

COMMONWEALTH OF PENNSYLVANIA



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August 30, 2022

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Philadelphia Gas Works Universal
Service and Energy Conservation Plan
for 2023-2027
Docket No. M-2021-3029323

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Comments in the above-referenced proceeding.

Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully submitted,

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Certificate of Service

*334747

CERTIFICATE OF SERVICE

Philadelphia Gas Works Universal :
Service and Energy Conservation Plan : Docket No. M-2021-3029323
for 2023-2027 :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Comments, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 30th day of August 2022.

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Philadelphia Gas Works Universal :
Service and Energy Conservation Plan : Docket No. M-2021-3029323
for 2023-2027 :

COMMENTS
OF THE
OFFICE OF CONSUMER ADVOCATE

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The Office of Consumer Advocate (OCA) files these Comments pursuant to the directive in the Commission’s Order Directing Supplemental Information and Establishing Comment Period (PGW USECP 2023-2027 Order)¹ entered June 16, 2022.²

I. INTRODUCTION

On October 29, 2021, Philadelphia Gas Works (PGW) filed its proposed 2023-2027 Universal Service and Energy Conservation Plan (2023-2027 USECP or Plan) pursuant to 52 Pa. Code Section 62.4. The OCA filed its Notice of Intervention and Public Statement on December 21, 2021, and the Office of Small Business Advocate (OSBA) filed its Notice of Intervention and Public Statement on December 20, 2021. The Coalition for Affordable Utility Service and Energy Conservation in Pennsylvania (CAUSE-PA) and the Tenant Union Representative Network (TURN) each filed their respective Petitions to Intervene on December 15, 2021.

Pursuant to a November 9, 2019 Order, the Commission’s CAP Policy Statement was amended effective March 21, 2020. *PGW USECP 2023-2027 Order* at 2-3; see also, *2019 Amendments to Policy Statement on Customer Assistance Programs, 52 Pa. Code § 69.261-69.267*, Docket No. M-2019-3012599, Final Policy Statement and Order (Nov. 5, 2019)(*Final CAP Policy Statement Order*). *Final CAP Policy Statement Order* details the 17 amendments to the Commission’s CAP Policy Statement.

¹ *Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2023-2027 Submitted in Compliance with 52 Pa. Code § 62.4*, Docket No. M-2021-3029323, Order Directing Supplemental Information and Establishing Comment Period (June 16, 2022)(*PGW USECP 2023-2027 Order*).

² The OCA was assisted in the preparation of these Comments by its consultant, Roger D. Colton. Roger Colton is a principal in the firm of Fisher, Sheehan & Colton, Public Finance and General Economics. Mr. Colton provides technical assistance to a variety of public utilities, state agencies, and consumer organizations on rate and customer service issues for telephone, water/sewer, natural gas and electric utilities. Mr. Colton’s work focuses on low-income energy issues, and he has testified and published extensively in this area.

As the *PGW 2023-2027 USECP Order* notes, PGW's current 2017-2022 USECP, including the energy burden levels, are currently under review at Docket No. P-2020-3018867. *PGW USECP 2023-2027 Order* at 17. On January 6, 2020, PGW voluntarily proposed a pilot program implementing new maximum energy burdens (pilot programs) for its Customer Assistance Program (CAP), the Customer Responsibility Program (CRP).³ In its Petition, PGW proposed to reduce the energy burdens to 6% for customers with income at or below 51-100% and 101-150% of the Federal Poverty Level (FPL) and to 4% for customers with income at or below 0-50% of the FPL. PGW also proposed to remove the obligation to pay \$5/month towards pre-program arrears and to modify the consumption limits. PGW's proposed Amended Plan indicated that the proposed plan costs will increase from \$68,620,083 in 2020 to \$97,104,143 in 2021. PGW Amended USECP 2017-2022 at App. A.

On March 2, 2020, the OCA filed its Answer to PGW's Petition. In its Answer, the OCA responded that the proposed changes to PGW's Plan should not be approved until a full review could be completed, and that a full review could not be completed in the proposed 30-day time period. The OCA argued that such a significant change in the Company's program design and increase to the costs of the program should not be confined to a short timeframe to accommodate larger billing system changes. The Company's proposed amendments related to the *Final CAP Policy Statement Order*. The OCA identified concerns that the filing raised significant questions as to the cost of the program, the increased costs related to the proposed amendments, the impact of the amendments on the overall plan, and the continued cost-effectiveness of the Plan, among others. In addition, the OCA argued that further analysis of the impact of the changes on returned LIHEAP dollars was also required.

³ The matter was docketed at Docket No. P-2020-3018867.

On March 26, 2020, the Commission issued an Order granting PGW's Petition for Expedited Approval and approving PGW's Addendum and CRP Pilot Program. The OCA and OSBA each filed Petitions for Reconsideration, which were denied.

The OCA and OSBA each filed Petitions for Review with the Commonwealth Court on May 4, 2020. Ultimately, the Commonwealth Court determined that the OCA and the OSBA had been denied adequate notice and opportunity to be heard by the 30-day paper pleadings process provided in the Commission's Order below. *See John R. Evans v. Pa. Public Utility Commission and Tanya J. McCloskey v. Pa. Public Utility Commission*, 421 and 422 C.D. 2020 (consolidated), *slip op.*, 2021 Pa. Commw. Unpub. LEXIS 519, *37-38, 44 (Sept. 29, 2021) (*Remand Order*). The Commonwealth Court directed the Commission "to provide evidentiary proceedings and issue a new decision consistent with this Opinion." *Remand Order* at *44. The matter was subsequently remanded to the Office of Administrative Law Judge.

On August 1, 2022, PGW, the OCA, CAUSE-PA, and TURN filed a Joint Petition for Settlement at Docket No. P-2020-3018867. The Settlement resolves all issues presented in that proceeding, including the implementation of the CAP Policy Statement's identified energy burdens, and is currently pending before the Administrative Law Judge for a recommended decision. The Company has proposed to extend those energy burdens in this proceeding, and as discussed in Section A below, the OCA supports continuation of the energy burdens agreed to in the Joint Petition for Settlement that is pending at docket P-2020-3018867 through the conclusion of the 2023-2027 Plan currently under review.

In the instant proceeding, on June 16, 2022, the Commission issued its *PGW USECP 2023-2027 Order* and requested that the Company provide additional Supplemental Information. The Commission approved an extension of time to file the Supplemental Information until July 21,

2022, and subsequently also approved an extension to file Comments and Reply Comments. On July 21, 2022, PGW filed its Supplemental Information. Comments are to be filed on August 30, 2022, and Reply Comments are due on September 14, 2022. These comments are in response to the Commission's *PGW USECP 2023-2107* Order.

The OCA addresses the following issues raised by the Commission in its *PGW USECP 2023-2027 Order*: (1) continuation of modifications to the universal service programs in the Proposed 2023-2027 USECP; (2) income documentation for the last 30 days or 12 months; (3) CRP final billing; (4) refund of security deposits; (5) LIHEAP; (6) external sources used to verify CRP customers' household composition; (7) exempt CAP customers from late payment charges; (8) unearned income for a child; (9) verifying zero-income; (10) exempt CAP customers from late payment charges; (11) continuation of regulatory waivers; and (12) calculation of number of low-income households. The OCA also addresses the following additional issues: (1) requirement for upfront payment; (2) LIURP budget; and (3) definition of multi-family unit.

