The Peoples Companies have committed to review minimum payments after the 2019 USECP is implemented and will address the issue if a change appears warranted. September 17, 2020 Supplemental Information at 2.

## *Comments*

OCA contends that the Peoples Companies' reduction of CAP energy burdens and the elimination of the PPA co-pays and CAP Plus will drastically increase the costs to non-CAP ratepayers. OCA is also concerned about a future petition to change the \$25 minimum payment. OCA avers that the Peoples Companies have not provided any analysis to explain why these proposals will not result in an increase to the number of LIHEAP grants returned to DHS. OCA contends that the proposed reductions to CAP energy burdens could result in more customers charged a minimum payment, which would result in more unused LIHEAP grants being returned to DHS. OCA Comments at 6, 11-12.

CAUSE-PA supports the immediate implementation of the proposed PIP energy burdens and the elimination of the CAP Plus and PPA co-pay. CAUSE-PA notes that the reduction in energy burdens is consistent with the CAP Policy Statement (2020) and contends that the elimination of CAP Plus and PPA co-pay charges are necessary as the addition of these fees cause CAP bills to exceed the Commission's "energy burden standards,"<sup>31</sup> as well as make CAP less affordable for participants. It supports the Peoples Companies' proposal to review their \$25 minimum monthly CAP payment with their USAG, asserting that the \$25 minimum charge is not based on affordability but rather an arbitrary number. CAUSE-PA Comments at 15-18.

OCA reiterates that reducing energy burdens, eliminating the \$5 co-pay, and removing CAP Plus charges would increase the cost to non-CAP customers and result in an increase of LIHEAP grants returned to DHS. OCA maintains that referral of the

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<sup>31</sup> CAUSE-PA refers to the energy burden recommendations in the amended CAP Policy Statement as the Commission's "energy burden standards." CAUSE-PA Comments at 15-17. We remind the parties that the energy burdens articulated in the prior CAP Policy Statement and in the current CAP Policy Statement are recommendations and not standards.

issues related to the proposed energy burdens to the OALJ may be appropriate. OCA Reply Comments at 2-3.

CAUSE-PA reiterates its support regarding the immediate implementation of reduced energy burdens and asserts that it is critical that the implementation begin immediately. CAUSE-PA references the COVID-19 pandemic's current economic impact on low-income customers and states that waiting any longer will only intensify bill affordability issues. CAUSE-PA Reply Comments at 3-4.

CAUSE-PA argues that if LIHEAP is factored directly into the energy burden determination for the lowest income households at 0%-50% of the FPIG, it would penalize those CAP customers that must assign their LIHEAP grants to another public utility. Furthermore, CAUSE-PA notes that not all low-income households are eligible for LIHEAP and that it is a federal program for which funding is not guaranteed from year to year. CAUSE-PA also avers that LIHEAP refunds are not returned to the federal government but reallocated to others pursuing energy assistance. CAUSE-PA Reply Comments at 8-9.

*Resolution:* We note that the Peoples Companies' revised CAP PIP energy burdens for customers with incomes at or below 150% of the FPIG are consistent with the recommended maximum energy burdens in the CAP Policy Statement (2020) at Section 69.265(2)(i)(B). 52 Pa. Code § 69.265(2)(i)(B). We also note the elimination of \$5 PPA co-payments and CAP Plus charges may ensure that monthly CAP payments will not exceed the proposed CAP PIP levels,<sup>32</sup> consistent with the CAP Policy Statement

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<sup>32</sup> Due to the Peoples Companies' minimum monthly payment requirements (currently \$25), CAP customers with zero or minimal income may, however, still have monthly payments that exceed these proposed energy burdens.

(2020) recommendations at Section 69.265(2).<sup>33</sup> However, consistency with the CAP Policy Statement (2020) is not the only factor to be considered.

We find merit in OCA's contention that the Peoples Companies' projections do not appear to consider how the reduced CAP energy burdens may increase the number of CAP customers who could be charged the minimum payment, resulting in additional LIHEAP dollars refunded. However, such estimates are difficult to project because, as noted by CAUSE-PA, not all low-income utility customers qualify for a LIHEAP grant and those that do qualify may have to choose which public utility or energy vendor will receive it. If a Peoples CAP household being charged the minimum payment assigns its LIHEAP Cash grant to its electric utility, the grant would not contribute to an increase to the amount of LIHEAP monies refunded by the Peoples Companies. Given the speculative nature of projecting LIHEAP monies refunded for CAP customers, we do not find the Peoples Companies' projections – based on historical averages – to be grounds for outright and total disapproval of the proposed CAP energy burdens.

Nevertheless, we recognize that the cost projections provided by the Peoples Companies regarding the impact of these CAP payment changes are based on historical averages that may not resemble actual future program expenditures. CAP costs are determined by several factors that are difficult to predict, including the number of income-eligible customers in need of the program, changes in weather that may impact household usage and the amount of CAP credits applied to bills, and the amount of debt that would be written off as PPA forgiveness. Further, at this time, the full economic impact of the COVID-19 pandemic on Pennsylvania residents is still unknown and may increase the number of households in need of additional payment assistance or debt forgiveness. Therefore, we find it appropriate to approve the Peoples Companies'

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<sup>33</sup> Section 69.265(2) recommends that “[g]enerally, CAP payments for jurisdictional home energy should not exceed the percentages of CAP participants’ annual income specified in [Section 69.265(2)(i)].” 52 Pa. Code § 69.25(2).

proposed PIP CAP energy burden changes for customers with incomes at or below 150% of the FPIG and the elimination of the \$5 PPA co-pay CAP Plus charge for both CAP and E-CAP.

The Peoples Companies shall track data related to these CAP payment changes as a means for ongoing analysis to determine whether they improve payment behavior, reduce collection costs, and collectively enhance energy affordability for the Peoples Companies' CAP customers. Tracking this information will help the Commission determine whether these CAP payment changes should be maintained, altered, or eliminated during the review of the Peoples Companies' next USECP.

Accordingly, the Commission approves the use of the new CAP PIP energy burdens as proposed by the Peoples Companies for the duration of their 2019 USECP. The Peoples Companies shall (1) charge CAP customers with incomes at or below 150% of the FPIG a maximum of 4%, 5%, or 6% of income (based on income tier) or their average bill, whichever is less, (2) eliminate the \$5 PPA co-pay for all CAP and E-CAP customers, and (3) eliminate the CAP Plus charge for all CAP and E-CAP customers. The Peoples Companies shall implement these changes within 90 days from the entry date of this Order.

*c. Proposal to develop a report and process to allow customers to maintain CAP status when they transfer natural gas service to a new property within the Peoples Companies' service territory*

The Peoples Companies do not require customers that move within or between their service territories to re-apply for CAP if they call to report their new address and re-establish CAP enrollment. CAP payments may change based on usage at the new property as CAP customers pay the lower of either their calculated PIP or average bill. January 2020 Addendum at 2.

As of January 2020, the Peoples Companies were developing a report that would be reviewed by their Credit department to identify CAP customers who have moved to another address within the territories without having alerted the Peoples Companies to their CAP status so that CAP enrollment can be transferred to the new address. The Peoples Companies expected this report and process to be operational by June 30, 2020. January 2020 Addendum at 2.

In the Tentative Order, the Commission requested a status update on the implementation of this new process. Tentative Order at 29. In their Supplemental Information filings, the Peoples Companies did not respond to this request.

#### *Comments*

CAUSE-PA supports the Peoples Companies' proposed process, noting that a seamless transition of CAP benefits helps keep relocation costs low for CAP customers. However, it recommends that the Commission implement a 90-day deadline for implementation and that the Peoples Companies provide updates about this process to their USAG. CAUSE-PA Comments at 19-20.

*Resolution:* If the Peoples Companies have not already implemented this process, they shall implement the process within 90 days of the entry date of this Order. The Peoples Companies are also directed to include a description of this process in their Revised 2019 USECP.

*d. Proposal to train CAP agencies to instruct CAP applicants that income from the past 30 days or 12 months can be used to establish eligibility and how these different timeframes may benefit the customer*

The Peoples Companies explain that Dollar Energy Fund (DEF) agents handling CAP applications will be instructed to advise CAP customers to provide 30 days or 12 months of income, whichever is most beneficial to the customer's situation. January 2020 Addendum at 2 and Proposed 2019 USECP at 7.

The Peoples Companies also reported they intended to review CAP recertification letters with their USAG in 2020 to seek input on wording to describe acceptable income documentation options and implement USAG-consensus revisions to the recertification letter within 60 days of receiving such input. January 2020 Addendum at 2.

#### *Comments*

CAUSE-PA supports the Peoples Companies' proposal to provide CAP customers with the option to provide 30 days or 12 months of income, whichever is most beneficial for the customer's situation. It also supports the Peoples Companies' proposal to train DEF agents to inform CAP applicants of this option. However, CAUSE-PA states that it is not clear how the information to the customer will be communicated and recommends that the Peoples Companies train DEF staff to assist customers in deciding which income option would be more beneficial. It also stresses that providing additional training to DEF agents is necessary to ensure that DEF is assisting all eligible customers to enroll in the program. CAUSE-PA Comments at 20-21.

*Resolution:* We note that this proposed practice is unopposed by parties in this proceeding. We also note that the Peoples Companies' proposed practice of accepting 30 days or 12 months of income, whichever is more beneficial to the customer, is

consistent with Section 69.265(8)(ii)(B)(I) of the CAP Policy Statement (2020).<sup>34</sup> We find this practice is just and reasonable and in the public interest. Accordingly, this provision of the Proposed 2019 USECP is approved. We direct the Peoples Companies to work with its USAG to enhance the training of DEF agencies on this and other procedures related to CAP enrollment and recertification.

*e. Eliminate “payment-troubled” criteria for CAP eligibility*

The Peoples Companies propose to eliminate the “payment-troubled” criteria from the CAP eligibility requirements and to allow all income-eligible customers with active residential natural gas heating service to enroll in CAP if the program offers the most beneficial payment amount. January 2020 Addendum at 2.

*Comments*

CAUSE-PA recommends approval of the Peoples Companies’ proposal to eliminate payment-troubled criteria for CAP eligibility and believes it will likely result in reduced arrearages and more CAP-enrolled households that will be better able to cover the cost of more affordable utility service payments. CAUSE-PA Comments at 21.

*Resolution:* We note that this proposed practice is unopposed by parties in this proceeding. We also note this proposed change is consistent with the recommendations in Section 69.265(4) of the CAP Policy Statement (2020) – which recommends CAP customers need only be low-income and a utility ratepayer – and the discussion in the November 2019 Order that low-income customers need not be “payment troubled” to qualify for CAPs. 52 Pa. Code § 69.265(4); November 2019 Order at 5, 41-47, 101. We

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<sup>34</sup> Section 69.265(8)(ii)(B)(I) provides that the “utility should accept income documentation of at least the last 30 days or 12 months, whichever is more beneficial to the household. CAP applications and recertification letters should identify acceptable income timeframes and explain how each may benefit the customer.” 52 Pa. Code § 69.265(8)(ii)(B)(I).

find this practice just and reasonable and in the public interest. Accordingly, the elimination of the “payment troubled” criterion as a pre-requirement for CAP eligibility is approved.

*f. Clarification regarding the provision that customers should direct their LIHEAP grants to the PNGC or PGC*

The Peoples Companies report that they do not currently require customers to direct LIHEAP grants to their natural gas public utility in order to remain enrolled in CAP. January 2020 Addendum at 3. In the Tentative Order, the Commission asked for clarification regarding the provision in the Proposed 2019 USECP, as amended May 8, 2020, that states that “CAP participants are asked to direct payment of any LIHEAP cash grant they receive to Peoples.” Tentative Order at 31, *citing* the Proposed 2019 USECP at 7.

The Peoples Companies report that this is carryover language from their prior approved USECP and is no longer relevant and will be removed from the final version of their 2019 USECP. September 17, 2020 Supplemental Information at 2.

*Comments*

CAUSE-PA supports the Peoples Companies’ proposal to eliminate this provision, noting that LIHEAP is neither guaranteed to be funded yearly nor is it funded at a fixed level. CAUSE-PA Comments at 22.

