

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

Public Meeting held June 16, 2022

Commissioners Present:

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

PECO Energy Company Universal Service and Energy Conservation Plan for 2016-2018 Submitted in Compliance with 52 Pa. Code §§ 54.74 and 62.4.

Docket No. M-2015-2507139

PECO Energy Company Universal Service and Energy Conservation Plan for 2019-2024 Submitted in Compliance with 52 Pa. Code §§ 54.74 and 62.4.

Docket No. M-2018-3005795

PECO Energy Company Petition for Expedited Approval to Establish an Emergency Grant Program for Low-Income Customers

Docket No. P-2022-3032265

**ORDER**

**BY THE COMMISSION**

On April 26, 2022, PECO filed a Petition (April 2022 Petition)<sup>1</sup> seeking expedited approval to amend its current 2016-2018 Universal Service and Energy Conservation Plan (2016 USECP) to establish an Emergency Grant Program for Low-Income Customers (Grant Program). Grants would be provided to qualifying residential customers at or below 200% of the federal poverty income guidelines (FPIG) to distribute

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<sup>1</sup> The April 2022 Petition was docketed at M-2015-2507139 and P-2022-3032265 and has been consolidated with Docket No. M-2018-3005795.

approximately \$3.7 million of unspent 2020 Low Income Usage Reduction Program (LIURP) funds in accordance with the settlement approved by the Pennsylvania Public Utility Commission (Commission) in PECO's 2021 Base Rate Case.<sup>2</sup> There is no opposition to the April 2022 Petition. This Order grants the April 2022 Petition.

## **BACKGROUND**

On March 30, 2021, PECO filed for a general rate increase in its 2021 Base Rate Case. On September 15, 2021, parties in the 2021 Base Rate Case filed a Joint Petition<sup>3</sup> for settlement (2021 Base Rate Case Joint Petition). The Joint Petitioners proposed, *inter alia*, to reallocate all unspent LIURP funds from the 2020 program year (approximately \$3.7 million) to provide emergency grant assistance through the Matching Energy Assistance Fund (MEAF), PECO's Hardship Fund, over a two-year period, with a \$1.85 million allocation in 2021 and a \$1.85 million allocation in 2022. PECO agreed to allocate these unspent LIURP funds proportionately to counties across its service territory based on the number of confirmed low-income customers in each county and make these grants available to households with incomes at or below 200% of the FPIG until the funds are expended. 2021 Base Rate Case Joint Petition at 10-11, ¶34. The Administrative Law Judge (ALJ) recommended approval of the universal service provisions in the 2021 Base Rate Case Joint Petition. (October 12, 2021 Recommended Decision). The Commission adopted the ALJ's October 12, 2021 Recommended Decision by Commission order entered on November 18, 2021.

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<sup>2</sup> *Pa. PUC, et al., v. PECO*, Docket Nos. R-2021-3024601, *et al.*

<sup>3</sup> The Joint Petitioners in PECO's 2021 Base Rate Case were: PECO; the Commission's Bureau of Investigation and Enforcement (BIE); the Office of the Consumer Advocate (OCA); the Office of Small Business Advocate (OSBA); the Philadelphia Area Industrial Energy Users Group; Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA); Tenant Union Representative Network (TURN); the National Railroad Passenger Corporation; the Retail Energy Supply Association and NRG Energy, Inc.; Clean Energy Advocates (CEA); ChargePoint, Inc.; and Wal-Mart, Inc.

## Summary of Proposed Grant Program

As noted in Table 1 below, PECO has allocated substantially all of the unspent 2020 LIURP funds among the counties in its service territories, based on the number of customers with confirmed income at or below 200% of the FPIG.

**Table 1. Allocation of Unspent 2020 LIURP Funds to Counties**

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

*Source:* April 2022 Petition at 5.