II. COMMENTS

A. Continuation of Modifications to the Universal Service Programs in the Proposed 2023-2027 USECP

As discussed in the Commission's Order, the 2023-2027 USECP Plan proposes to continue the changes proposed in its January 2020 filing, except the modifications to its consumption limit program. *PGW 2023-2027 USECP Order* at 11. PGW proposes to continue to maintain the energy burdens identified in the CAP Policy Statement and in its current 2017-2022 USECP. As the *PGW 2023-2027 USECP Order* correctly notes, the proposed changes to the energy burdens are under review in Docket No. P-2020-3018867. *PGW 2023-2027 USECP Order* at 11. As noted above, a Joint Petition for Settlement was filed in that proceeding, and the Settlement is currently pending before the Administrative Law Judge for a recommended decision. The Settlement provides that the revised energy burdens should be approved, with appropriate and sufficient cost-control features as outlined in the Petition for Settlement, and that the parties to that proceeding would support the continuation of those revised energy burdens in through PGW's 2023-2027 USECP. Consistent with the terms of that settlement, and for the reasons outlined fully in that proceeding, the OCA supports continuation of the energy burdens through the 2023-2027 Plan. The OCA has attached as Appendix A to these Comments the OCA's Statement in Support that was filed with the settlement. As outlined and demonstrated in that proceeding, the proposed program costs were greatly reduced from those projected in PGW's original filing with the Commission. The Settlement also specifically provides for going forward cost control measures and for measurement of the outcomes achieved by the changes to the energy burdens through the pendency of the existing 2023-2027 Plan. As the OCA noted in its Statement in Support filed in Docket No. P-2020-3018867, the OCA believes that it is a reasonable resolution with effective checks on potential cost increases and evaluations of the outcomes achieved by the changes to the energy

burdens. The OCA supports the energy burdens and control features outlined in the Settlement at P-2020-3018867 and specifically requests that both the burdens and cost control features set out there be incorporated into the Commission's approval of PGW's 2023-2027 USECP.

B. Income Documentation for the Last 30 Days or 12 Months

The Commission's Order identifies a concern with PGW's implementation of the relevant income documentation provisions required by the CAP Policy Statement which specifically require that the Company accept income documentation for the last 30 days or 12 months whichever is more favorable to the consumer. *PGW 2023-2027 USECP Order* at 18-19. As the Commission notes:

PGW reports that it will continue to accept the last 30 days of income for household members to determine the household income. PGW will also accept federal or state tax returns within the last 12 months as proof of self-employment income. Proposed 2023 USECP at 11-12.

PGW reports it uses gross year-to-date income to determine monthly household income if the customer has seasonal or "fluctuating" income. The Proposed 2023 USECP maintains that "dividing the gross year-to-date income by 12" provides a more accurate picture of the customer's monthly income and can qualify a household for CRP that may have been ineligible based on the past 30 days of income. Proposed 2023 USECP at 11-12.

PGW 2023-2027 USECP Order at 18. The Commission noted that the USECP includes a list of professions where the seasonal or fluctuating income policy may apply. *Id.*

The Commission identified a concern that it is unclear if PGW's CRP income documentation policy gives all customers the opportunity to provide 12 months of income. *Id.* The Commission's Order provided:

BCS has received informal complaints received from customers who have been determined ineligible based on PGW's seasonal/fluctuating income documentation. We have concerns about how this policy is described in the Proposed 2023 USECP and applied currently. The Proposed 2023 USECP states that gross year-to-date income is divided by 12 to determine a customer's monthly income amount. This description does not appear accurate based on informal complaints received by

BCS. Instead, it appears that PGW has used the gross year-to-date income – instead of income from the past 30 days – to determine a customer’s monthly income based on less than 12 months of earnings (e.g., gross year-to-date income on June paystubs could be divided by six to calculate average monthly income for that year). In one BCS informal complaint, the customer provided pay stubs and was denied eligibility for CRP because her gross year-to-date amount reflected higher average monthly income over the course of the year.

PGW 2023-2027 USECP Order at 19.

In response to the Commission’s Order in the Supplemental Information, PGW stated:

PGW’s CRP application requests that customer provide proof of income for the last 30 days. Customers who are unable to provide proof of income for the last 30 days and indicate that they are seasonally employed or receive fluctuating income are asked to provide income for the last 12 months. Year-to-date information, a letter from an employer, and the most recent 30-day period for which the customer received income are used to determine the monthly amount in lieu of proof for the last 12 months. For example, this often occurs with home health aides who do not receive consistent income due to patient hospitalization.

PGW Supplemental Information at 1.

PGW’s implementation of its income documentation policy is not consistent with the CAP Policy Statement. The CAP Policy Statement specifically 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). The OCA agrees with the Commission that a CRP participant should be able to choose to use either the thirty-day income or income for the 12-month time period, whichever is more beneficial to the customer. As the Commission identifies, it appears that PGW only asks for 30 days of income and then uses gross year-to-date income to determine an average monthly amount for households whose 30 day income would otherwise make them income-ineligible. *PGW 2023-2027 USECP Order* at 18-19.

Moreover, neither PGW's application nor its recertification letter provide to the customer any information about the option to provide 12 months' worth of income even under PGW's limited application to a seasonal employee. PGW's application/recertification form only states to "[a]ttach copies of current income documentation for all household members listed above (e.g., all pay stubs within 30 days, social security letter)." PGW Supplemental Information at Customer Responsibility Program (CRP) Application/Recertification Form Attachment in Response to Question Number B.1.CRP.⁴ PGW then states that it will use the documentation to calculate each household member's average gross monthly income, using year-to-date earnings, as necessary. *Id.* PGW's recertification letter states "[i]f you did not complete the application and mail it in, you must take action now. **IMPORTANT: You must submit proof of income for the last 30 days in your application.**" PGW Supplemental Information at Recertification Letter Attachment in Response to Question Number B.1.CRP (emphasis in original); *see also*, Customer Responsibility Program (CRP) Application/Recertification Form.

PGW's implementation of the income documentation policy is not consistent with the CAP Policy Statement. The intent of the CAP Policy Statement is to allow the customer to provide either 30-days of income or 12 months of income, whichever is more beneficial to the customer. Fluctuating income may not be limited to the employment categories that PGW has identified, and depending upon the circumstances for the customer, the 12 months of income may be a more accurate depiction of their individual circumstances than the last 30 days. While the OCA recognizes that in some situations, annualizing the gross income that appears on a pay stub is a reasonable proxy for annualized income, it is not always an accurate reflection of what the household earned over the prior twelve months because it may capture periods that inflate earnings

⁴ The OCA notes that PGW's Supplemental Information attachments are not paginated.

for seasonal or other workers. The OCA does not object to PGW using *the lesser of* the last 30 days' income annualized, the year-to-date gross income annualized, or the actual prior 12 months' worth of income as documented by the household. Using the lesser of any of these would be most beneficial to CAP households and would ensure that households who have higher than normal income over the last 30 days, but cannot produce proof of their income for the prior 12 months still have a means of demonstrating their financial eligibility for CAP. The key is that PGW needs to ensure that its documentation, application, and communication accurately reflect what is required from the CAP Policy Statement. Thus, the Commission should direct PGW to revise its policy to be consistent with the CAP Policy Statement. Customers should be provided with the opportunity and information to provide either 30-days of income or 12 months of income. If PGW also wants to permit customers to annualize their gross year-to-date income from their most recent pay statement as an *additional* means of certifying income eligibility the OCA does not object to this, as long as PGW's policies are to allow the household to choose and use whichever is most beneficial to the household for CAP-enrollment purposes. PGW's customer application and recertification letter should be updated to reflect these changes.

C. CRP Final Billing

The Commission identified a concern with how PGW calculates its final CRP bill. The practice is not identified in the Company's USECP. *PGW 2023-2027 USECP Order* at 22. The Order provided:

[i]n the CAP Final Billing proceeding, PGW reported that a CRP final bill is based on [the] residential tariff rate for the billing period. Additionally, PGW does not apply CRP credits to a customer's final bill. CAP Final Billing Order at 7.

We are not opposed to PGW's practice of charging the residential rate for usage in a final bill in circumstances when the tariff rate is less than the prorated CRP billing price. However, we are concerned that customers enrolled in CRP up until the date

of service termination or discontinuance may be charged more than their prorated CRP billing price for usage incurred during their final billing period.

PGW 2023-2027 USECP Order at 22. The Commission requested that PGW provide Supplemental Information that describes PGW's CRP final billing policy; explains whether the policy has changed since the Commission's CAP Final Billing proceeding; and addresses "how its final CRP billing practices reflect compliance with the relevant statutes and regulations as discussed in the CAP Final Billing Order." *PGW 2023-2027 USECP Order* at 22.