*Resolution:* We accept the Peoples Companies’ explanation noting that they intended to remove this provision from the Revised 2019 USECP. Accordingly, we direct the Peoples Companies to remove the provision from the Revised 2019 USECP.

*g. Proposal to remove customers from CAP if they exceed \$1,000 CAP credits annually and the excess usage (i.e., usage exceeding \$1,000 CAP credits) cannot be justified*

The Peoples Companies currently notify CAP customers as they approach annual CAP credits of \$500, \$750, and \$1,000 and refer them to the LIURP. When a CAP account exceeds the \$1,000 CAP credit threshold, the Peoples Companies review the account and contact the customer in order to determine if the excess usage was justified. The Peoples Companies define situations of justified usage as increased household size, a serious illness, or consumption of energy beyond the household's ability to control. Proposed 2019 USECP at 10-11. Currently, if the Peoples Companies determine that the excess usage was not justified, the customer may be charged for the additional CAP credits. 2015 USECP at 13.<sup>35</sup> The Peoples Companies are proposing to amend this process by adding the option to remove customers from CAP, instead of charging them for excess CAP credits, if their natural gas consumption pattern is reviewed and the Peoples Companies determine that the household is not using natural gas responsibly. January 2020 Addendum at 3.

The Tentative Order noted that this proposed change is not reflected in the Peoples Companies' Proposed 2019 USECP. The Commission also asked for clarification regarding whether any consumption limit distinctions are proposed for households between 151% and 200% of the FPIG. Tentative Order at 33.

The Peoples Companies state that E-CAP customers fall under the same consumption limits as CAP customers at or below 150% of the FPIG. September 17, 2020 Supplemental Information at 2.

### *Comments*

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<sup>35</sup> PNGC 2015 USECP, Docket M-2014-2432515 (filed on July 20, 2018).

OCA suggests that any customer who exceeds the annual CAP credits should be first evaluated for usage exceptions outlined in the CAP Policy Statement (2020).<sup>36</sup> The customer could then be asked to pay for excess annual CAP credits that do not fall within these exceptions. Removal from CAP should be a last resort due to the burdens placed on the customer to re-enroll and to address unforgiven PPAs upon removal. OCA Comments at 15.

CAUSE-PA opposes the Peoples Companies' proposal to remove customers from CAP if they exceed \$1,000 in annual CAP credits. CAUSE-PA believes that this proposal will result in lower participation in CAP, higher arrearages, and will have negative health and financial impacts on participants. CAUSE-PA suggests that the Peoples Companies "work with [their] USAG to evaluate [their] current maximum CAP credit threshold in light of the reduction in energy burden standards."<sup>37</sup> CAUSE-PA Comments at 23-24.

CAUSE-PA also has concerns regarding how program administrator DEF determines that CAP customers are "not using gas responsibly." CAUSE-PA recommends that the Peoples Companies provide further specifics about the types of "unjustified" usage. CAUSE-PA Comments at 25.

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<sup>36</sup> 52 Pa. Code § 69.265(3)(vi):

Exemptions. A utility may exempt a household from maximum CAP credit or consumption limits if one or more of the following conditions exist:

- (A) The household experienced the addition of a household member.
- (B) A member of the household experienced a serious illness.
- (C) Energy consumption was beyond the household's ability to control.
- (D) The household is located in housing that is or has been condemned or has housing code violations that negatively affect energy consumption.

<sup>37</sup> We remind the parties again that the provisions in the CAP Policy Statement (2020) are recommendations, not standards.

*Resolution:* In USECP proceedings for other energy public utilities, the Commission has approved NGDC CAP cost control measures that used CAP credit or usage thresholds as a trigger for LIURP referral, energy education, and/or household usage review. Some examples:

- Columbia Gas (Columbia) prioritizes CAP customers whose average winter consumption exceeds 170 Therms for LIURP. If CAP customers continue to exceed \$1,000 in CAP credits annually after receiving LIURP services, Columbia refers them to its Remedial Energy Efficiency Program (REEP).<sup>38</sup> Through REEP, a customer receives individualized energy education and on-going feedback on household usage from a third-party contractor. If the customer's usage continues to exceed the annual shortfall limit, Columbia may raise the CAP monthly payment amount or remove the customer from CAP, depending on the contractor's recommendation. Columbia 2019-2021 USECP at 26, Docket No. M-2018-2645401 (filed on November 25, 2019).<sup>39</sup>
- UGI Utilities – Gas and UGI Utilities – Electric (collectively, UGI) monitor CAP participants who exceed the usage thresholds and requires them to speak with a CAP caseworker to discuss potential reasons for the high usage and to engage in an energy education session. UGI also refers those customers to its LIURP, if applicable, and continues to monitor household usage for additional outreach and referral. CAP participants who refuse to participate in LIURP or fail to comply with high usage controls risk removal from CAP. UGI 2020 USECP at 20, Docket No. M-2019-3014966, (filed on December 6, 2019).<sup>40</sup>

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<sup>38</sup> CAP customers who decline to participate in Columbia's REEP may have their monthly CAP payments increased if a higher payment option is available.

<sup>39</sup> <http://www.puc.pa.gov/pcdocs/1645337.pdf>

<sup>40</sup> <http://www.puc.pa.gov/pcdocs/1646717.pdf>

Similarly, we find that the Peoples Companies' proposal of conducting justified usage reviews of accounts exceeding \$1,000 CAP credits annually is a reasonable and acceptable cost control measure and in the public interest. However, we agree with OCA that removal from CAP should be a measure of last resort when addressing excessive usage.

Exceptions to high usage must be articulated in a public utility's communications with customers, and each CAP account that exceeds a public utility's usage threshold must be evaluated to determine if the household meets conditions for the articulated exceptions to high usage. A public utility must provide LIURP and energy education services to these households, as appropriate, prior to any consideration of removal from CAP due to unjustified usage.

Accordingly, we shall direct that the Peoples Companies offer LIURP and/or energy education services before removing a customer from CAP in an excess usage situation and that the 2019 USECP and customer communications specify exemptions to high usage. We find that the Peoples Companies' proposal to thereafter remove customers from CAP for unjustified excess annual usage is appropriate, reasonable, and in the public interest only if energy education, discussions with the customer, and referral to LIURP (if appropriate) have been attempted first to address excess annual usage. We agree with CAUSE-PA that Peoples must accept the articulated usage exceptions as justification for excess annual usage. We direct the Peoples Companies to provide these clarifications in the Revised 2019 USECP.

*h. Proposal to implement an Online CAP Application*

The Peoples Companies reported that an online CAP application was being developed by DEF. The online application was expected to be available to the Peoples Companies' customers by the fall of 2020. January 2020 Addendum at 4; CEOP at 3.

The Commission asked the Peoples Companies to include a detailed description of their upcoming online application process and how customers will be able to access it and provide required information. Tentative Order at 33.

The Peoples Companies reported that they were leveraging an online application (hereafter MyApp) developed by the DEF, which would allow customers to enroll and provide income and occupancy data online. They anticipated MyApp would go live during the fourth quarter of 2020. September 17, 2020 Supplemental Information at 3.

### *Comments*

CAUSE-PA supports the implementation of an online CAP application but asserts that the application should be compatible with a mobile phone as well as have the ability to scan and upload documents. CAUSE-PA Comments at 26.

*Resolution:* MyAPP has gone live,<sup>41</sup> and a link is provided to the application on the Peoples Companies' website.<sup>42</sup> Based on the additional information provided by the Peoples Companies, we find the proposed online application is reasonable, in the public interest, and consistent with our prior directives that other utilities should establish online CAP applications and should allow customers to submit documentation electronically. Accordingly, the Peoples Companies are directed to include a description of the online CAP application and electronic documentation processes in the Revised 2019 USECP. We also direct the Peoples Companies to work with their USAG to consider ways to make the electronic CAP application more accessible, such as via mobile devices.

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<sup>41</sup> <https://www.hardshiptools.org/MyApp/> (accessed February 21, 2022).

<sup>42</sup> <https://www.peoples-gas.com/my-account/help-pay/pa/assistance-program.php> (accessed February 21, 2022).

*i. Proposal to adopt the Standardized Zero-Income Form*

The Peoples Companies propose to adopt the standardized zero-income form recommended in Annex C of the November 2019 Order. January 2020 Addendum at 4.

*Comments*

CAUSE-PA supports the Peoples Companies' adoption of the Commission's standardized zero-income form. CAUSE-PA Comments at 27.

*Resolution:* This proposal to adopt the standardized zero-income form is unopposed by parties in this proceeding. Additionally, the proposal is consistent with Section 69.265(14) of the CAP Policy Statement (2020), which recommends, *inter alia*, that utilities use standardized CAP forms. 52 Pa. Code § 69.265(14). Therefore, we find this proposed change is reasonable and in the public interest. Accordingly, the adoption of the standardized zero-income form is approved and should be included as an attachment to the Revised 2019 USECP.

*j. CAP Recertification Timeframes*

The Peoples Companies currently require all CAP customers who have received LIHEAP in the past 24 months or who are on a fixed income (*i.e.*, pension, Social Security, and/or disability) to recertify once every two years. All other CAP participants currently must recertify annually. 2015 USECP at 12. The recertification timeline for E-CAP participants was not addressed.

The Peoples Companies propose to make the following changes to their CAP recertification timeframes: CAP customers with no income must recertify every six months; CAP customers with income who participate in LIHEAP annually and CAP and

E-CAP customers on a fixed income (*i.e.*, Social Security, disability, and/or pension) must recertify at least once every three years; and all other CAP and E-CAP participants must recertify at least once every two years. January 2020 Addendum at 4 and Proposed 2019 USECP at 9.

### *Comments*

CAUSE-PA supports the Peoples Companies' adoption of the proposed recertification process and timeframes. CAUSE-PA Comments at 27.

*Resolution:* This proposal is unopposed by parties in this proceeding. The Peoples Companies' proposed recertifications timeframes are consistent with Section 69.265(8)(viii)<sup>43</sup> of the CAP Policy Statement (2020). We find it reasonable to extend the recertification timeframes for customers who remain income-eligible for the program, such as LIHEAP recipients or households with fixed incomes, as failing to recertify is the most common reason customers are removed from CAP.<sup>44</sup> Therefore, we find this proposed change to the CAP recertification timeframe to be in the public

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<sup>43</sup> 52 Pa. Code § 69.265(8)(viii): *Recertification*.

(A) A utility should recertify a participant's eligibility for CAP benefits within the following time frames:

(I) A household reporting no income should recertify at least every 6 months.

(II) A household with income that participates in LIHEAP annually should recertify at least once every 3 years.

(III) A household whose primary source of income is Social Security, Supplemental Security Income, or pensions should recertify at least once every 3 years.

(IV) All other CAP households should recertify at least once every 2 years.

<sup>44</sup> For example, *see* FirstEnergy utilities' 2017 APPRISE Universal Service Impact Evaluation at 22. [http://www.puc.pa.gov/general/pdf/USP\\_Evaluation-FirstEnergy.pdf](http://www.puc.pa.gov/general/pdf/USP_Evaluation-FirstEnergy.pdf). Of customers removed from a FirstEnergy utility CAP in 2013-2015, 63% were removed for failing to recertify, and 8% were removed because their incomes were too high, on average.

interest. Accordingly, the Peoples Companies' proposed CAP recertification timeframes are approved.

*k. Consumer Education and Outreach Plan (CEOP)*

Section 69.265(8)(i) of the CAP Policy Statement (2020), 52 Pa. Code § 69.265(8)(i), recommends that a NGDC develop and incorporate a CEOP as part of its USECP. The November 2019 Order recommended the CEOPs identify, *inter alia*: (1) efforts to educate and enroll eligible and interested customers with incomes at or below 50% of the FPIG; and (2) resources, services, and translated materials available to those customers who are of Limited English Proficiency (LEP). November 2019 Order at 77.

The Tentative Order requested the Peoples Companies include its CEOP (attached to the January 2020 Addendum) in their Revised 2019 USECP. Tentative Order at 34-35.