The proposed Grant Program would address disbursement of the allocated funds to customers. PECO states that its proposed methodology for the Grant Program is to automatically issue grants to customers whose incomes are confirmed to be at or below 200% of the FPIG. Grants would first be issued to income-eligible customers with a past due balance of \$500 and then to customers with a higher balance amount (*e.g.*, \$501, \$502) until the \$3.7 million is exhausted.<sup>4</sup> A grant equivalent to the low-income customer's full past-due balance would be applied to the customer's account, and a letter notifying the customer about the grant would be sent out. April 2022 Petition at 5-6.

PECO did not provide the number of confirmed low-income customers at or below 200% of the FPIG but did provide, for "illustrative purposes," how the grants would have been distributed using the proposed methodology as of December 31, 2021.

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<sup>4</sup> PECO notes the final household identified for a grant in each county may receive a grant that is less than its full balance, depending on the amount of funds remaining. April 2022 Petition at 6-7, FNs 9 & 10.

**Table 2: Illustrative Distribution of Unspent 2020 LIURP Funds to Customers  
As of December 31, 2021**

<b>County</b>	<b>Funding</b>	<b>Grant Recipients</b>	<b>Range of Grant Awards Based on Customer Arrears Amount</b>
<b>Bucks</b>	\$351,381	249	\$500-\$3,500
<b>Chester</b>	\$228,185	192	\$500-\$2,100
<b>Delaware</b>	\$384,506	443	\$500-\$1,400
<b>Montgomery</b>	\$403,478	359	\$500-\$2,800
<b>Philadelphia</b>	\$2,229,673	2,471	\$500-\$1,460

Source: April 2022 Petition at 6.

PECO did not provide an illustrative distribution for York County. PECO asserts that the \$30,000 allocated to York County reflects the sum of all arrears owed by its confirmed income-eligible customers in its service territory in York County as of December 31, 2021. If the Grant Program is approved and this amount does not address all current arrears owed by income-eligible York County customers, PECO represents that it will first apply grants to eligible customers with the highest balances and then lower balances until the \$30,000 is exhausted. April 2022 Petition at 6-7.

PECO served its April 2022 Petition to all parties of record in Docket Nos. M-2015-2507139 and R-2021-3024601. PECO also states that it shared its Grant Program proposal with OCA, BIE, CAUSE-PA, TURN, and CEA. The parties did not, however, reach consensus on this proposal. April 2022 Petition at 8. PECO proposes to incorporate the Grant Program as an addendum (Addendum G) to its 2016 USECP at Docket No. M-2015-2507139 and to apply these automatic grants to customer bills within 60 days after receiving Commission approval. April 2022 Petition at 2, 5, 7.

### **Stakeholder Responses**

On May 4, 2022, OSBA filed a Notice of Intervention in this proceeding. On May 9, 2022, the Commission issued a Secretarial Letter encouraging stakeholders to submit substantive answers to the April 2022 Petition. On May 16, 2022, OCA filed a

Letter in Lieu of an Answer, and CAUSE-PA and TURN separately filed Petitions to Intervene and Answer. All parties responding substantively to the April 2022 Petition stated that they do not oppose the Petition. OSBA did not file an Answer.

## DISCUSSION

On July 15, 2021, the Commission entered an Order (July 2021 Order) at Docket Nos. M-2020-3019244 and M-2020-3019775 (*Public Utility Service Termination Moratorium; COVID-19 Cost Tracking and Creation of Regulatory Asset*) which directed public utilities to, *inter alia*, report information quarterly concerning accounts at risk of termination and the aggregate amount of arrearages through the fourth quarter of 2021.<sup>5</sup> July 2021 Order at 4. In its January 28, 2022 filing, PECO reported that approximately 91,878 residential accounts remained at risk of service termination by the end of December 2021, with total outstanding arrears exceeding \$82.6 million. PECO January 28, 2022 filing at 4, Docket No. M-2020-3019244. Thus, even with the additional energy assistance available through other energy assistance programs and COVID-19-related programs,<sup>6</sup> many of PECO's residential customers appear to still be at risk for service termination.