The Company's response to the Commission's Order raises a concern for the OCA. In its Supplemental Information, PGW responded that:

[t]he PUC has not issued a CAP regulation on final bills for prior CAP customers. PGW's CAP customers are removed from CAP upon termination or discontinuance of service. Subsequently, when a terminated/discontinued customer is final billed, . . .the customer is no longer a CAP customer and is final billed for actual usage at the full residential tariff rate for the Final Bill month.

Supplemental Information at 3.

The OCA does not agree with PGW's interpretation of the status of the customer at the time of the final bill's issuance. PGW appears to argue that a customer stops being a CRP participant when they are disconnected and does not continue in the interim until the customer's final bill is issued. PGW's interpretation limits the CRP participant's status to the date of termination or disconnection and before their final bill is issued. There is nothing in the law to support PGW's interpretation. The OCA submits that a customer does not stop being a customer until *30 days after* the final bill is issued and that if they are enrolled in CRP at the time of termination they are a CRP customer until 30 days after the final bill is issued.

The CAP Policy Statement provides that a CAP applicant is eligible for CAP if their status as a utility ratepayer (i.e., a customer) is verified. 52 Pa. Code § 69.265(4). Section 1402 of the

Public Utility Code extends the definition of a customer beyond the date of disconnection. 66 Pa. C.S. § 1402. The Chapter 14 definition of a customer provides:

[a] natural person in whose name a residential service account is listed and who is primarily responsible for payment of bills rendered for the service or any adult occupant whose name appears on the mortgage, deed or lease of the property for which the residential utility service is requested. *The term includes a person who, within 30 days after service termination or discontinuance of service, seeks to have service reconnected at the same location or transferred to another location within the service territory of the public utility.*

66 Pa. C.S. § 1402 (emphasis added).

Moreover, the *CAP Final Billing Order*⁵ cited by the Commission anticipated that the Company would charge the customer the rate most beneficial to the customer, and PGW's practice in charging the eligible CRP participant full residential tariff rates for the final bill – irrespective of whether that bill is more or less than the CRP bill – is not the rate most beneficial to the customer. The *CAP Final Billing Order* provided:

[f]urther, 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 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 customers' payment history and the utility's CAP provisions.

CAP Final Billing Order at 22; see *PGW 2023-2027 USECP Order* at 21-22.

For the reasons set forth above, PGW's issuance of a full tariff rate bill at the time of final bill is contrary to the law and to the customer's status as a customer and CRP participant. The customer and the household have been verified as continuing to be eligible for CRP at the time of the issuance of the final bill. The Commission should direct PGW to provide the CRP discount

⁵ *Staff Review of Customer Assistance Program Final Billing Methods*, Docket No. M-2019-3010190, Order (March 12, 2020) (*CAP Final Billing Order*).

and arrearage forgiveness due to a CAP participant through the issuance of a final bill, unless charging the tariff rate would result in a lower more favorable bill to the household.

D. Refund of Security Deposits

As the Commission's Order identifies, the statute and the Commission's regulations prohibit requiring a cash deposit for utility service from customers who are CAP- eligible . *PGW 2023-2027 USECP Order* at 23, citing 66 Pa. C.S. Section 1404.(a)(1) and 52 Pa. Code Section 56.32(e). The Commission regulations also require refund of a deposit within 60 days of determining that the customer from whom the deposit was collected is not subject to the deposit requirements. *PGW 2023-2027 USECP Order* at 23, citing 52 Pa. Code Section 56.53(f). The Commission requested that PGW provide clarification regarding the waiver or refund of security deposits for CRP-eligible customers. *PGW 2023-2027 USECP Order* at 23.

In its Supplemental Information, PGW provided that:

[p]rior to entering a customer onto CRP, the PGW representative reviews the account to verify whether a deposit is due or "on-hand" (paid). If a deposit is due, the deposit is canceled. If the deposit is "on-hand", the deposit plus any accrued interest is applied to the account pre-CRP activation.

Supplemental Information at 4.

The OCA is concerned with PGW's treatment of the security deposit if the deposit is determined by PGW to be "on-hand." Under PGW's interpretation, the customer is not entitled to the security deposit refund until the customer becomes a CRP participant. When the customer becomes a CRP participant, however, they are entitled to forgiveness of their pre-program arrears. PGW's actions are leveraging the technicality that the customer has not yet been activated as a CRP participant in order to apply the deposit to the pre-program balance. If PGW applies the deposit plus accrued interest to the account pre-CRP activation, the deposit is being used to reduce the pre-program arrears without the customer's explicit consent or understanding that the balance

will otherwise be reduced with monthly CRP payments. The security deposit is the customer's funds that should not have been charged to a CRP-eligible household, and the customer should be given the ability to direct where and how he or she wants the money refunded. Before applying the balance to pre-CRP arrears, a customer should be provided the informed choice to receive a refund of the security deposit or to allocate it towards the back balance. The customer also should be informed that with timely monthly payments, a portion of the pre-program balance will be forgiven as a part of PGW's CRP.

PGW's current practice of using the security deposit to reduce the pre-program arrears is not a waiver or refund of the deposits consistent with the Public Utility Code or the Commission's regulations. 66 Pa. C.S. § 1404.(a)(1) and 52 Pa. Code § 56.32(e). It is simply redirecting the deposit to be applied against the customer's account to reduce the arrears that would otherwise be subject to forgiveness under the CRP. The Commission should direct PGW to provide customers with an affirmative choice of whether to receive a refund of the security deposit or to apply the amount to the customer's pre-CRP activation balance that would otherwise be subject to forgiveness with monthly CRP payments.⁶

E. LIHEAP

The Commission identified a discrepancy between PGW's stated Plan and its practice regarding LIHEAP. *PGW 2023-2027 USECP Order* at 24. In its January 2020 letter identifying its compliance with the Commission's revised CAP Policy Statement, PGW stated that the Company does not require CRP customers to apply for LIHEAP or to assign a LIHEAP grant to PGW in order to remain in CRP. *Id.* This practice is inconsistent with PGW's statements in its

⁶ There may be reasons why an individual would choose to have their deposit applied to their pre-program account balance. Doing so would reduce the amount that the household owes if they leave CRP for any reason. The choice should be the customer's.

Plan, which states that a program requirement for CRP participation is to apply for LIHEAP each year and to assign the grant to PGW. *PGW 2023-2027 USECP Order* at 24, citing Proposed 2023-2027 USECP at 7 and January 2020 Letter at 3. The Commission identified it had concerns about PGW's approach which states that it is a program requirement, but one the PGW chooses not to enforce. The OCA shares the Commission's concern. The Commission's Order provided:

[t]he Commission has recommended that public utilities instruct CAP customers to apply for LIHEAP annually, if eligible, but not require the household to assign a LIHEAP grant to the particular public utility to remain in CAP. The Commission also discourages a public utility from penalizing a household that does not apply for LIHEAP.

PGW 2023-2027 USECP Order at 23. The Commission directed PGW to clarify its position. *Id.* at 24.

In its Supplemental Information, PGW affirmed the position identified in its January 2020 Letter and stated:

PGW does not penalize CRP customers for not applying for LIHEAP or assigning the grant to PGW. However, PGW proposes to continue to require application for a LIHEAP grant in its CAP customer obligations as it can serve as an encouragement to apply for LIHAP monies, with no penalty. As Pennsylvania has not integrated federal LIHEAP funding into its CAPs, this is one way to encourage customers to take advantage of all available resources, including federal dollars.

Supplemental Information at 5.

While the OCA shares PGW's goal of trying to ensure that all CAP customers apply for LIHEAP, the OCA does not believe that PGW should present misleading and incorrect information in its Plan. PGW's rationale presented in its Supplemental Information is not an adequate reason for inclusion of erroneous information in the Company's USECP. A CRP participate should be encouraged to apply for LIHEAP. However, they may decide that it is better for their grant to be provided to their PECO electric bill rather than their PGW bill. A customer should not be penalized for choosing to apply the LIHEAP to the electric vendor. PGW fails to consider that such a policy

may put the customer between a rock and two competing utilities. PGW also does not appear to have considered that a customer may decide not apply for CRP because they have read their rules and chosen to allocate their LIHEAP grant to another utility and thus do not think they are eligible for CRP. The fact that PGW does not enforce this provision does not save it as there is no basis in the law or the Commission's regulations to include a provision that PGW acknowledges it will never enforce. The Commission should require PGW to amend its plan to encourage customers to apply for LIHEAP, but not require them to do so.