The Peoples Companies provided their proposed CEOP in the September 17, 2020 Supplemental Information, Attachment E. The Peoples Companies' proposed CEOP describes, *inter alia*, customer education and outreach activities, including bill inserts, a website self-screening tool, website program information, social media advertisements, and community education through posters and handouts distributed at schools, churches, and other agencies. The CEOP also describes targeted outreach for low-income customers through program eligibility screening and education, an online payment arrangement tool that offers program enrollment, and LIHEAP outreach. Additionally, Peoples Companies hold limited-income events, provide CAP information on termination notices, and train field employees to refer customers to CAP to avoid termination. The CEOP describes other targeted outreach for LEP customers which includes use of a language line and offering program materials in English and Spanish. Appendix E at 1-2.

The Peoples Companies also report conducting additional outreach to educate customers and stakeholders about its CAP and other universal service programs through, *inter alia*, outreach mailings, providing training to community partners, and participation in community outreach events. Appendix E at 2-3.

### *Comments*

CAUSE-PA supports the Peoples Companies' CEOP but suggests several modifications to include more direct, targeted outreach efforts. It recommends that DEF implement outbound calls to customers behind on payments consistently, instead of as an action that is undertaken as time allows. It further endorses that the Peoples Companies target areas in their service territory with high concentrations of low-income individuals via the utilization of GIS mapping technology to determine the areas that would most benefit from targeted outreach and education. CAUSE-PA Comments at 27-28.

*Resolution:* While noting some concerns and areas for follow-up, the Commission accepts this CEOP as a starting point. Accordingly, the Peoples Companies shall include this CEOP as part of their Revised 2019 USECP with the notation that the CEOP is an evolving process and should be modified and enhanced within the duration of the 2019 USECP. Also, beginning in 2023 and for the duration of its 2019 USECP, the Peoples Companies shall file and serve, by March 1st at Docket Nos. M-2018-3003177 and M-2020-3021343, annual updates and enhancements to its CEOP and include outreach and education actions taken.

As part of the process of enhancing its CEOP, we direct the Peoples Companies to work with its USAG including the Commission's Office of Communications to develop ways to incentivize customers to embrace household conservation efforts and ways to increase enrollment in universal service programs. Specifically, as part of the first annual filing, we direct the Peoples Companies to:

- Include more educational training webinars and workshops using a virtual or hybrid approach to keep community partners and interested stakeholders informed and updated about the Peoples Companies' universal service programs.
- Enhance its outreach efforts for households with incomes at or below 50% of the FPIG.
- Add an additional education component to inform customers about the importance of understanding their energy burden to foster customer awareness of how much their household is spending on energy.
- Include and identify the enhanced steps taken to bolster CAP enrollments as a result of the 2019 BRC Joint Petition.
- Include the procedure, which was established as part of the 2019 BRC Joint Petition, under which the Peoples Companies will not disconnect service to a confirmed low-income customer for nonpayment without first providing a stand-alone Plain English notice to that customer of the customer's right to enter into CAP and an explanation of CAP's arrearage forgiveness benefits. The Peoples Companies shall include a copy of this notice with the CEOP and review the notice with its USAG for potential enhancements, including adding CAP responsibilities.
- Include and identify the changes to the CEOP resulting from provisions in the 2019 BRC Joint Petition that the Peoples Companies would meet with its USAG and present recommendations addressing: (1) CAP outreach; (2) why customers

do not respond to written shutoff notices; and (3) why customers do not successfully complete deferred payment agreements.

*1. Unearned Income for a Minor*

The Proposed 2019 USECP does not specify whether the Peoples Companies' CAP eligibility and benefits are based only on the combined gross income of all adults in the household or whether they also count the gross earned or unearned income of a minor as part of a CAP household's combined gross income.

The Tentative Order asked the Peoples Companies to explain whether earned and unearned income of minor children is excluded when determining CAP eligibility and benefits. Tentative Order at 35.

The Peoples Companies indicate that they have adopted the Chapter 14 definition of household income as of February 1, 2020.<sup>45</sup> January 2020 Addendum at 9, September 17, 2020 Supplemental Information at 3.

*Comments*

CAUSE-PA argues that the Peoples Companies' response to the Commission's question suggests that unearned income of minors will be counted in eligibility determinations when the household is otherwise without any adult income. CAUSE-PA Comments at 29. CAUSE-PA recommends that the Peoples Companies be required to revise their USECP to exclude all earned and unearned income for a child from their eligibility requirements. CAUSE-PA Comments at 29.

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<sup>45</sup> Chapter 14 defines "household income" as "[t]he combined gross income of all adults in a residential household who benefit from the public utility service." 66 Pa. C.S. § 1403 (relating to definitions).

*Resolution:* As the Peoples Companies have indicated that they are now complying with the Section 1403 definition of household income, 66 Pa.C.S. § 1403, only the combined gross income for adults in the customer's household should be counted as household income for CAP eligibility and benefits. Earned and unearned income for minor household members should be excluded.

Accordingly, we direct the Peoples Companies to clarify its definition of household income and specify that earned and unearned income of minor children are excluded when determining CAP eligibility and benefits in their Revised 2019 USECP.

*m. Clarification regarding restoration requirements for CAP*

The Proposed 2019 USECP states that CAP customers whose service has been terminated can restore service and re-enroll in CAP once they have met the restoration requirements. Proposed 2019 USECP at 6.

The Commission requested the Peoples Companies specify their CAP restoration requirements by outlining what customers are expected to pay to restore service and re-enroll in CAP and identify the restoration requirements for CAP-eligible customers who are not currently enrolled in the program. Tentative Order at 36.

The Peoples Companies reported that CAP and CAP-eligible customers are required to pay 1/24<sup>th</sup> of their outstanding balance for restoration of service and re-enrollment or enrollment in the program. The Peoples Companies state they will also accept LIHEAP or Hardship Fund grants to restore service and enroll the customer in CAP, without requiring any customer payment or income documentation from the customer. September 17, 2020 Supplemental Information at 3.

## Comments

CAUSE-PA opposes the Peoples Companies' CAP restoration policy and argues that all CAP-eligible customers should be allowed to enroll in CAP without any upfront payment and should be allowed to have their service restored by submitting a completed CAP application. CAUSE-PA Comments at 30.

*Resolution:* The Commission finds that the Peoples Companies' restoration requirements for CAP customers are consistent with 52 Pa. Code § 56.191(c)(2)(iv),<sup>46</sup> which allow public utilities to require a payment not exceeding 1/24<sup>th</sup> of the outstanding balance for restoration of service for customers with household incomes up to 150% of the FPIG. Section 56.191(c)(2)(iii)<sup>47</sup> addresses restoration for customers and applicants between 151% and 300% of the FPIG.

However, we do not find it reasonable to impose service restoration payment requirements for customers and applicants<sup>48</sup> who are CAP-eligible and will be enrolled in CAP for the first time. When a customer with active service enrolls in CAP for the first time, no arrearage payment is required, and any balance owed is immediately deferred for forgiveness (*i.e.*, as a PPA). Similarly, an income-eligible customer who has not been a CAP customer seeking service restoration should be offered the opportunity to enroll as a first-time CAP customer without an arrearage payment requirement.

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<sup>46</sup> “Full payment of any reconnection fees together with payment over 24 months of any outstanding balance incurred by the customer or applicant if the customer or applicant has an income not exceeding 150% of the [FPIG]. The initial payment required toward the outstanding balance as a condition of restoration cannot exceed 1/24 of the outstanding balance.”

<sup>47</sup> “Full payment of any reconnection fees together with repayment over 12 months of any outstanding balance incurred by the customer or applicant, if the customer or applicant has an income exceeding 150% of the [FPIG] but not greater than 300% of the [FPIG]. The initial payment required toward the outstanding balance as a condition of restoration cannot exceed 1/12 of the outstanding balance.” 52 Pa. Code § 56.191(c)(2)(iii).

<sup>48</sup> A customer remains a customer for 30 days after service is terminated or discontinued. Thereafter the household is classified as an applicant. 52 Pa. Code § 56.2 definition of “customer.”

Accordingly, we direct the Peoples Companies to allow CAP-eligible customers and applicants to obtain service restoration without requiring an arrearage payment on their outstanding balance if they are enrolling in CAP for the first time. The outstanding balance shall be treated as a PPA. The Peoples Companies are also directed to clarify their revised restoration requirement policies and procedures in their Revised 2019 USECP.

*n. Information Sharing Between Public Utility CAPs*

The Proposed 2019 USECP states that the Peoples Companies would accept customer income information from other public utility programs administered by DEF such as the FirstEnergy utilities (*i.e.*, Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power), Duquesne, and Pennsylvania American Water to verify eligibility for their CAP. Proposed 2019 USECP at 7. However, the Proposed 2019 USECP does not identify how or if customer consent is obtained before sharing this information.

In the Tentative Order, the Commission asked the Peoples Companies to:

- Identify how customers provide authorization to permit information sharing between DEF-administered universal service programs, regardless of which utility initially obtains the information to be shared;
- Explain how customer authorization is documented, which organization (*e.g.*, utility, DEF) retains any authorization documentation, and how the information is securely tracked and transferred; and
- Explain how/if customers are able to opt-out of this information exchange.

Tentative Order at 37.

The Peoples Companies clarify that DEF maintains customer information and requests customer authorization before any information is shared with other programs or public utilities. Customers may also provide written authorization using a standardized DEF form. The Peoples Companies state that DEF is responsible for the security of such data and for ensuring that the data are “only used for appropriate means” based on the customer’s authorization. September 17, 2020 Supplemental Information at 3-4.

### *Comments*

CAUSE-PA supports the Peoples Companies’ proposal to allow DEF to use income information on file to simplify enrollment and/or recertification for other DEF-administered programs and states that this coordination would limit the administrative burden on the public utilities and consumers. CAUSE-PA Comments at 30. OCA also supports the initiative to cross-enroll customers with their explicit consent, using information from DEF. OCA Reply Comments at 6.

Both CAUSE-PA and OCA ask for clarification about how customer data are used by DEF “for appropriate means.” CAUSE-PA Comments at 31, OCA Comments at 6. CAUSE-PA asserts this phrase should be defined and is concerned that DEF would request customer consent to use the information on file for purposes other than enrollment and/or recertification in other DEF-administered programs. CAUSE-PA Comments at 31.

On October 2, 2020, the Peoples Companies filed a revision to their Proposed 2019 USECP regarding this issue. The Peoples Companies’ revisions remove the information sharing partnership with Duquesne from their USECP and state that:

[A]s this collaboration is in its early states and has not yet resulted in a firm process for sharing customer information, this particular provision of the [proposed 2019 USECP] is being removed until such process is fully developed. Once collaboration between Peoples and Duquesne [] results in a fully developed plan, Peoples will file to request an amendment to the currently effective USECP.

October 2 filing at 1.

*Resolution:* The Commission supports and encourages public utilities to coordinate and enhance services with outside agencies/programs to reduce the administrative and documentation burden for both the customers and the utilities.<sup>49</sup> We also support public utility efforts to coordinate, simplify, and streamline CAP programs' application and recertification processes. We encourage the Peoples Companies to develop a data sharing agreement with Duquesne that would allow both utilities to use DEF-gathered income information to enroll or recertify customers for CAPs.

Despite that support, we share the concerns raised by CAUSE-PA and OCA about the Peoples Companies' statement that indicates DEF may use customer information for means deemed "appropriate." Any customer information shared by DEF among public utilities must be done only with the household's informed consent and must be limited to the purpose of establishing their eligibility for enrollment or recertification in utility or other energy assistance programs. The Peoples Companies are responsible for ensuring that customer information used by a contracted universal service administrator are obtained by consent and used only for establishing program eligibility.

Accordingly, we direct the Peoples Companies to clarify in the Revised 2019 USECP that it shall require DEF or any other universal service administrator to

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<sup>49</sup> This includes the recommendation that public utilities seek to develop industry-standardized forms as recommended in Section 69.265(14) of the CAP Policy Statement (2020). 52 Pa. Code § 69.265(14).

obtain informed consent from the customer before sharing the information with other utilities and shall only use this information to establish program eligibility.