Given these facts, and noting there is no opposition from stakeholders, we find it reasonable and in the public interest to grant PECO's April 2022 Petition to distribute \$3.7 million in emergency grant assistance as proposed in the April 2022 Petition so that eligible customers can receive these grants to address overdue balances and help prevent service termination.

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<sup>5</sup> See *Public Utility Service Moratorium; COVID-19 Cost Tracking and Creation of Regulatory Asset*, Docket Nos. M-2020-3019244 and M-2020-3019775 (order entered July 15, 2021). <https://www.puc.pa.gov/pdocs/1711655.docx>

<sup>6</sup> Such programs include utility assistance offered through the Low Income Home Energy Assistance Program, see <https://www.dhs.pa.gov/Services/Assistance/Pages/LIHEAP.aspx>; the Emergency Rental Assistance Program, see <https://www.dhs.pa.gov/ERAP/Pages/ERAP.aspx>; and the Homeowners Assistance Fund, see <https://pahaf.org/>.

Although PECO has requested to include the details of the Grant Program as an addendum (proposed Addendum G) to its 2016 USECP, we find it more appropriate to include this addendum as part of the revisions to PECO's 2019-2024 USECP (2019 USECP) at Docket No. M-2018-3005795. PECO's Proposed 2019 USECP is undergoing final Commission review. PECO is directed to include the Grant Program addendum, as approved herein, in the revised 2019 USECP when it is filed.

## **CONCLUSION**

Accordingly, the Commission hereby approves PECO's request to establish a Grant Program as described in its April 2022 Petition. PECO shall include its proposed Grant Program Addendum, which reflects the disbursement of the 2020 LIURP funds through MEAF, as part of its revised 2019 USECP at Docket No. M-2018-3005795.

PECO is also directed to file and serve a report detailing the final disbursement of the unspent 2020 LIURP funds at Docket Nos. M-2018-3005795 and P-2022-3032265 within 90 days of the entry date of this Order. The report must include the beginning and ending dates for disbursements, and, for each county, the number of grants issued, total amount disbursed, the minimum and maximum grants issued, and the average grant amount; **THEREFORE,**

### **IT IS ORDERED:**

1. That PECO Energy Company's Petition for Expedited Approval to Establish an Emergency Grant Program for Low-Income Customers, filed on April 26, 2022, is approved.

2. That PECO Energy Company shall disburse unspent 2020 Low Income Usage Reduction Program funds through the Emergency Grant Program, consistent with the Petition filed on April 26, 2022, within 60 days from the entry date of this Order.

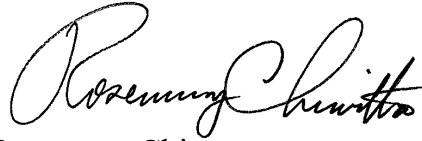
3. That PECO Energy Company shall include the proposed Emergency Grant Program Addendum describing the disbursement of unspent 2020 Low Income Usage Reduction Program funds through the Emergency Grant Program as part of its 2019-2024 Universal Service and Energy Conservation Plan at Docket No. M-2018-3005795.

4. That PECO Energy Company shall file and serve a report detailing the final disbursement of the unspent 2020 Low Income Usage Reduction Program at Docket Nos. M-2018-3005795 and P-2022-3032265 within 90 days of the entry date of this Order. The report must include the beginning and ending dates for disbursements, and, for each county, the number of grants issued, total amount disbursed, the minimum and maximum grants issued, and the average grant amount.

5. That a copy of this Order be served on parties to Docket Nos. M-2015-2507139, M-2018-3005795, P-2022-3032265, and R-2021-3024601.

6. That Docket Nos. M-2015-2507139 and P-2022-3032265 be marked closed relative to the April 26, 2022 Petition.

**BY THE COMMISSION,**

A handwritten signature in black ink, appearing to read "Rosemary Chiavetta". The signature is written in a cursive style with a large initial "R".

Rosemary Chiavetta  
Secretary

(SEAL)

ORDER ADOPTED: June 16, 2022

ORDER ENTERED: June 16, 2022