F. External Sources Used to Verify CRP Customers' Household Composition and Income

The *PGW 2023-2027 USECP Order* identified a concern that the Plan provides that CRP participants authorize PGW to use external sources to verify household composition and income. *PGW 2023-2027 USECP Order* at 25, citing Proposed 2023-2027 Plan at 7. The Commission noted that in the 2017 USECP proceeding that PGW had identified that PGW does not use the information provided by credit reporting agencies to verify income and that the Company would provide customers with the Fair Credit Reporting Act Information rights in writing before removing a customer. *PGW 2023-2027 USECP Order* at 25-26; *see also* 15 U.S.C. § 1681 (2018). The Commission provided that the Plan, however, still identifies credit reporting agencies or other third-party entities as income verification sources but does not specifically explain “how this information will be used, how the customer will be informed before action is taken, and how the customer can dispute the information obtained from these sources.” *Id.* at 26. The Commission requested additional information regarding how the information is used and whether PGW's process has changed. *Id.* In the Supplemental Information, PGW responded that the Company has

not changed its approach and does not use “unregulated data brokers or credit reports to verify household composition or income.” Supplemental Information at 7.

The OCA shares the Commission’s concerns regarding the potential use of information from third-party sources to verify customer income or household composition. The Supplemental Information response references “unregulated data brokers.” Supplemental Information at 7. The OCA notes that it is not clear from PGW’s explanation what an “unregulated data broker” is or why PGW is choosing to use them. While PGW identifies in the response that it does not use credit reports to verify household composition and income, the term credit reporting agencies is used in multiple places in the Company’s USECP. Moreover, PGW did not respond to the question that was posed, “how it uses external sources to verify income and CRP household information.” *See PGW 2023-2027 USECP Order* at 26.

The OCA opposes the use of non-governmental “external sources” of information to verify household income and composition information. To be clear, the OCA does not oppose the use of governmental third-party external sources such as the Department of Human Services or the Social Security Administration. Such agencies have the assurance of reliability of information and can provide a benefit to customers by allowing the customer to streamline income verification processes. Inclusion in the Plan of PGW’s broad language, however, gives the appearance that PGW is permitted to use *any* external sources, whether they be credit reporting agencies, credit reporting information from another source, “unregulated data brokers,” or other third-party sources. The OCA does not support inclusion of such broad language. The Plan also continues to not include information about providing customers with the Fair Credit Reporting Act Information rights in writing before removing a customer. To the extent PGW includes information in its Plan

about the use of external sources, the Plan should include information about how PGW will communicate to customers the right to dispute the information provided by the third-party agency.

The OCA submits that the Commission should direct PGW to clarify its references to the use of external third-party sources to be limited to governmental agencies. PGW should be directed to discontinue using non-governmental sources of income and household composition data to verify income. Moreover, the Plan should include information about how customers may dispute the information provided if the information is inaccurate.

G. Unearned Income for a Child

In its Order, the Commission identifies a concern with PGW's treatment of income for a child. *PGW 2023-2027 USECP Order* at 26-27. As the Commission provides, the Public Utility Code specifically defines household income as "the combined gross income of all adults in a residential household who benefit from public utility service." *PGW 2023-2027 USECP Order* at 26-27, citing 66 Pa. C.S. § 1403. The Commission's Final CAP Policy Statement Order adopted this definition for household income. *Final CAP Policy Statement Order* at 79. As the Commission's *PGW 2023-2027 USECP Order* notes, the *Final CAP Policy Statement Order* provides:

[a]dopting the Chapter 14 definition will provide a single definition to be used by both the Commission and the energy utilities and should facilitate greater consistency among the utilities in determining and documenting household income. This should work towards eliminating disparate parameters of CAP qualifications among EDCs and NGDCs with the goal of fostering more uniformity in program implementation.

Final CAP Policy Statement Order at 79; see also *PGW 2023-2027 USECP Order* at 27. The Commission also noted that Section 1403 is used to establish Commission payment arrangements and that the same definition should be used to calculate CAP household income. *PGW 2023-2027 USECP Order* at 27, citing *Final CAP Policy Statement Order* at 79 and 66 Pa. C.S. § 1403. The

Commission requested clarification regarding whether PGW's CRP eligibility is based on the combined gross income of all adult household members and if PGW intends to continue to exclude a minor's earned income, but include the unearned income of a minor, when determining household income.

In its Supplemental Information, PGW stated:

PGW does not include earned income of minors in its CRP household income determination, but does include unearned income of minors such as Social Security income. PGW believes that this is generally consistent with how the Department of Human Services counts income for LIHEAP purposes. PGW does not propose a change in this approach. Furthermore, PGW does not have sufficient data to analyze the costs of implementing this modification, which is likely to be significant.

Supplemental Information at 8.

PGW's resolution is inconsistent with the CAP Policy Statement and should be changed. No income from a minor – earned or unearned – should be included in household income for purpose of determining CAP eligibility. PGW's assertion that its practice is "generally consistent" with how LIHEAP counts income, ignores the specific statutory language of Chapter 14 and the direction of the Commission in the CAP Policy Statement. Chapter 14 rules govern what is to be considered income for CRP and not the LIHEAP rules, and Section 1403 of the Public Utility Code specifically excludes income from minors in its entirety without exception. The OCA submits that the Commission should direct PGW to comply with the requirements of Chapter 14 and to exclude all minor income, earned or unearned, in its calculation of household income for purposes of CRP eligibility.

H. Verifying Zero Income

PGW does not currently utilize the Commission's standardized zero income form. In its Plan, PGW identifies that customers who report zero income and no other means of financial support are asked to complete an assessment regarding how they meet the basic expenses for food,

housing and utilities. Plan at 13; *PGW 2023-2027 USECP Order* at 28. The Commission’s Order requested clarification regarding what information PGW requests in verifying income and how “ongoing support” from family and friends is documented and “whether this support includes monies given directly to the household or payment of household bills by a third-party.” *PGW 2023-2027 USECP Order* at 28-29. In the Supplemental Information, PGW identified that they do not consider ongoing support from a family member or friend as zero income, but instead as financial assistance to be used to determine the customer’s monthly payment under the CRP. Supplemental Information at 9. That is, for households who receive ongoing support, PGW treats them as having income rather than having no income.

The OCA disagrees with PGW’s treatment of support from a friend or family member as income. PGW’s use of the term “on-going support” is vague. The term is not clearly defined either in PGW’s Plan or in the law and would potentially require a customer to provide income information for a longer period of time than is required for other CRP applicants. As discussed above, PGW collects income information for the past 30 days. Under the income information requested on the zero-income form, however, a customer’s response that the customer received \$200 from their uncle to assist with rent that month could not be considered “on-going support.” The customer would have to supplement the information to provide some indicia of whether the uncle has made that payment once or every month for a year, beyond the scope of the 30 days otherwise examined for other CRP applicants. If additional months of information is required, then the income for a customer with zero income is being calculated differently from a customer with say a \$1000 in income.

In the Supplemental Information, PGW provides the zero-income form, and on the form, it includes the language “Additional Financial Assistance Affidavit” (no page numbers) says that

a friend or family member “provide[s] \$ ____ *per month* in cash assistance. . .” (emphasis added). Supplemental Information at Attachment to page 9. PGW should only collect this information from customers that identified income for the past 30 days. PGW provides no indication as to why this further look back at income would be appropriate.

Moreover, PGW’s response in the narrative uses different language than the Affidavit form. On page 9 of the Supplemental Information, PGW references “on-going support,” but in the attached Affidavit, PGW requests information about monthly “cash assistance.” The terms “support” or “cash assistance” are not defined specifically to the customer. Does cash assistance mean monies paid directly to the customer to pay the bills or does it mean that the uncle pays the rent for example directly to the landlord? The customer would not in the latter example receive any direct cash assistance from the family member, so it is unclear whether the payment to the landlord would constitute cash assistance.