*o. CAP Collections Procedures*

The Proposed 2019 USECP explains that the Peoples Companies reserve the right to delay termination of service if there are extraordinary customer circumstances, determined on a case-by-case basis. Proposed 2019 USECP at 7. However, the Proposed 2019 USECP does not explain or provide examples of what types of circumstances would qualify as an “extraordinary customer circumstance” to justify a delay in service termination.

The Tentative Order asked the Peoples Companies to further outline their CAP collections procedures as well as provide examples of what situations might qualify as an “extraordinary customer circumstance” which would warrant a delay in service termination. Tentative Order at 38.

The Peoples Companies report that outside of moratoriums a CAP customer may become eligible for collections or termination following two missed CAP payments. These collection efforts are the same as for residential non-CAP customers. The Peoples Companies may choose to delay or cancel collections and terminations based on “extraordinary customer circumstances” which include, *inter alia*, physical or mental health implications, domestic violence cases, or health and welfare concerns. The Peoples Companies’ Customer Relations employees make these determinations on a case-by-case basis. September 17, 2020 Supplemental Information at 4.

## *Comments*

CAUSE-PA supports the Peoples Companies' right to delay termination of service based on individual, extraordinary circumstances. CAUSE-PA Comments at 31.

*Resolution:* Based on the clarification provided in the supplemental information, we find that the Peoples Companies' CAP collections procedures and their practice of temporarily suspending collection activity if it is determined the household is experiencing an extraordinary circumstance reasonable and in the public interest. Accordingly, the Peoples Companies are directed to include these clarifications in their Revised 2019 USECP.

### *p. CAP Enrollment and Recertification Methods*

The Proposed 2019 USECP states the Peoples Companies' customer service representatives refer customers to DEF to enroll customers in CAP over the phone or instruct them to apply in person if necessary. Proposed 2019 USECP at 13. The Peoples Companies do not offer a paper CAP application. January 2020 Addendum at 2.

In the Tentative Order, the Commission asked the Peoples Companies to explain how they ensure that all customers have access to CAP through the application mediums available and whether prohibiting customers from applying via mail or fax with a paper application limits access to the program. Tentative Order at 39.

The Peoples Companies report that customers can fully complete the CAP application process over the telephone with a DEF agent. They state that a telephone application eliminates the need for a paper application and that customers can submit any required income documentation through the mail, by email, or by fax. September 17, 2020 Supplemental Information at 4. The Peoples Companies contend that fewer

customers use the mail and fax options due to technology being more readily available. After a customer completes a telephonic application, a 14-day hold is placed on the account which gives the customer adequate time to submit income documentation. September 17, 2020 Supplemental Information at 4.

### *Comments*

CAUSE-PA echoes the Commission’s concerns regarding the lack of a paper application option to apply for CAP. CAUSE-PA Comments at 31. It points out that the COVID-19 pandemic presents challenges to customers and that customers who would apply in person likely can no longer do so. CAUSE-PA further states that vulnerable consumers may be unable to apply for assistance over the phone or online. CAUSE-PA recommends that DEF coordinate with the Peoples Companies’ CARES program to ensure customers can receive necessary assistance when applying for CAP. CAUSE-PA Comments at 31-32.

*Resolution:* We understand, as the Peoples Companies have asserted, that most customers may prefer to apply for CAP over the phone or online when the Peoples Companies’ online CAP application becomes available. However, the Commission agrees with CAUSE-PA that some CAP applicants may be unable to apply for assistance over the phone or online. Not all customers have access to these resources or can pay to have access to these resources, and the COVID-19 pandemic may make it inadvisable for immunocompromised customers to use internet services in a public location (*e.g.*, a library) or to apply in-person at a DEF agency.

CAP applicants should be able to apply in the medium most convenient for them. Section 69.265(8)(ii) of the CAP Policy Statement (2020) recommends that public utilities accept CAP applications “through *mail*, telephone, electronically, or in-person” 52 Pa. Code § 69.265(8)(ii) (emphasis added).

We find that the Peoples Companies have not provided sufficient evidence that a paper application is no longer needed or that other application processes are sufficient substitutes for a paper application that can be submitted by mail. Accordingly, we direct that within six months of final approval of their 2019 USECP the Peoples Companies reinstate or develop a paper application for their CAP and to consult with their USAG on how this application should be distributed. The Peoples Companies shall note this change and timeline in their Revised 2019 USECP.

*q. CAP Final Billing*

The Commission addressed CAP final bills in *Staff Review of Customer Assistance Program Final Billing Methods*, Docket No. M-2019-3010190, by Order entered on March 12, 2020 (CAP Final Billing Order). The CAP Final Bill Order detailed how energy utilities calculate final CAP bills, summarizes stakeholder input on the issues, and called attention to existing statutory and regulatory provisions relating to billing.

As part of the *CAP Final Billing Methods* proceeding, the Peoples Companies reported that a customer's final CAP bill reflects the entire account balance, including the remaining unforgiven PPA previously frozen and the usage since the last bill, billed at the full residential tariff rate. Furthermore, the Peoples Companies reported that they remove CAP customers from CAP upon termination or discontinuance of service. CAP Final Bill Order at 7-8. These practices are further reflected in the Peoples Companies' Proposed 2019 USECP. Proposed 2019 USECP at 9.

In the Tentative Order, the Commission asked the Peoples Companies to address how their final CAP billing practices reflect compliance with the relevant statutes and regulations as discussed in the CAP Final Billing Order. Tentative Order at 40.

The Peoples Companies state that it issues final bills for former CAP customers at the full, undiscounted residential usage rate. The Peoples Companies contend that final billing CAP customers at the full residential rate is more beneficial because (1) most final bills are for a partial month, at an average of 10 days and (2) three-quarters of final bills are issued during non-heating months, when CAP bills often exceed residential usage. September 17, 2020 Supplemental Information at 5.

### *Comments*

CAUSE-PA opposes the Peoples Companies' CAP final billing practices and suggests that they prorate final CAP bills to the number of days the customer received service in the final month. It states that this would be a more equitable way to ensure the household receives an affordable final CAP bill. It also proposes an alternative method where the Peoples Companies perform a comparison between the applicable residential rate and the CAP rate, with the final bill being the lesser of the two rates. CAUSE-PA Comments at 32-33.

*Resolution:* The CAP Policy Statement does not specifically address how NGDCs should calculate a CAP customer's final billing period bill. However, 66 Pa.C.S. § 1303, relating to adherence to tariffs, provides that public utilities are to compute bills under the "rate" most beneficial to the customer. As described in the CAP Final Billing Order:

Section 1303, 66 Pa. C.S. § 1303, provides that public utilities must bill their customers for service rendered. Section 56.11(a) of Commission regulations, 52 Pa. Code § 56.11(a), require that a public utility render bills every billing period. Utilities are henceforth on notice that these statutory and regulatory provisions will be applied to the facts in all matters wherein we are called upon to review specific final CAP bills or recovery of universal service costs. Further, Section 1303 provides that public utilities are to compute bills under the rate most beneficial to the customer. **Generally speaking, it would appear that the starting point for any specific inquiry regarding the bill for usage in a**

**partial final billing period as a CAP participant should be a comparison between a residential tariff rate calculation for energy consumed and the CAP price prorated for the number of days of service in the billing period. The other items on a bill such as true-ups, arrears, arrearage forgiveness, third-party assistance such as LIHEAP, and CAP credits and limits are separate considerations dependent on the customer's payment history and the utility's CAP provisions.**

CAP Final Billing Order at 22 (emphasis added).

The Commission is not opposed to the Peoples Companies' practice of charging the residential rate for usage in a final bill in circumstances when the tariff rate is less than the prorated CAP or E-CAP billing. We also find it appropriate that a household is charged for any unforgiven PPA balance as part of their final CAP bill. However, we are not persuaded that customers enrolled in CAP or E-CAP up until the date of service termination or discontinuance should be charged more than their prorated CAP or E-CAP billing price for usage incurred during their final billing period.<sup>50</sup>

Accordingly, the Commission directs the Peoples Companies to charge CAP and E-CAP customers no more than their prorated CAP or E-CAP billing amount for usage incurred during their final billing period. If the final bill includes remaining unforgiven PPA, that amount must be separately identified on the final bill. The Peoples Companies shall implement this change within 90 days after final approval of their 2019 USECP and include this provision in their Revised 2019 USECP. This directive applies regardless of whether the CAP or E-CAP customer's final bill is based on disconnection or on termination of service.

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<sup>50</sup> We are also not persuaded by the Peoples Companies' argument that they should not final bill CAP customers based on their program payment amounts because final bills are often based on partial billing periods. The Peoples Companies should be able to calculate a prorated bill for a CAP household based on the number of days in the billing period and the monthly CAP payment amount.

## **2. LIURP**

The Peoples Companies' LIURP provides weatherization and conservation services to low-income customers. The primary objectives for LIURP include reducing customer energy bills, controlling high usage, and making homes more energy efficient. Their LIURP provides energy-reducing measures that benefit the customer, such as heating system and water tank improvements and replacements, insulation and air sealing, and other weatherization measures. LIURP jobs also have a customer education component.

To be eligible for LIURP, the customer must (1) be a residential heating customer, (2) have resided at the property for at least one year and must not have had gas service terminated during that time, and (3) have an annual gross household income at or below 150% of the FPIG and annual natural gas consumption greater than 140 MCF. The Peoples Companies also reserve up to 20% of their annual LIURP budgets to provide weatherization services to customers that may have special needs with incomes between 151% and 200% of the FPIG.

### *a. Non-Savers Survey*

The Proposed 2019 USECP states that LIURP participants that do not experience a reduction in pre-treatment usage (*i.e.*, non-savers) participate in a Non-Savers Survey which attempts to identify the reasons for the continuing high usage. Furthermore, the Proposed 2019 USECP states that energy conservation education is provided to non-savers. Proposed 2019 USECP at 15.

In the Tentative Order, the Commission requested additional details regarding LIURP participants that fail to reduce energy usage after participation in LIURP.

Specifically, we asked the Peoples Companies to specify what efforts are undertaken to strengthen and improve their LIURP to address these situations. Tentative Order at 41.

The Peoples Companies advise that a small portion of LIURP projects, approximately 15 out of 268 jobs in 2018, did not result in savings. Customers whose usage increases by 10 MCF or more annually post-LIURP receive a follow-up home visit where they receive additional conservation education and their appliance temperatures are checked to ensure energy efficiency. All non-savers receive a letter concerning their energy usage that contains conservation information. Non-savers are not penalized for their usage. September 17, 2020 Supplemental Information at 5.

#### *Comments*

CAUSE-PA supports how the Peoples Companies manage and report on the LIURP customers that have difficulty saving energy after LIURP services are provided. CAUSE-PA Comments at 33.

*Resolution:* We are satisfied with the additional information provided regarding how the Peoples Companies' address non-savers in LIURP. It is important that such customers be provided with additional education and further knowledge on how to reduce their energy usage. Accordingly, we direct the Peoples Companies to include this additional information in their Revised 2019 USECP.

#### *b. Health and Safety Measures*

The Proposed 2019 USECP provides a general allowance of \$500 per job for health and safety measures with the “understanding” that the LIURP auditor may recommend measures of up to \$1,000 “if necessary.” Measures that would cost more than \$1,000 are reviewed for approval on a case-by-case basis. Proposed 2019 USECP

at 17. The Proposed 2019 USECP does not specify what measures are identified as health and safety under LIURP home weatherization.

In the Tentative Order, the Commission requested the Peoples Companies to provide additional details about the types of health and safety measures performed and how they are documented. Tentative Order at 42.

The Peoples Companies report utilizing a weatherization database to track health and safety measures used in LIURP. In 2019, 13% of LIURP jobs involved health and safety measures, which averaged \$409 per household. Health and safety measures include providing carbon monoxide detectors, addressing dryer venting issues, mitigating knob-and-tube wiring, and fixing leaks to roofs, natural gas lines, or water lines. The Peoples Companies clarified that contractors for this program are permitted to implement up to \$600 worth of health and safety measures without further specific authorization. Remediations above that amount require approval on a cases-by-cases basis. The Peoples Companies increased the amount of their proposed health and safety allowance from \$500 to \$600 in the Supplemental Information filing. September 17, 2020 Supplemental Information at 5.