The OCA submits that PGW’s approach treats zero-income customers differently than a customer that declares income, but who ultimately receives the same CRP benefit. PGW has not provided any rationale for why a zero-income customer must be evaluated differently from other customers with income that is relatively low each month. The OCA submits that if a household does not have a recurring source of income, they should be treated as having zero income. The Commission’s CAP Policy Statement already provides that more frequent income verifications should be provided by zero-income customers so PGW will be able to evaluate whether the customer’s income information varies. The Commission should exclude familial or friend assistance as income and should only request information for the past 30 days, as it does to determine the eligibility for all other CRP customers.

I. Exempt CAP Customers from Late Payment Charges

The CAP Policy Statement provides that CAP customers should be exempt from late payments or charges. The Commission's Order identifies that PGW's Plan does not include information about whether CAP customers are exempt from late payment charges or fees. *PGW 2023-2027 USECP Order* at 29.

The OCA agrees that no CRP customer should pay a late fee or late payment charge. The Commission should require PGW to clearly state this as its policy in its Plan.

In addition, because PGW treats customers whose service is terminated or disconnected as no longer being enrolled in CRP – see Section C, above – the OCA submits that there is another layer to the issue which is not directly addressed by the Commission's Order. As discussed above, PGW, however, does not treat a CRP participant as a CAP customer for purposes of the final bill. PGW identified in its Supplemental Information that in response to final bills a customer stops being a CRP participant when they are physically terminated. Customers are, therefore, billed the full residential tariffed rate for the last month. In its Supplemental Information, PGW states only that “late payment charges. . .are waived for CRP customers.” Supplemental Information at 10 (emphasis added). It is not clear from PGW's response whether PGW imposes late payment charges on the arrears appearing on the final bill because as noted above, PGW no longer considers the customer to be a CRP participant for purposes of the final bill. The final bill would include both unpaid CRP payments, and all not-yet-forgiven preprogram arrearages as well.

PGW should also clarify whether CRP participants are charged a late fee for preprogram arrearages in the final bill. If the response is yes, then the Commission should direct PGW to change its policy and to also waive late fees assessed to CRP participants as a part of the final bill.

J. Continuation of Regulatory Waivers

The Commission's Order identifies that PGW has previously received a waiver of Sections 58.5 and 58.11(a) of the Commission's regulations. *PGW 2023-2027 USECP Order* at 44-45; 52 Pa. Code §§ 58.5, 58.11(a). Section 58.5 applies to the amount of the LIURP budget that may be spent on administrative costs, and Section 58.11(a) relates to the LIURP energy survey and the installation of program measures. As the Commission's Order provides:

[t]he waiver of these regulations allowed PGW to use a cost/benefit calculation to ascertain 'cost-effectiveness to determine what measures to include in a project' rather than the 7 or 12-year simple payback criteria.

PGW 2023-2027 USECP Order at 45. The Commission questioned why a further waiver was necessary. *Id.*

PGW explained in its Supplemental Information:

Consistent with current industry standards, PGW's Home Comfort program takes a "whole house" approach" to weatherization under which it is more appropriate to evaluate the full job scope instead of individual measures. Instead of setting 7 or 12-year payback term per measure, PGW requires jobs to have a Total Resource Cost (TRC) benefit to cost ratio above 1.0 as a measurement of cost-effectiveness. The TRC test recognizes the long-term benefits of gas weatherization measures, such as heating systems, air sealing and insulation that have lifetimes greater than 20 years. If the Commission were to discontinue the waiver, PGW would install insulation, air sealing and heating systems in far fewer homes and achieving far less in savings and home comfort.

Supplemental Information at 28-29.

While the OCA agrees with the Commission that waivers should not be granted on an indefinite basis without reevaluation, in this case, the OCA supports PGW's continuing waiver from the LIURP regulations on how to determine cost-effectiveness. The waiver has provided a benefit to LIURP customers by allowing additional homes to be treated with deeper measures that might not otherwise qualify under the existing regulations but that are nevertheless cost effective. The OCA supports using a whole-house approach for the life of the efficiency investment, rather

than the seven-year and twelve-year limits in the LIURP regulations. The Commission has for many years proposed revising its LIURP regulations, and to date, that rulemaking has not yet been fully undertaken. The OCA submits that PGW should continue to be granted a waiver of the Commission's regulations for the Company's 2023-2027 Plan.

K. Calculation of Number of Low-income Households

The Commission's Order identifies a conflict in the information provided by PGW's needs assessment. *PGW 2023-2027 USECP Order* at 48-49. The Commission's Order provides:

Table 2 reflects needs assessment information provided on page 34 of the Proposed 2023 USECP. Page 10, however, includes a needs assessment with a different number of estimated low-income heat customers (121,496). On page 34, PGW identifies 197,855 estimated low-income [sic] customers in its service territory based on the 2019 Report Universal Services and Energy Conservation Performance and then 137,806 "current" estimated low-income customers based on Census data. Based on these varying figures, it is not clear what PGW estimates is the approximate number of low-income customers in its service territory when determining need for its universal service programs.

PGW 2023-2027 USECP Order at 49 (footnotes omitted). The Commission requested that PGW identify the precise sources for the conflicting information. *Id.* In its response, PGW did not provide a specific formula for the calculation, the precise sources, or a response for why PGW's estimate was more accurate. Supplemental Information at 31.

Using the Commission-prescribed formula, PGW calculates that it has substantially more low-income customers than using its own formula. PGW identifies that it has relied upon Census data, but does not acknowledge that the Commission prescribed formula also uses census data. Supplemental Information at 31. It is not clear how PGW has used the data differently. PGW does not directly respond to the Commission because PGW does not identify or explain in the response how it calculates its own formula. PGW did not identify the "precise source" for their data as requested by the Commission and did not explain why the Company's lower estimate is a better

calculation to use. PGW only explains the reason for using its own formula as “because it considered income levels from the reputable source of the Census.” Supplemental Information at 31. The Commission should not permit PGW to substitute its calculation of the number of low-income customers for the Commission-prescribed formula without sufficient explanation as to how PGW calculated its number and why PGW believes that its number is more accurate. In the absence of further clarification from PGW, the Commission should require PGW to amend its plan and use the Commission-prescribed formula.

L. Additional OCA Identified Issues

1. Requirement for Upfront Payment

PGW’s response to the Commissions’ questions in the *PGW 2023-2027 USECP Order* regarding the income documentation raised an additional concern for the OCA. In the Supplemental Information, PGW provided a copy of its recertification letter. PGW’s recertification letter provides:

If you did not complete the application and mail it in, you must take action now. **IMPORTANT: You must submit proof of income for the last 30 days in your application.** If you fail to do so you may need to make an upfront payment to re-enroll, your application will be marked incomplete and you may lose the program’s benefits of discounted bills and debt forgiveness.

PGW Supplemental Information at Recertification Letter Attachment in Response to Question Number B.1.CRP (emphasis in original).

The language is not clear regarding what upfront payment would be required and under what circumstances such an upfront payment would be required. The language regarding the requirement for an upfront payment also does not appear to be included in the Company’s Plan. The letter addresses the customer’s recertification and the income documentation required by recertification. To the extent that PGW includes language regarding an upfront payment in its

recertification letter, PGW should be directed to identify in its Plan why a customer that is recertifying would be required to make an upfront payment and the circumstances under which such a payment would be required.

2. LIURP Budget

The OCA has a concern with PGW's Low Income Usage Reduction Program (LIURP) budget and how the budget is established. Section 58.4(c) provides that revisions to a budget should be set utilizing the following factors:

c) Guidelines for revising program funding. A revision to a covered utility's program funding level is to be computed based upon factors listed in this section. These factors are the following:

(1) The number of eligible customers that could be provided cost-effective usage reduction services. The calculation shall take into consideration the number of customer dwellings that have already received, or are not otherwise in need of, usage reduction services.

(2) Expected customer participation rates for eligible customers. Expected participation rates shall be based on historical participation rates when customers have been solicited through approved personal contact methods.

(3) The total expense of providing usage reduction services, including costs of program measures, conservation education expenses and prorated expenses for program administration.