### *Comments*

CAUSE-PA supports allowing LIURP contractors to conduct additional health and safety remediations up to \$600. However, it recommends that LIURP contractors be able to complete all necessary remediations up to \$1,000 with flexibility to go up to \$2,000 where cost-effectiveness would be achieved. CAUSE-PA Comments at 35.

*Resolution:* We are satisfied with the Peoples Companies' explanation of their LIURP health and safety measures and how they are tracked. Through its Supplemental Information filing, the Peoples Companies have proposed to increase the amount of their

health and safety allowance from \$500 to \$600. No parties filed comments in opposition to this proposal. We find this increase reasonable and in the public interest. We are not persuaded to direct the Peoples Companies to increase health and safety remediations beyond this amount, especially as a process exists for contractors to seek approval for remediation measures above \$600 on a case-by-case basis. Accordingly, we approve the increase in the Peoples Companies' health and safety allowance from \$500 to \$600. The Peoples Companies shall include health and safety measure examples, its tracking procedure, and the new allowance limit in their Revised 2019 USECP.

### *EFSLR Program Pilot*

This issue was not addressed by the Commission in the Tentative Order.

The Proposed 2019 USECP indicates that the Peoples Companies plan to continue the EFSLR program as a pilot, with modifications, as noted above. The EFSLR program was first approved by the Commission in Peoples Natural Gas (*i.e.*, Peoples Division) 2011 base rate proceeding.<sup>51</sup> The Commission approved PGC (formerly Peoples TWP) to establish a similar EFSLR program in its 2013 base rate proceeding.<sup>52</sup> The Commission also approved continuing the EFSLR Program as a LIURP pilot for the

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<sup>51</sup> See *Pa. PUC, et al., v. PNGC*, Docket No. R-2010-2201702, et al. (order entered on June 9, 2011), approving and adopting the April 11, 2011 Settlement and providing that Peoples Division's EFSLR program costs be recovered under Rider F.

<sup>52</sup> See *PUC, et al., v. Peoples TWP LLC*, Docket No. R-2013-2355886, et al. (order entered on December 19, 2013), approving and adopting the October 7, 2013 Settlement. PGC's EFSLR program budget was set at \$50,000 and the costs of the program were recovered through the universal service program rider.

Peoples and Equitable Divisions, subject to an annual evaluation and LIURP reporting requirements, in its 2015 USECP proceeding. December 2015 Order at 39-44.<sup>53, 54</sup>

*Resolution:* We recognize that the EFSLR Program Pilot provides beneficial services to low-income customers, including those who may be outside traditional LIURP eligibility. Having reviewed the data collected from these pilot programs and taking into consideration of the effectiveness, customer need, and costs, we do not oppose allowing the Peoples Companies to continue the EFSLR Program as a pilot under LIURP through the duration of the 2019 USECP. However, the EFSLR program has been a stand-alone or pilot program for over 10 years. The Peoples Companies should have sufficient data to determine whether they want to make this program a permanent part of its LIURP. Accordingly, by or before its next USECP filing, we direct the Peoples Companies to either propose incorporating EFSLR Program Pilot as a permanent part of its LIURP or propose to discontinue the program, with justifications for either proposal.

*c. EFSLR Program Pilot Measures Available to Renters*

The Proposed 2019 USECP states that both homeowners and renters are eligible for EFSLR, that 25% of the annual budget may be used to serve renters, and that all assistance requests are processed on a first-come, first-served basis. Proposed 2019 USECP at 20-21.

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<sup>53</sup> The Commission further directed the Peoples and Equitable Divisions to find alternative funding sources for the EFSLR Program Pilot if after 2018 it wished to continue the pilot program outside of LIURP, or to continue the program (and any possible subsequent Universal Service Rider F funding) as a function of LIURP in its next USECP. December 2015 Order at 39-44.

<sup>54</sup> The Commission approved the Peoples Companies' petition to align the Equitable Division EFSLR Program Pilot with the Peoples Division EFSLR Program Pilot and the costs to be recovered through its Universal Service Rider D. *See* PNGC 2015-2018 USECP Order, Docket Nos. P-2016-2562220 and M-2014-2432515 (order entered December 8, 2016), at 6-7.

In the Tentative Order, we asked the Peoples Companies to provide additional details about the EFSLR program measures available to renters, including measures that have been implemented. Tentative Order at 43.

The Peoples Companies report that the EFSLR Program Pilot is available to renters with written landlord approval. Renters receive the same EFSLR repair and replacement measures available to homeowners. September 17, 2020 Supplemental Information at 6.

### *Comments*

CAUSE-PA supports the Peoples Companies' proposal to allow renters to access the same benefits as homeowners through their EFSLR. CAUSE-PA Comments at 36.

*Resolution:* The Commission does not oppose making EFSLR program services available to renters with landlord consent. Accordingly, we are not directing any changes to the Peoples Companies' LIURP concerning EFSLR, but the Peoples Companies shall include the clarifications provided in their Revised 2019 USECP.

### *d. Aqua Acquisition & LIURP Funding*

On November 13, 2018, Aqua and the Peoples Companies filed a joint application for the authority and necessary certificates of public convenience approving a change in control of the Peoples Companies to Aqua at Docket Nos. A-2018-3006061, A-2018-3006062, and A-2018-3006063.<sup>55</sup> The Joint Settlement, filed on June 26, 2019 at the Aqua Acquisition dockets included, *inter alia*, certain LIURP funding provisions for universal service that Aqua shareholders will provide (1) funding consistent with

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<sup>55</sup> See the Aqua Acquisition Order (consolidated order entered on January 24, 2010).

historical levels for LIURP for four years from the date of the Aqua Acquisition and maintain this level, using universal service cost recovery, thereafter; and (2) an additional \$75,000 to the EFSLR budget annually and allow renters to participate. Additionally, twenty-five percent (25%) of the annual EFSLR budget will be made available for renters, and unused EFSLR funds will rollover to subsequent years. Joint Settlement at 20-21.

In the Tentative Order, the Commission asked the Peoples Companies to provide a date-specific timeline for the set of commitments in the Aqua Acquisition Joint Settlement. Tentative Order at 43.

The Peoples Companies state that the acquisition was completed on March 16, 2020. Aqua will continue its historical contribution amounts for four years following the closing date. LIURP funding will not decrease following this date, but just and reasonable costs will be subject to the approved Universal Service cost-recovery mechanism. Following the four-year period, Aqua shareholders will contribute an additional \$100,000 each year for four years. These amounts will be above and beyond the current funding levels. Aqua will add \$75,000 to the Peoples Companies' EFSLR for renters and homeowners. Recommendations on maintaining the 25% "cap" for renters in EFSLR will be addressed during the Peoples Companies next USECP filing. September 17, 2020 Supplemental Information, Attachment F at 1-2, 6.

### *Comments*

CAUSE-PA supports the Peoples Companies' proposal to maintain their LIURP funding at their current levels. CAUSE-PA Comments at 36.

*Resolution:* We are satisfied with the clarifications provided regarding the timelines for Aqua's additional funding for the Peoples Companies' LIURP, indicating that the Aqua

funding began on March 16, 2020. Accordingly, no changes are required regarding this aspect of the Peoples Companies' Proposed 2019 USECP.

### **3. CARES**

CARES assists customers with immediate needs who are experiencing temporary hardships and cannot pay their natural gas bills. CARES is designed to help customers whose household income is at or below 150% of the FPIG. Eligible customers are identified through contact with the Peoples Companies' call center agents, field employees, and DEF agents. CARES Customer Relations Specialists utilize various community resources (*i.e.*, energy assistance, public assistance benefits, and social service agencies) to support customers in need.

*Resolution:* Consistent with the Tentative Order, no changes are required regarding this aspect of the Proposed 2019 USECP.

### **4. Hardship Fund**

The Hardship Fund serves customers who need more help after exhausting all other forms of available assistance, including LIHEAP. Hardship Fund grants help customers avoid termination of service or have their service restored. The Peoples Companies partner with DEF as their Hardship Fund administrator, providing grants toward public utility bills for low-income customers. The Peoples Companies' Hardship Fund receives donations from their customers, employees, and investors. The Peoples Companies match customers' donations up to \$550,000 for PNGC customers and up to

\$38,500 for PGC customers. The Peoples Companies also contribute up to \$110,000 and \$16,500, respectively, for Hardship Fund administrative costs.<sup>56</sup>

*a. Hardship Fund Eligibility Criteria*

DEF, the Peoples Companies' Hardship Fund administrator, has introduced a requirement on its website<sup>57</sup> that a household cannot receive a hardship grant if the grant amount is not enough to stop termination or to restore service. This Hardship Fund eligibility criterion is not listed in the Peoples Companies' Proposed 2019 USECP.

In the Tentative Order, the Commission expressed concern that the Peoples Companies may be imposing, or allowing their administrator DEF to impose, requirements on the Peoples Companies' Hardship Fund grants that are not expressly articulated by the Peoples Companies in their Commission-approved USECP. The Tentative Order asked the Peoples Companies to (1) provide a full description of their Hardship Fund eligibility criteria, especially if their practices differ or expand on the criteria listed on page 28 of their Proposed 2019 USECP, (2) clarify whether these requirements apply to all customers seeking Hardship Funds or if the Peoples Companies or DEF use discretion on a case-by-case basis, (3) advise if it is the same or similar process for any subset of customers such as senior citizens aged 62 and over, and (4) indicate if (and if so, how) the criteria in operation are different from the criteria articulated in the 2015 USECP. Tentative Order at 45-46.

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<sup>56</sup> As part of the Aqua acquisition of the peoples Companies, Aqua contributed an additional \$100,000 to the DEF Hardship Fund budget for four years from the date of the Aqua Acquisition (March 16, 2020). Joint Settlement at 21

<sup>57</sup> <https://www.dollarenergy.org/need-help/pennsylvania/hardship-program/>. Accessed July 30, 2020.

## *Comments*

The Peoples Companies state that they contract with DEF on a yearly basis for their Hardship Fund. The contract specifies the program requirements are as follows. A customer may receive one Hardship Fund grant, up to \$500 per program year, to address an overdue balance. Hardship Fund grants are available to CAP and non-CAP low-income customers. Grant applications for CAP customers must be reviewed by the Peoples Companies prior to issuance. To be eligible, a customer must meet all of the following criteria:

- Have a residential heating account;
- Total gross household income must be at or below 200% of the FPIG;
- Must have paid a minimum of \$150 on the natural gas account within the past three months (minimum of \$100 if age 62 and over);
- Must have an account balance of \$100 or more (may have an account balance as low as \$0 if age 62 or older, but not a credit balance); and
- Must first apply for all other available energy assistance resources.

September 17, 2020 Supplemental Information at 6, Attachment G at 1-5.

From October through November, the Hardship Fund program is available only to households whose service is off or in termination status. From December through March, the program is available only to households whose service is off. From April through September, the program is available to all eligible households regardless of service status.<sup>58</sup> September 17, 2020 Supplemental Information at 6, Attachment G at 2.

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<sup>58</sup> If the funding levels for grants falls below \$55,000, only customers whose service is off may qualify. September 17, 2020 Supplemental Information at 6, Attachment G at 1.

Additional requirements in the DEF contract, which the Peoples Companies assert they do not have the option to revise, are:

- In order to be eligible to apply, the customer must be an adult currently living in the household.
- Applications for assistance will not be considered if the bill is in the landlord's name or the name of an individual who does not live at the service address. This applies even if the person living at the address is responsible for paying the bill. The bill must be changed to the name of an adult living at the service address for the household to be eligible.
- The account must be residential and for a single-family home or apartment. Apartments with a shared utility service are not eligible to apply.
- Accounts that are commercial, industrial, or cooking only are not eligible to apply for assistance.
- If the Federal LIHEAP and Crisis programs are open and a customer is eligible, the customer must apply for these programs before applying for a DEF grant. If the customer is not eligible, or LIHEAP and Crisis are not open, the customer does not need to apply prior to completing an application for assistance from DEF.
- DEF grants cannot be used to cover security deposits or reconnection fees.