(4) A plan for providing program services within a reasonable period of time, with consideration given to the contractor capacity necessary for provision of services and the impact on utility rates.

52 Pa. Code § 58.4(c).

The current LIURP budget is \$7,988,818 million and is static over the course of the five - year Plan. *See PGW 2023-2027 USECP Order* at 50. PGW estimates that there are approximately 44,168 currently eligible LIURP participants. *PGW 2023-2027 USECP Order* at 48. The costs to serve all the customers needing LIURP is approximately \$131,191,720. *PGW 2023-2027 USECP Order* at 48. PGW estimates serving approximately 2,561 customers per year. *PGW 2023-2027 USECP Order* at 49. In addition, the annual budget that is set for the 2023-2027 Plan period does

not address issues that arise related to rising costs of equipment, increases in costs of labor and construction costs, or increases in customer need that may arise over the duration of the plan

PGW has not set forth a nexus between the LIURP budget, the needs analysis, and the number of units being served each year. In fact, PGW has maintained the budget that was set forth in the Company's 2017-2022 USECP without modification, explanation, or analysis. The current LIURP budget is set forth without any direct tie to achieving an objective of addressing the current needs analysis and how that needs analysis may change from Plan to Plan. In PGW's 2017-2022 USECP, the Commission affirmed the importance of this link between calculating the LIURP budget and the needs analysis and was increased to the current \$7.9 million based on the needs analysis performed by the Commission. *Philadelphia Gas Works Universal Services and Energy Conservation Plan for 2017-2020 Submitted in Compliance with 52 Pa. Code § 62.4*, Docket No. M-2016-25424515, Order at 81 (Aug. 3, 2017). Moreover, unless the LIURP budget increases over time, due to increasing costs and inflation, the LIURP budget will be able to serve fewer customers at the end of the Plan than it could at the beginning of the Plan.

The OCA does not anticipate that this issue can be resolved through this Comment and Reply Comment period alone. However, what can be achieved through this Plan review is an acknowledgement of the disconnect between the proposed LIURP budget and how it meets the needs of the low-income population, and the need for a dynamic process to address the deficiencies in the current process. The OCA recommends that the Commission require PGW to determine a budget appropriate to meet the needs in its service territory using the existing factors found at 52 Pa. Code § 58.4(c) and that budget be set as an initial budget that should be revisited by PGW throughout the duration of its plan to account for increased needs and increased costs. There should be a process be developed for PGW (and all gas and electric utilities) to provide information

at least every two-years demonstrating that its LIURP budget is sufficient and that it accounts for changes that occur (including intervening rate increases). Stakeholders should be permitted to comment upon and propose adjustments to the LIURP budget during these interim filings that occur between-USECP filings Waiting until 2028 or the interim between base rate proceedings is too long to allow the necessary between USECP approvals of increased LIURP budgets based on increased need or costs to serve households.

3. Definition of Multi-Family Unit

The Commission’s Order requested that PGW define the terms “single family” and “multi-family” properties for the Home Comfort Low Income Usage Reduction Program (LIURP). In its Supplemental Information, PGW identifies that it only defines a single family as “directly accessible from the outdoors without using a space shared by another housing unit. . .” Supplemental Information at 23. Multifamily property is defined as “any property with two or more residential units. The residential portions of a mixed-use property can be treated within LIME.” Supplemental Information at 23.⁷ That means that two-family homes, with separate indoor entrances, could not be considered a single-family home. If you have a common foyer, with a first floor unit and a stairs going up to a second floor unit, that would be considered a multi-family home. As a part of the LIME program, PGW proposes to serve just 10 multi-family units over the 2023-2027 four-year Plan. Given the small size of the LIME program, the likelihood is that any homes without a separate exterior entrance would not be treated for high usage even though they would otherwise look like a single-family home and property.

The OCA is concerned that the treatment of such units as multi-family properties would essentially exclude such customers from receiving weatherization services as being outside of the

⁷ LIME is PGW’s low-income multi-family energy efficiency program.

Home Comfort program and likely not to be treated by the LIME program. PGW should address this issue as a part of its Plan. The OCA specifically recommends that PGW revise its definition of multifamily to be consistent with that used by the United States Department of Housing and Urban Development (HUD), which defines multifamily as a structure with more than 4 (i.e., five or more) units. *See* 24 C.F.R. § 209.3.

III. CONCLUSION

The OCA appreciates the opportunity to Comment on the Philadelphia Gas Works' Universal Service and Energy Conservation Plan for 2023-2027. The OCA respectfully submits that its Comments and recommendations contained herein should be adopted.

Respectfully Submitted,

/s/ Christy M. Appleby

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Dated: August 30, 2022

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Addendum to Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2017-2020	:	Docket No. M-2016-2542415
	:	
	:	
	:	
Petition to Amend Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2017-2022	:	Docket No. P-2020-3018867
	:	

STATEMENT
OF THE
OFFICE OF CONSUMER ADVOCATE
IN SUPPORT OF SETTLEMENT

The Office of Consumer Advocate (OCA), one of the signatory parties to the Joint Petition for Settlement (Settlement), finds the terms and conditions of the Settlement to be in the public interest for the following reasons:

I. BACKGROUND

On November 5, 2019, the Commission entered a Final Opinion and Order in the 2019 Amendments to Policy Statement on Customer Assistance Program, 52 Pa. Code Sections 69.261-69.267 at Docket No. M-2019-3012599 (Nov. 5 CAP Policy Statement Order). The Opinion and Order incorporates issues raised in the proceedings, Energy Affordability for Low-Income Customers, Docket No. M-2017-258711, and Review of Universal Service and Energy Conservation Programs, Docket No. M-2017-2596907. The Commission's Nov. 5 CAP Policy Statement Order identified 17 changes to the CAP Policy Statement, including, among other things, new maximum energy affordability burdens for customers enrolled in the natural gas and

electric distribution companies' Customer Assistance Programs (CAP). Nov. 5 CAP Policy Statement Order at 28-34. The Commission's Nov. 5 CAP Policy Statement Order also identified potential costs relating to the proposed energy affordability burdens. Nov. 5 CAP Policy Statement Order at 24-28. The Nov. 5 CAP Policy Statement Order directed the utilities to file addendums or proposed USECPs (if applicable) within 60 days of the Order.¹

On November 20, 2019, the Office of Consumer Advocate filed a Petition for Reconsideration and Clarification regarding the extent to which the proposed maximum CAP energy affordability burdens for customers at or below 50 percent of the Federal Poverty Level would cause Pennsylvania's electric and natural gas utilities to increase the amount of Low Income Home Energy Assistance Program (LIHEAP) benefits returned to the Department of Human Services. The OCA also requested clarification regarding the cost information to be included in the universal service plan compliance filings and clarification that the compliance plans include this cost information for the revised programs. Also on November 20, 2019, the Energy Association of Pennsylvania (EAP) filed a Petition for Reconsideration and Clarification at Docket Nos. P-2020-3016889 and M-2019-3012599. On February 6, 2020, the Commission issued its Orders denying the OCA's Petition for Reconsideration and/or Clarification and granting the clarification requested in the EAP Petition for Reconsideration and/or Clarification. 2019 Amendments to Policy Statement on Customer Assistance Program, 52 Pa. Code Sections 69.261-69.267, Docket Nos. P-2020-3016885, M-2019-3012599, Order at 11 (Feb. 6, 2020) (OCA Reconsideration Order); 2019 Amendments to Policy Statement on Customer Assistance Program, 52 Pa. Code Sections 69.261-69.267, Docket Nos. P-2020-3016889, M-2019-3012599, Order at 11 (Feb. 6, 2020) (EAP Reconsideration Order). In the EAP Reconsideration Order, the

¹ Nov. 5 CAP Policy Statement Order at 106. The OCA notes that although the Commission directed the utilities to file addendums or proposed USECPs within 60 days, the revised energy burdens are not mandatory.

Commission clarified that the filing requirements in Ordering Paragraphs 6,7, and 8 of the Nov. 5 CAP Policy Statement Order did not direct mandatory compliance with the amendments to the CAP Policy Statement and clarified the required information to be filed. EAP Reconsideration Order at 11-12. Relating to the budgets and costs of the proposed changes in the OCA Reconsideration Order, the Commission's Order provided:

The November 5 Order directs that utilities provide enrollment projections in their addendums for the new CAP provision they propose to implement. This requirement has been reiterated in our order addressing the EAP petition for reconsideration at Docket Nos. P-2020-3016889 and M-2019-3012599. To the extent further granularity may be warranted, it can be addressed in utility-specific proceedings.

OCA Reconsideration Order at 11.

On January 6, 2020, Philadelphia Gas Works (PGW or Company) voluntarily proposed a pilot program implementing new maximum energy burdens (pilot programs) for its Customer Assistance Program (CAP), the Customer Responsibility Program (CRP). PGW proposed to reduce the energy burdens to 6% for customers with income at or below 51-100% and 101-150% of the Federal Poverty Level (FPL) and to 4% for customers with income at or below 0-50% of the FPL. Petition at ¶¶ 5, 8, App. H. PGW also proposed to remove the obligation to pay \$5/month towards pre-program arrears and to modify the consumption limits. Petition at ¶¶ 5, 8, App. H. PGW's proposed Amended Plan indicated that the proposed plan costs will increase from \$68,620,083 in 2020 to \$97,104,143 in 2021. PGW Amended USECP 2017-2022 at App. A.

On March 2, 2020, the OCA filed its Answer to PGW's Petition. In its Answer, the OCA responded that the proposed changes to PGW's Plan should not be approved until a full review could be completed, and that a full review could not be completed in the proposed 30 day time period. The OCA argued that such a significant change in the Company's program design and increase to the costs of the program should not be confined to a short timeframe to accommodate

larger billing system changes. The Company's proposed amendments related to the Nov. 5 CAP Policy Statement Order. The OCA identified concerns that the filing raised significant questions as to the cost of the program, the increased costs related to the proposed amendments, the impact of the amendments on the overall plan, and the continued cost-effectiveness of the Plan, among others. In addition, the OCA argued that further analysis of the impact of the changes on returned LIHEAP dollars was also required.

Also on March 2, 2020, the Tenant Union Representative Network (TURN), the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania (CAUSE-PA), and Action Alliance of Senior Citizens of Greater Philadelphia (Action Alliance) filed a Letter in Lieu of Answer in support of PGW's Petition. The Office of Small Business Advocate (OSBA) filed a Notice of Intervention on March 19, 2020.

On March 26, 2020, the Commission issued an Order granting PGW's Petition for Expedited Approval and approving PGW's Addendum and CRP Pilot Program. The OCA and OSBA each filed Petitions for Reconsideration, and the Petitions for Reconsideration were denied.

The OCA and OSBA subsequently each filed Petitions for Review with the Commonwealth Court on May 4, 2020. In its Remand Order,² the Commonwealth Court determined that the OCA and the OSBA had been denied adequate notice and opportunity to be heard by the 30-day paper pleadings process provided in the Commission's Order below.³ The Remand Order provided that:

[t]he process provided by the Commission here to review and approve the Petition was truncated and limited, effectively, to the pleadings, despite there being factual questions about the proposed Pilot Program, the increased costs of which would be

² See, John R. Evans v. Pa. Public Utility Commission and Tanya J. McCloskey v. Pa. Public Utility Commission, 421 and 422 C.D. 2020 (consolidated), slip op., 2021 Pa. Commw. Unpub. LEXIS 519 (Sept. 29, 2021) (Remand Order).

³ Remand Order at *37-38, 44.

automatically collected from PGW's non-CAP ratepayers through a USECP surcharge. (Cover Letter at 7, R.R. at 9a (stating the Pilot Program would increase PGW's USECP surcharge).) This limited and truncated process did not provide OCA or OSBA a real and meaningful opportunity to be heard on PGW's Petition. Nor did OCA's and OSBA's participation in the general proceedings on the CAP Policy Statement Amendments provide them with a real and meaningful opportunity to challenge this Petition, notwithstanding the Commission's reference in the Reconsideration Order to utility-specific proceedings. Finally, the Commission's past approval of USECP modifications without a hearing and based only on the filings in situations where there were no factual disputes does not mean that hearings are not required to satisfy due process in the face of such disputes. Accordingly, we agree with OCA and OSBA, as well as Commissioners Coleman and Yanora, that the process provided by the Commission in approving the Petition did not comport with the requirements of due process.

Remand Order at *37-38. The Commonwealth Court directed the Commission “to provide evidentiary proceedings and issue a new decision consistent with this Opinion.” Remand Order at *44.

On October 25, 2021, pursuant to Section 5.41 of the Commission’s regulations (52 Pa. Code § 5.41), PGW filed a Petition for Commission Action to request that the Commission schedule an expedited proceeding in order to address PGW’s revised energy affordability burdens that were remanded from the Commonwealth Court’s determination in the above-referenced dockets. In its Petition, PGW requests that the Commission:

(1) issue an order directing PGW to maintain the existing energy burden Pilot Program as part of its Customer Responsibility Program (“CRP Pilot Program”) on a temporary basis until a final Commission order is issued in the proceeding on remand; (2) set a schedule for an expedited proceeding on remand in order to provide for the evidentiary proceedings and issuance of a new decision required by the Commonwealth Court’s decision; and (3) direct the Office of Administrative Law Judge (“OALJ”) to develop a certified record to be submitted to the Commission for decision.

Petition for Commission Action at 1; see also, Petition for Commission Action at ¶¶ 17-24. As PGW’s Petition for Commission Action notes, PGW implemented the program on September 12, 2020. PGW Petition for Commission Action at ¶ 14. The actual costs of the program changes have been charged to all firm service customers. PGW Petition for Commission Action at ¶ 14.

Consistent with the Commission's March 26, 2020 Order, PGW has also filed quarterly updates regarding the costs of the program to date. PGW Petition for Commission Action at ¶ 14.

On November 15, 2021, the OCA filed its Answer to the PGW Petition for Commission Action. Also on November 4, 2021, CAUSE-PA and TURN filed their respective Petitions to Intervene. CAUSE-PA and TURN filed a Joint Answer to the Petition for Commission Action on November 15, 2021.

The OCA notes that on October 29, 2021, PGW also filed its 2023-2027 Universal Service and Energy Conservation Plan (2023-2027 USECP) which has been docketed at M-2021-3029323. The 2023-2027 USECP was not consolidated with this proceeding.

The remanded matter was referred to the Office of Administrative Law Judges (OALJ) and Deputy Chief Administrative Law Judge Mark A. Hoyer and Administrative Law Judge Emily I. DeVoe were assigned. A Prehearing Conference was held on December 20, 2022, at which time a procedural schedule was established.

On May 17, 2022, the OCA submitted the Direct Testimony of Roger D. Colton.⁴ Also on May 17, 2022, TURN/CAUSE-PA submitted the Direct Testimony of Harry Geller and OSBA submitted the Direct Testimony of Robert Knecht. On June 17, 2022, PGW, OCA, and TURN/CAUSE-PA submitted Rebuttal Testimony. The OCA submitted Surrebuttal Testimony on July 1, 2022. On July 11, 2022, PGW submitted the Rejoinder Testimony of Denise Adamucci.

All cross-examination was waived. On July 13, 2022, in lieu of the scheduled hearing, the parties submitted a Joint Stipulation identifying testimony and exhibits to be admitted to the record.

⁴ Mr. Colton is a Principal of Fisher Sheehan & Colton, Public Finance and General Economics in Belmont, Massachusetts. He provides technical assistance to public utilities and primarily works on low income utility issues. Mr. Colton has devoted his professional career to helping public utilities, community-based organizations and state and local governments design, implement and evaluate energy assistance programs to help low income households better afford their home energy bills. He has been involved with the development of the vast majority of ratepayer-funded affordability programs in the nation. A more complete description of Mr. Colton's education and experience is provided in OCA Statement 1, Appendices.

Also on July 13, 2022, the ALJs issued an Interim Order Adopting the Joint Stipulation for Admission of Evidence, Admitting Evidence Into the Record, and Cancelling the Evidentiary Hearing. The parties subsequently informed the ALJs that a settlement in principle had been reached.