- If a customer’s public utility service is off or in threat of termination when the customer applies and the maximum grant amount will not restore service or stop the termination, the application will be denied. The amount needed to restore service or stop a termination is determined by public utility review.
- Notification will be sent to customers advising them that their application was denied and that an additional payment is required in order to be considered for assistance.
- Applications may be reconsidered if the additional payment is made and funds are still available for that public utility. The customer must meet all other eligibility requirements at the time that the application is reconsidered.

September 17, 2020 Supplemental Information, Attachment G at 5.

The Peoples Companies state that the DEF provisions “allow utilities to maintain funds throughout the program year to ensure those most in need are able to access this important resource.” September 17, 2020 Supplemental Information at 6.

OCA questions the wording present in the current and proposed USECPs where DEF “reviews and modifies *its* eligibility guidelines annually” (emphasis added). OCA maintains eligibility criteria for Hardship Fund grants should be established by the Peoples Companies and approved by the Commission. OCA Comments at 16, *citing* the Proposed 2019 USECP at 28.

CAUSE-PA echoes both the Commission’s and OCA’s apprehensions that DEF is directing the Peoples Companies’ Hardship Fund requirements, stating that, “[a] utilities’

universal service program eligibility criteria must be made explicit in each utilities' Commission-approved USECP – and should not be allowed to operate as a shadow set of rules subject to the philosophies of a program administrator.” CAUSE-PA further argues that DEF requiring a sincere effort of payment is counterintuitive to accessing a hardship fund grant and worries that the required payment could exceed a CAP participant's monthly CAP payment. CAUSE-PA recommends that the Commission prohibit hardship fund program administrators from applying hardship fund rules not outlined in USECPs. CAUSE-PA Comments at 37-38.

*Resolution:* We have previously addressed the issue of allowing DEF or another contracted CBO to establish the eligibility criteria for a universal service program. For example, in Duquesne's 2017-2019 USECP proceeding, Duquesne explained that requiring customers to provide Social Security Numbers (SSNs) to qualify for its Hardship Fund was not the public utility's policy, but rather the policy of the DEF, which administers the program. The Commission found this answer inconsistent with the public utility's responsibilities under the Competition Act and stated that:

Section 2804(9) of Title 66<sup>59</sup> encourages the use of CBOs “that have the necessary technical and administrative experience to be the *direct providers of services or programs*” (emphasis added). While contracted CBOs may be used to administer universal service programs, the utilities are responsible for setting eligibility requirements, establishing program parameters, and drafting a triennial USECP for Commission approval. A contracted CBO should not dictate the eligibility requirements of a utility's universal service program.

*Duquesne 2017-2019 USECP Order*, Docket No. M-2016-2534323 (order entered on March 23, 2017), at 46.

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<sup>59</sup> The corresponding provision is 66 Pa.C.S. § 2203(8) for natural gas public utilities.

Similarly, the Peoples Companies are responsible for establishing the eligibility criteria for their Hardship Fund. The Commission agrees with OCA and CAUSE-PA that all Hardship Fund grant requirements must be listed in the Peoples Companies' USECP and that Hardship Fund eligibility criteria and practices cannot be changed unless approved by the Commission in a universal service proceeding.

Furthermore, we remind the Peoples Companies that they are responsible for the provisions in their Hardship Fund regardless of who administers the Hardship Fund. Any addition or change to their provisions, practices, or procedures in their USECP must be approved by the Commission prior to implementation. This includes instances where DEF may seek to introduce new Hardship Fund eligibility requirements or restrictions or where DEF seeks to remove control of the Hardship Fund from the public utility. Until the Commission approves changes to the Peoples Companies' universal service programs, the Peoples Companies shall continue to adhere to the practices and procedures in their most recently approved USECP. Public utilities may pursue changes to their USECPs in conjunction with the periodic USECP review process, or they may petition for changes in the interval between periodic reviews.

Accordingly, based on the clarifications in Attachment G provided by Peoples in response to the Tentative order, the Peoples Companies Hardship Fund eligibility criteria is approved. We direct the Peoples Companies to include in their Revised 2019 USECP all Hardship Fund grant requirements listed in their September 17, 2020 Supplemental Information, Attachment G.

*b. Funding for the Peoples Companies' Hardship Fund*

In the Tentative Order, the Commission asked the Peoples Companies to explain whether their Hardship Fund administrative costs are fully funded through public utility

contributions or partially funded through other sources, such as a universal service rider. Tentative Order at 46.

*Comments*

The Peoples Companies report that their Hardship Fund administrative costs are fully funded through shareholder contributions. September 17, 2020 Supplemental Information at 6.

*Resolution:* We are satisfied with the Peoples Companies' explanation for how their Hardship Fund administrative costs are funded. The Peoples Companies are directed to include this clarification in their Revised 2019 USECP.

*c. Comparison between PNGC and PGC donations for Hardship Fund grants and administrative costs*

As previously described, the Peoples Companies match customers' donations up to \$550,000 for PNGC customers and up to \$38,500 for PGC customers. The Peoples Companies also contribute up to \$110,000 and \$16,500, respectively, for Hardship Fund administrative costs. In the Tentative Order, we asked the Peoples Companies to explain why the percentage of matching donations and administrative costs vary so greatly between the two utilities. Tentative Order at 47.

The Peoples Companies advise that the donation levels for PNGC and PGC were established in their prior acquisition and base rate case proceedings. September 17, 2020 Supplemental Information at 6.

*Resolution:* We are generally satisfied with the Peoples Companies' response. Accordingly, no changes are required regarding this aspect of the Proposed 2019 USECP.

Because administrative costs are funded through shareholder dollars, this is not an issue that affects the cost of universal service recovered from ratepayers.

**C. Eligibility Criteria**

The Peoples Companies' various universal service programs have slightly different eligibility criteria as shown in Table 13 below:

**Table 13. Eligibility Criteria**

| <b>Program</b> | <b>Income Criteria</b>  | <b>Other Criteria</b>   |
|----------------|---|---|
| CAP            | 150% FPIG or less   | <ul style="list-style-type: none"> <li>• Be an active residential natural gas heating customer.</li> </ul>  |
| E-CAP (Pilot)  | 151%-200% FPIG  | <p>Additional E-CAP criteria:</p> <ul style="list-style-type: none"> <li>• Have at least one broken payment arrangement and a “significant arrearage balance” defined as \$800 or more.</li> <li>• Apply for a Hardship Fund grant before enrolling if available.</li> </ul>  |
| LIURP          | 150% FPIG or less<br>20% of the LIURP budget may be allocated to households between 151% and 200% of the FPIG | <ul style="list-style-type: none"> <li>• Be a residential natural gas heating customer.</li> <li>• Homeowners must have annual consumption above 140 MCF, continuous service for 12 months, must live in the primary residence.</li> <li>• Renters must have a natural gas account in their name and landlord permission.</li> </ul>  |
| EFSLR Program  | 200% of the FPIG or less  | <ul style="list-style-type: none"> <li>• Be a residential natural gas heating customer.</li> <li>• Up to 25% of the annual program budget may be used to serve renters (first-come, first-served basis).</li> <li>• Needs emergency repairs or replacement to heating system or house/service lines.</li> <li>• If currently available, customer should apply for LIHEAP Crisis weatherization.</li> </ul>  |
| CARES          | No income requirement   | <ul style="list-style-type: none"> <li>• Customers experiencing a temporary hardship and who cannot pay their natural gas bill.</li> <li>• Special needs customers in danger of losing heat due to non-payment or heating equipment failure.</li> </ul>   |
| Hardship Fund  | 200% of the FPIG or less  | <ul style="list-style-type: none"> <li>• Be a residential natural gas heating customer.</li> <li>• Must first apply for LIHEAP Cash and Crisis benefits.</li> <li>• Customers under age 62 must have a balance of at least \$100 on their account and must have paid at least \$150 toward their bill within the past 90-day period.</li> <li>• Customers over age 62 may have a zero or greater balance due and must have paid at least \$100 within the past six-month period.</li> <li>• Hardship Fund grant must be enough to restore service or stop service termination.</li> </ul> |

*Resolution:* Consistent with the Tentative Order, we are not currently proposing any changes to this aspect of the Proposed 2019 USECP.

#### **D. Projected Needs Assessments**

In the Proposed 2019 USECP, the Peoples Companies failed to provide a Needs Assessment for PNGC and for PGC. A needs assessment was presented in the APPRISE Evaluation, but the numbers were outdated, and more recently updated figures were requested. Tentative Order at 49.

#### *Comments*

The Peoples Companies provided updated needs assessment information as part of their Supplemental Information. For PNGC, the Peoples Companies project, based on census data, that 143,228 customers in the PNGC service territory have incomes at or below 150% of the FPIG and that 52,633 have incomes between 151% and 200% of the FPIG. Approximately 12,000 PNGC low-income customers (at or below 150% of the FPIG) are in potential need of LIURP, and the estimated cost of weatherizing these customers would be \$96 million. For PGC, the Peoples Companies project, based on census data, that 13,235 customers in the PGC service territory have incomes at or below 150% of the FPIG and 5,164 have incomes between 151% and 200%. Approximately 750 PGC low-income customers (at or below 150% of the FPIG) are in potential need of LIURP, and the estimated cost of weatherizing these customers would be \$6 million. September 17, 2020 Supplemental Information at 7, Appendix H at 1-4.

The Peoples Companies state that they do not have an estimate of potential PNGC and PGC LIURP participants between 151% and 200% of the FPIG as a household in that income group typically does not receive LIURP unless the household falls under a

special needs group. They report that no such customers have been served at this income level in several years. September 17, 2020 Supplemental Information at 7.

*Resolution:* Based on available information, we find these estimates to be reasonable and in compliance with 52 Pa. Code § 62.4(b)(3). Accordingly, we direct the Peoples Companies to include its updated needs assessment in their Revised 2019 USECP. We note in passing that we have requested other public utilities to disclose how “special needs” customers with incomes in the 151% to 200% tier of the FPIG are identified in LIURP.<sup>60</sup> We direct the Peoples Companies to discuss with its USAG how “special needs” customers at this income level should be defined in LIURP and to include this information in its next USECP filing.

#### **E. Projected Enrollment Levels**

In the Tentative Order, the Commission asked the Peoples Companies to include projected enrollment levels for CAP from 2020 to 2024, as well as projections specifically for customers in the 151% to 200% tier of the FPIG. Tentative Order at 52.

#### *Comments*

Table 14 below shows the actual enrollment levels for 2019 and the projected enrollment levels for the Peoples Companies’ CAP, LIURP, CARES, and Hardship Fund programs for PNGC and PGC from 2020 through 2024.

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<sup>60</sup> See *National Fuel Gas 2017-2020 USECP Order*, Docket No. M-2016-2573847 (order entered on March 1, 2018) at 39, and *Duquesne 2014-2016 USECP Tentative Order*, Docket No. M-2013-2350946, (order entered December 19, 2013), at 22.

**Table 14. Historic and Projected Enrollment Levels for PNGC and PGC**

|                      | 2019                | 2020    | 2021   | 2022   | 2023   | 2024   |
|----------------------|---------------------|---------|--------|--------|--------|--------|
| <b>PNGC</b>          |                     |         |        |        |        |        |
| <b>CAP</b>           | 29,962*             | 28,892* | 29,380 | 29,820 | 30,119 | 30,270 |
| <b>E-CAP</b>         | N/A                 | 2,189*  | 2,140  | 2,172  | 2,193  | 2,204  |
| <b>LIURP</b>         | 232*                | 204*    | 344    | 344    | 344    | 344    |
| <b>EFSLR</b>         | 320                 | 320     | 320    | 320    | 320    | 320    |
| <b>CARES</b>         | 1,475 <sup>61</sup> | 1,475   | 1,475  | 1,475  | 1,475  | 1,475  |
| <b>Hardship Fund</b> | 2,663*              | 2,930*  | 3,050  | 3,050  | 3,050  | 3,050  |
| <b>PGC</b>           |                     |         |        |        |        |        |
| <b>CAP</b>           | 2,770*              | 2,879*  | 2,750  | 2,792  | 2,820  | 2,834  |
| <b>E-CAP</b>         | N/A                 | 250*    | 283    | 287    | 290    | 291    |
| <b>LIURP</b>         | 21*                 | 20*     | 40     | 40     | 40     | 40     |
| <b>EFSLR</b>         | 25                  | 25      | 25     | 25     | 25     | 25     |
| <b>CARES</b>         | 146                 | 146     | 146    | 146    | 146    | 146    |
| <b>Hardship Fund</b> | 197*                | 230*    | 230    | 230    | 230    | 230    |

\* Reflects actual enrollments.

*Sources:* PNGC and PGC CAP and LIURP numbers and PNGC Hardship Fund numbers reflect actual enrollments or jobs completed (LIURP) in 2019 and 2020 as reported in the *Report on 2019 Universal Service and Collections Performance* at 71 and *Report on 2020 Universal Service and Collections Performance* at 54, 59, 80. PNGC and PGC E-CAP enrollment numbers for 2020 reflect average annual enrollments as reported in the May 2021 E-CAP Report at 3. PNGC and PGC projected CAP and E-CAP enrollment numbers for 2021-2024 are from the September 17, 2020 Supplemental Information at 8. PNGC and PGC LIURP projected enrollment numbers for 2021-2024 are from the May 2020 filing at 17. PNGC and PGC EFSLR Program projected enrollment numbers for 2019-2024 are from the May 2020 filing at 21. CARES projected enrollment numbers are from the May 2020 filing at 26. Hardship Fund projected enrollment numbers are from the April 2020 filing, Supplemental Information at 3. NOTE: Information on actual E-CAP enrollments for PNGC and PGC in 2019 was not available.

*Resolution:* Consistent with the Tentative Order, we find these projected enrollment levels to be reasonable. We direct no changes to this aspect of the Peoples Companies' 2019 USECP. Accordingly, the Peoples Companies are directed to include these updated projected enrollment levels in their revised 2019 USECP.

<sup>61</sup> Staff calculated the CARES projected enrollment level by adding the Peoples Division's estimated 875 customers per year and the Equitable Division's estimated 600 customers per year to get an estimated 1,475 customers per year total for PNGC. The data was sourced from the May 2020 filing at 26.

## **F. Program Budgets**

In the Tentative Order, the Commission asked the Peoples Companies to provide projected annual enrollment levels for CAP for PNGC and PGC from 2020 through 2024, as well as separate CAP projections for customers with incomes at or below 150% of the FPIG and for customers from 151% through 200% of the FPIG. Tentative Order at 52.

Tables 15 and 16 below show the updated Peoples Companies’ proposed budget levels for each universal service component and the calculated average monthly spending per non-CAP residential customer for 2019-2024.

**Table 15. PNGC 2019-2024 Historical Spending through 2020 and Projected Budgets for 2021 and Beyond**

|   | <b>2019</b>   | <b>2020</b>   | <b>2021<sup>+</sup></b> | <b>2022</b>  | <b>2023</b>  | <b>2024</b>  |
|---|---------------|---------------|-------------------------|--------------|--------------|--------------|
| <b>CAP</b>  | \$14,436,454* | \$10,711,116* | \$21,053,688            | \$21,189,944 | \$21,294,427 | \$21,365,873 |
| <b>LIURP</b>  | \$1,620,057*  | \$2,095,714*  | \$3,610,069**           | \$2,750,000  | \$2,750,000  | \$2,750,000  |
| <b>EFSLR Program</b>  | \$800,000     | \$887,750     | \$912,470               | \$937,932    | \$964,157    | \$988,169    |
| <b>CARES</b>  | \$285,474     | \$293,537     | \$301,843               | \$310,898    | \$320,225    | \$329,832    |
| <b>Hardship Fund</b>  | \$1,457,579*  | \$1,341,247*  | \$640,000               | \$640,000    | \$640,000    | \$640,000    |
| <b>Total<sup>±</sup></b>  | \$18,599,564  | \$15,329,364  | \$26,518,070            | \$25,828,774 | \$25,968,809 | \$26,073,874 |
| <b>Costs Recovered from Ratepayers<sup>++</sup>, ±</b>                      | \$17,141,985  | \$13,988,117  | \$25,878,070            | \$25,188,774 | \$25,328,809 | \$25,433,874 |
| <b>Average Monthly Cost per Non-CAP Residential Customer<sup>^</sup>, ±</b> | \$2.61        | \$3.75        | \$3.70                  | \$3.73       | \$3.75       | \$3.76       |

*Sources:* CAP (not including E-CAP), LIURP, and Hardship Fund costs for 2019 and 2020 reflect actual reported expenditures. *Report on 2019 Universal Service Programs & Collections Performance* at 46 and *Report on 2020 Universal Service Programs & Collections Performance* at 71. “CAP” projected budgets for 2021-2024 include CAP and E-CAP costs. April 2020 filing at 84-85. LIURP projected budget numbers for 2021-2024 are from the May 2020 filing at 17.

EFSLR Program projected budget numbers are from the May 2020 filing at 21. CARES projected budget numbers are from the May 2020 filing at 26. Hardship Fund projected budget numbers are from the May 2020 filing at 29.

\* Reflect actual program expenditures.

\*\* 2021 LIURP budget include projected carryover dollars from 2020.

+ 2021-2024 “CAP” budget projections are inflated because they reflect a proposed change from an 11% energy burden to a 7% energy burden for E-CAP customers with incomes between 151% and 200% of the FPIG. This Order denies this proposed change.

++ Hardship Fund costs are not recovered from non-CAP ratepayers and are not included in this total.

^ Based on 563,104 non-CAP residential customers for PNGC, as reported by the Peoples Companies in 2020. *Report on 2020 Universal Service Programs & Collections Performance* at 5 and 59.

± These three rows are calculations made by Commission staff.

**Table 16. PGC 2019-2024 Historical Spending through 2020 and Projected Budgets for 2021 and Beyond**

|   | 2019*       | 2020        | 2021 <sup>+</sup> | 2022        | 2023        | 2024        |
|---|-------------|-------------|-------------------|-------------|-------------|-------------|
| <b>CAP</b>  | \$1,498,889 | \$1,678,956 | \$1,732,797       | \$1,763,412 | \$1,785,255 | \$1,797,737 |
| <b>LIURP</b>  | \$280,000   | \$368,222** | \$280,000         | \$280,000   | \$280,000   | \$280,000   |
| <b>EFSLR Program</b>  | \$60,000    | \$73,050    | \$74,904          | \$76,814    | \$78,781    | \$80,806    |
| <b>CARES</b>  | \$28,234    | \$29,031    | \$29,853          | \$30,749    | \$31,671    | \$32,621    |
| <b>Hardship Fund</b>  | \$38,500    | \$48,500    | \$48,500          | \$48,500    | \$48,500    | \$48,500    |
| <b>Total±</b>   | \$1,905,623 | \$2,197,759 | \$2,166,054       | \$2,199,475 | \$2,224,207 | \$2,239,664 |
| <b>Costs Recovered from Ratepayers+++</b>                                 | \$1,867,123 | \$2,149,259 | \$2,117,554       | \$2,150,975 | \$2,175,707 | \$2,191,164 |
| <b>Average Monthly Cost per Non-CAP Residential Customer<sup>^±</sup></b> | \$2.82      | \$3.25      | \$3.20            | \$3.25      | \$3.29      | \$3.31      |

Sources: “CAP” spending and projected budget numbers reflect both CAP and E-CAP costs are from the April 2020 filing at 84-85. LIURP projected budget numbers are from the May 2020 filing at 17. EFSLR Program projected budget numbers are from the May 2020 filing at 21.

CARES projected budget numbers are from the May 2020 filing at 26. Hardship Fund projected budget numbers are from the May 2020 filing at 29.

\* Amounts for 2019 reflect actual expenditures and not projected budgets.

\*\* 2020 budgets include projected carryover dollars from 2019.

+ 2021-2024 budget projections are inflated because they reflect a proposed change from an 11% energy burden to a 7% energy burden for E-CAP customers with incomes between 151% and 200% of the FPIG. This Order denies this proposed change.

++ Hardship Fund costs are not recovered from non-CAP ratepayers and are not included in the total.

^ Based on 55,121 non-CAP residential customers for PGC in 2020. *Report on 2020 Universal Service Programs & Collections Performance* at 82.

± These three rows are calculations made by Commission staff.

#### *a. Hardship Fund Administrative Costs*

In the Tentative Order, the Commission asked the Peoples Companies how they incur and then recover administrative costs for the Hardship Fund in excess of the utility contributions through their universal service rider. Tentative Order at 55.

The Peoples Companies clarify that Hardship Fund administrative costs are paid by shareholder donations and not recovered from ratepayers. September 17, 2020 Supplemental Information at 8.

*Resolution:* We are satisfied with the Peoples Companies' clarification of how administrative costs are paid for the Hardship Fund. Accordingly, we direct the Peoples Companies to include this clarification in the Revised 2019 USECP.

#### *b. PGC Customer Counts*

The Peoples Companies did not provide residential customer counts for PGC in their Proposed 2019 USECP. Tentative Order at 55.

The Peoples Companies provided the following information regarding their average annual number of residential, CAP, and E-CAP customers from 2017-2019 for PGC as shown below in Table 17.

**Table 17. PGC Customer Breakdowns from 2017-2019**

|                    | <b>2017</b> | <b>2018</b> | <b>2019</b> |
|--------------------|-------------|-------------|-------------|
| <b>Residential</b> | 56,727      | 57,776      | 57,917      |
| <b>CAP</b>         | 3,331       | 3,316       | 3,146       |
| <b>E-CAP</b>       | 214         | 274         | 280         |

Source: September 17 Supplemental Information at 8.

*Resolution:* The Peoples Companies have satisfied our request for historic PGC residential counts. Accordingly, we direct the Peoples Companies to include this information in the Revised 2019 USECP.

**G. Use of Community-Based Organizations (CBOs)**

The Natural Gas Competition Act directs the Commission to “encourage the use of [CBOs] that have the necessary technical and administrative experience to be the direct providers of services or programs which reduce energy consumption or otherwise assist low income [*sic*] retail [natural] gas customers to afford natural gas service.” 66 Pa.C.S. § 2203(8). The Peoples Companies report using CBOs to assist in administering their CAP, LIURP, and Hardship Fund in the following ways:

**CAP:**

- DEF administers the Peoples Companies’ CAP. DEF provides verification of eligibility, recertification, and day-to-day account monitoring.
- DEF has a network of CBOs available to complete CAP applications for customers.

- DEF employs utility partnerships and agencies to streamline enrollment and increase the possibility that customers also enroll in the CAP programs of other utility providers.

Proposed 2019 USECP at 12.

**LIURP:**

- CLEAResult administers the Peoples Companies' LIURP. CLEAResult contracts with CBOs and private contractors to provide weatherization services. Proposed 2019 USECP at 18.

**CARES:**

- CARES is administered internally through specialists at the Peoples Companies and DEF who network with social service agencies to develop partnerships. Proposed 2019 USECP at 27.

**Hardship Fund:**

- DEF administers the Peoples Companies' Hardship Fund. DEF partners with CBOs to accept applications, and the Peoples Companies' customers may be referred to any DEF community-based screening agency to complete an application. Proposed 2019 USECP at 29-30.

*LIURP Administration*

In the Tentative Order, we requested that the Peoples Companies clarify how LIURP is managed in-house but administered by CLEAResult. Tentative Order at 57.

The Peoples Companies' report that internal management provides oversight to CLEAResult while the Peoples Companies administer daily operations which include,

*inter alia*, enrollments, contracting, and coordination with other programs.  
September 17, 2020 Supplemental Information at 8.

*Resolution:* We are satisfied with the clarification provided. Accordingly, we are not directing any changes to the Peoples Companies concerning their LIURP administration, but the Peoples Companies shall include this clarification in their Revised 2019 USECP.

#### **H. Organizational Structure**

The Peoples Companies' Customer Relations Department, which is located within Operations, manages and directs the public utilities' universal service programs. The director of Customer Relations and four Customer Relations Specialists oversee these programs. A universal service call group at DEF answers all customer calls for the Peoples Companies' universal service programs. The Peoples Companies automatically transfer calls related to credit, termination, or restoration from low-income customers received by their Customer Service to the DEF call group. Additionally, the Peoples Companies also forward to DEF calls from customers who appear to be eligible for CAP and those CAP customers that need a Hardship Fund grant. Customers that need weatherization, emergency heating assistance, or CARES services are referred from DEF to the Customer Relations department at the Peoples Companies for follow-up. Proposed 2019 USECP at 3-4.

*Resolution:* Consistent with the Tentative Order, we are not currently proposing any changes to this aspect of the Proposed 2019 USECP.

#### **IV. CONCLUSION**

Consistent with the discussion above and the ordering paragraphs below, we shall direct the Peoples Companies to file a Revised 2019 USECP reflecting the changes

directed herein within 30 days of the date of entry of this Order. With these changes, the Peoples Companies' 2019 USECP is approved and shall take effect, unless otherwise indicated, as of the filing date of their Revised 2019 USECP.<sup>62</sup> The Commission's approval of the 2019 USECP does not limit the Commission's authority to order future changes to the 2019 USECP based on evaluation findings, universal service data, or ratemaking considerations.

The Peoples Companies' existing 2015 USECP, as modified by the 2019 BRC, will continue in operation in whole or in part until replacement provisions of the Revised 2019 USECP are implemented.

A third-party independent evaluation of the Peoples Companies' universal service programs is due by April 1, 2027.

The Peoples Companies' 2019 USECP will be in effect until its next USECP is approved. The Peoples Companies' next proposed USECP is due on or before April 1, 2028, and will cover five years starting January 1, 2029.<sup>63</sup>

Having addressed the Peoples Companies' Proposed 2019 USECP and the comments and reply comments in the record, we note that any issue, comment, or reply

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<sup>62</sup> We recently implemented a change relative to the process by which we approve USECPs. The Commission's Bureau of Consumer Services is in the best position to determine whether a revised USECP is in compliance with a Commission order; parties to a USECP proceeding are free to file a protest to a revised USECP if they deem it necessary. *See, i.e., Duquesne Light Company's 2022-2026 USECP*, Docket No. M-2021-3024935 (order entered on April 21, 2022).

<sup>63</sup> By Order entered on October 3, 2019, in *Universal Service and Energy Conservation Plan Filing Schedule and Independent Evaluation Filing Schedule*, Docket No. M-2019-3012601, we established filing schedules for proposed USECPs and third-party independent evaluations of universal service programs through 2025. The October 2019 Order, *inter alia*, established that USECPs would be effective for at least five (5) years after they are approved; the October 2019 Order further provided that the order approving a USECP would specify the deadlines for the filing of the public utility's next proposed USECP and its next third-party independent evaluation of universal service programs. (October 2019 Order at O.P. 6).

comment requesting a further deviation from the Proposed 2019 USECP, but which we may not have specifically delineated herein, shall be deemed to have been duly considered and denied without further discussion. The Commission is not required to consider expressly or at length each contention or argument raised by the parties. *Consolidated Rail Corp. v. Pa. PUC*, 625 A.2d 741 (Pa. Cmwlth. 1993); *see also*, generally, *U. of PA v. Pa. PUC*, 485 A.2d 1217 (Pa. Cmwlth. 1984); **THEREFORE**,

**IT IS ORDERED:**

1. The Peoples Natural Gas Company LLC and Peoples Gas Company LLC Universal Service and Energy Conservation Plan for 2019-2024, as amended on May 8, 2020, is approved, subject to the conditions established in this Order, as consistent with Title 66 of the Pennsylvania Consolidated Statutes, Title 52 of the Pennsylvania Code, and Commission practice.

2. That Peoples Natural Gas Company LLC and Peoples Gas Company LLC shall file their Revised 2019-2024 Universal Service and Energy Conservation Plan conforming to the conditions established in this Order within thirty (30) days of the entry date of this Order.

3. That the Revised 2019-2024 Universal Service and Energy Conservation Plan shall be filed in both clean and redline copies and served on the parties to these dockets.

4. That the Revised 2019-2024 Universal Service and Energy Conservation Plan must be provided electronically in Word<sup>®</sup>-compatible format to Jennifer Johnson, Bureau of Consumer Services, [jennifjohn@pa.gov](mailto:jennifjohn@pa.gov); Christina Chase-Pettis, Office of Communications, [cchasepett@pa.gov](mailto:cchasepett@pa.gov); and Louise Fink Smith, Law Bureau, [finksmith@pa.gov](mailto:finksmith@pa.gov).

5. That Peoples Natural Gas Company LLC and Peoples Gas Company LLC shall incorporate the changes, as directed herein, to their Revised 2019-2024 Universal Service and Energy Conservation Plan, including:

- a. Maintain E-CAP as a separate pilot with a percent of income payment energy burden of 11%.
- b. Explain the process used to identify CAP customers who have moved to another address within the service territories and allow them to maintain their CAP enrollment status.
- c. Remove language requiring CAP customers to assign LIHEAP grants to a Peoples Companies public utility.
- d. Articulate exceptions to the high usage threshold (*i.e.*, exceeding \$1,000 in CAP Credits) and the process used to determine if households meets these conditions. Clarify that LIURP and energy education services will be provided to these households, as appropriate, prior to any consideration of removal from CAP due to unjustified usage.
- e. Clarify that customers may use the online application to apply for CAP and E-CAP or submit documentation electronically and include a link to the application.
- f. Include the standardized zero-income form as an attachment.
- g. Add its current Consumer Education and Outreach Plan, noting that this plan may be modified and enhanced within the duration of the 2019-2024 Universal Service and Energy Conservation Plan.
- h. Clarify its definition of household income and specify that earned and unearned income of minor children is excluded when determining CAP eligibility and benefits.

- i. Allow CAP-eligible customers and applicants to obtain service restoration without requiring a payment on their outstanding balance if they are enrolling in CAP for the first time.
- j. Clarify restoration requirements policies and procedures.
- k. Clarify that the Dollar Energy Fund is required to obtain informed consent from the customer before sharing information with other utilities and will only use this information for the purpose of establishing program eligibility.
- l. Provide clarifications on CAP collections procedures and the types of circumstances would qualify as an “extraordinary customer circumstance” to justify a delay in service termination.
- m. Allow customers to apply for CAP or E-CAP via a paper application and identify the anticipated timeline for this change.
- n. Charge CAP and E-CAP customers no more than the prorated CAP or E-CAP billing amount for usage incurred during their final billing period.
- o. Clarify how LIURP non-savers are provided with additional education and further knowledge on how to reduce their energy usage.
- p. Include examples of health and safety measures examples, tracking procedures, and new allowance limits.
- q. Clarify that EFSLR program services are available to renters with landlord consent.
- r. Include all Hardship Fund grant requirements.
- s. Clarify how Hardship Fund administrative costs are funded.
- t. Provide historic residential counts for Peoples Gas Company LLC.
- u. Clarify how LIURP is managed in-house but administered by CLEAResult.

6. That the Peoples Natural Gas Company LLC and Peoples Gas Company LLC shall consult with its Universal Service Advisory Group on the following issues:

- a. Evaluate E-CAP and determine further metrics to assess E-CAP’s effectiveness

- b. Training of DEF agencies training of DEF agencies on acceptable income documentation timeframes (*i.e.*, 30 days or 12 months) and other procedures related to CAP enrollment and recertification.
- c. Consider ways to make the electronic CAP application more accessible.
- d. Identify ways to enhance consumer education and outreach.
- e. Identify how the paper CAP application should be best distributed within six months of final approval of the Revised 2019-2024 Universal Service and Energy Conservation Plan.
- f. Determine how “special needs” customers at 151%-200% of the Federal Poverty Income Guidelines (FPIG) should be defined for LIURP for inclusion in the next USECP filing.
- g. Review and enhance the Plain English notice provided to customers prior to termination of service which explains the right to enter into CAP and an explanation of CAP’s arrearage forgiveness. Enhancements shall include adding responsibilities for CAP customers.

7. That Peoples Natural Gas Company LLC and Peoples Gas Company LLC shall propose incorporating the Emergency Furnace and Service Line Repair Program Pilot as a permanent part of its LIURP or propose to discontinue the program, with justifications for either proposal, by or before its next USECP filing.

8. That the Peoples Natural Gas Company LLC and Peoples Gas Company LLC shall file and serve annual updates to its Consumer Education and Outreach Plan, including outreach and education actions taken, by March 1 each year at Docket Nos. M-2018-3003177 and M-2020-3021343, beginning in 2023, for the duration of its 2019-2024 Universal Service and Energy Conservation Plan. The March 1, 2023 CEOP update must include the following enhancements:

- a. More educational training webinars and workshops using a virtual or hybrid approach to keep community partners and interested stakeholders informed and updated about NFG's universal service programs.
- b. Additional outreach efforts for households with incomes at or below 50% of the Federal Poverty Income Guidelines.
- c. An additional education component to inform customers about the importance of understanding their energy burden to foster customer awareness of how much their household is spending on energy.
- d. Include and identify the enhanced steps adopted to bolster CAP enrollments as a result of the 2019 Base Rate Case at Docket No. R-2018-3006818.
- e. Include the procedure to provide a stand-alone Plain English notice of the customer's right to enter into CAP and an explanation of CAP's arrearage forgiveness benefits prior to termination of service. The Peoples Companies shall include a copy of this notice with the CEOP and review the notice with its universal service advisory group for potential enhancements, including adding CAP responsibilities.
- f. Include proposed recommendations addressing: (1) CAP outreach; (2) why customers do not respond to written shutoff notices; and (3) why customers do not successfully complete deferred payment agreements.

9. That Peoples Natural Gas Company LLC and Peoples Gas Company LLC continue to file and serve their annual E-CAP reports at Docket Nos. M-2018-3003177 and M-2020-3021343 and shall share E-CAP data and progress with the Universal Service Advisory Group for the duration of their 2019-2024 Universal Service and Energy Conservation Plan.

10. That the Peoples Natural Gas Company LLC and Peoples Gas Company LLC shall implement the changes directed or approved within 90 days and serve a letter

when implementation is completed at Docket Nos. M-2018-3003177 and M-2020-3021343.

11. That the Commission's Bureau of Consumer Services, with the assistance of the Commission's Law Bureau, will evaluate the Peoples Natural Gas Company LLC and Peoples Gas Company LLC Revised 2019-2024 Universal Service and Energy Conservation Plan as filed and served pursuant to this Order and prepare a Secretarial Letter confirming whether or not the changes in the filing comply with this Order.

12. That the Petition filed by the Peoples Natural Gas Company LLC and Peoples Gas Company LLC on January 3, 2020, docketed at Docket Nos. P-2020-3017641 and M-2014-2432515, to amend their 2015-2018 Universal Service and Energy Conservation Plan based on the amended Customer Assistance Program Policy Statement is denied because the issue is now moot.

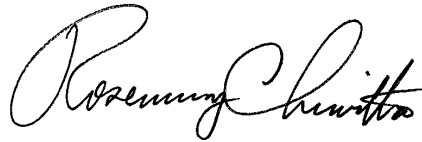
13. That *Petition by the Peoples Natural Gas Company LLC and Peoples Gas Company LLC to amend their 2015-2018 Universal Service and Energy Conservation Plan as Proposed on January 3, 2020*, Docket No. P-2020-3017641, be marked closed.

14. That Peoples Natural Gas Company LLC and Peoples Gas Company LLC shall file its next third-party independent evaluation of its universal service programs on April 1, 2027. This filing shall also be served on the parties to these dockets.

15. That Peoples Natural Gas Company LLC and Peoples Gas Company LLC shall file its next Universal Service and Energy Conservation Plan on or before April 1, 2028, which shall cover the five-year period starting January 1, 2029. This filing must also be served on the parties to these dockets.

16. That the Peoples Natural Gas Company LLC and Peoples Gas Company LLC 2015-2018 Universal Service and Energy Conservation Plan shall remain in effect in whole or in part until their 2019-2024 Universal Service and Energy Conservation Plan is implemented.

**BY THE COMMISSION,**



Rosemary Chiavetta

Secretary

(SEAL)

ORDER ADOPTED: May 12, 2022

ORDER ENTERED: May 12, 2022