The terms and conditions of the Settlement satisfactorily address the issues raised in the OCA's testimony. The OCA recognizes that this Settlement contains modifications from the original recommendations proposed by the OCA. The OCA submits, however, that the agreed upon Settlement achieves a fair resolution of the many complex issues presented in this proceeding.

In this Statement in Support, the OCA addresses those areas of the Settlement that specifically relate to important issues that the OCA raised in this case. The OCA expects that other parties will discuss how the Settlement's terms and conditions address their respective issues and how those parts of the Settlement support the public interest standard required for Commission approval. For these reasons, and those that are discussed in greater detail below, the OCA submits that the Settlement is in the public interest and in the interest of PGW's ratepayers and should be approved by the Commission without modification.

II. SETTLEMENT

A. The Revised Energy Burdens Should Be Approved. (Settlement ¶¶ 30, 32)

The Settlement provides that PGW's current amended USECP for 2017-2022 will remain in place until the Company's pending 2023-2027 USECP goes into effect. Settlement ¶ 30. Any CRP modifications will be implemented on a going-forward basis only and as ordered by the Commission in PGW's subsequent USECPs. Settlement ¶ 30. The Settlement provides that the parties agree to support or not oppose the continuation of the energy burdens in PGW's 2023-2027

USECP. Settlement ¶ 32. The Settlement also provides that no party will seek refunds related to PGW's pilot program. Settlement ¶ 30 (a).

The OCA supports these terms and believes they are in the public interest. Pilot program costs were greatly reduced from those projected in PGW's original filing with the Commission.

As PGW witness Adamucci testified:

[t]he actual costs and enrollment to date with the CRP Pilot Program in place have been much lower than projected. PGW originally projected that its total CRP costs would increase to approximately \$87.0 million in 2021 after implementing the CRP Pilot Program, with an average monthly participation of approximately 75,000 customers. This is as compared to projected total costs of \$59.7 million in 2020 prior to implementation. In reality, actual costs in FY 2021 were approximately \$59.2 million, as opposed to the projected \$87.0 million. Average monthly participation in FY 2021 was approximately 59,000, rather than the projected 75,000. While various factors - including the pandemic and related economic impacts - may have affected these outcomes, to-date the actual costs and participation in CRP with the revised energy burdens have been significantly lower than originally projected.

PGW St. 1 at 7-8.

In his Direct Testimony, OCA witness Colton supported the pilot program changes to the revised energy burdens contingent upon further analysis of the on-going costs of the program and the development of objective outcome measures. OCA St. 1 at 10. OCA witness Colton testified:

[g]iven the reduced cost of the PGW pilot, OCA does not oppose adoption of the PGW pilot on the condition that the outcome measurements proposed below are adopted such that PGW, the Commission, the OCA, and other stakeholders can continue to recognize and measure the ongoing cost impacts of the program, and the extent to which the expenditure of ratepayer dollars on CRP is achieving the outcomes which the program is intended to achieve. As I will describe in detail, the reasonableness of ongoing costs, as well as both the cost-effectiveness and cost-efficiency of the program remain ongoing concerns.

OCA St. 1 at 10. The actual costs of the revised energy burdens have been greatly reduced from the Company's initial projections.

The goal of the revised energy burdens is to improve affordability for low-income customers so that those customers can remain connected to service, but it is also the case that the cost impact on other ratepayers should be considered.⁵ The statutory requirements are two-fold: (1) the programs should assist low income customers to maintain service and (2) reduce or manage energy consumption in a cost effective manner.⁶ The Settlement balances these objectives and provides for the framework to continue to monitor the energy burdens and to measure the outcomes of the program going-forward. The additional Settlement terms discussed below will allow the parties to evaluate the actual annual costs of the CRP discount if the actual CRP costs exceed the budgeted projections by greater than 20%; to evaluate whether the revised energy burdens are effectively addressing the needs of low-income customers; to evaluate the impact on the ratepayers who pay the costs of the program; and to evaluate whether additional cost control measures should be considered in the future. The OCA submits that the pilot program's revised energy burdens

⁵ The Commission noted this balance in its Nov. 5 CAP Policy Statement Order when it provided:

[t]he Commission balances the interests of customers who benefit from CAPs with the interests of the other residential customers who pay for such programs. *See Final Investigatory Order on CAPs: Funding Levels and Cost Recovery Mechanisms*, Docket No. M-00051923 (Dec. 18, 2006) (*Final CAP Investigatory Order*), at 6–7.

Nov. 5 CAP Policy Statement Order at 8.

⁶ Section 2202 of the Natural Gas Choice and Competition Act specifically requires that universal service and energy conservation programs be cost-effective. Universal service and energy conservation programs are defined as:

Policies, practices and service that **help residential low-income retail gas customers** and other residential retail gas customers experiencing temporary emergencies, as defined by the Commission, to **maintain natural gas supply and distribution services**. The term includes retail gas Customer Assistance Programs, termination of service protections and consumer protection policies and service that help residential low-income customers and other residential customers experiencing temporary emergencies to reduce or manage energy consumption **in a cost-effective manner**. . .

66 Pa. C.S. § 2202 (emphasis added); see also, OCA St. 1 at 36.

should be approved as in the public interest. The OCA also supports continuation of the revised energy burdens through the 2023-2027 USECP.⁷

B. The Settlement Provides For Continued Annual Monitoring of Actual CRP Costs If the Actual CRP Costs Exceed 20% of the Projected Costs. (Settlement ¶ 33)

Under the Settlement, PGW will continue to monitor the impact of the revised energy burdens on the actual CRP costs and will provide information to the parties about the actual cost information if the actual annual CRP costs exceed the originally projected budget by greater than 20%. Settlement ¶ 33. If this criterion is met, PGW will provide the actual cost information to all parties in this proceeding and will schedule a meeting within 30 days of providing the data to receive input on the need for cost controls. Settlement ¶ 33(a)-(b). Any party would be able to petition the Commission before or after those meetings to address cost control concerns or to raise or oppose cost control measures in any subsequent USECP or base rate proceeding. Settlement ¶ 33(c)-(d). The Settlement also provides that “PGW will propose going forward cost control measures if CRP costs exceed budgeted amounts by 20% or more, or will justify why, despite this increase, no cost control measures are needed.” Settlement ¶ 33(e). Finally, the Settlement provides that:

[i]f the Commission approves the continued use of the energy burdens approved here in PGW’s currently pending USECP proceeding for the period from 2023-2027, PGW agrees to continue the requirements of this paragraph for the 2023-2027 period, with the comparison for that period being the final projected costs for the 2023-2027 period as approved by the PUC in PGW’s USECP 2023-2027.

Settlement ¶ 33(f).

⁷ The OCA is mindful that PGW’s 2023-2027 USECP is separately pending before the Commission at Docket No. M-2021-3029323 and whether the proposed energy burdens are carried forward in that proceeding will be subject to further review by the Commission. However, consistent with the settlement reached at this docket, the OCA will support continuation of the existing energy burdens in its comments at that docket and in the proceedings initiated therein subject to the Commission’s approval of this settlement with all conditions intact, including the cost monitoring and outcome evaluations reached in the settlement of the captioned matter.

OCA witness Colton specifically recommended that a review of the costs be initiated if costs exceeded 20% of the budget. Mr. Colton testified:

I recommend that if the three-year average per-participant cost increases by 20% or more, PGW should be required to: (1) make an informational filing with the Commission explaining the basis for the cost increases and the steps that PGW is doing to control costs; (2) convene its Universal Service Advisory Committee to assess the extent to which additional responsive actions are appropriate; (3) agree that, if a mutually agreed-upon course of action is not agreed to within the Universal Service Advisory Committee, stakeholders could petition the Commission to amend the USECP with specifically-stated proposed demonstrably responsive actions; and (4) propose in its next filed USECP cost containment measures that seek to protect non-participants.

OCA St. 1 at 41 (footnote omitted).

The Settlement reasonably addresses the OCA's concern regarding actual CRP cost increases and the potential need for cost control measures should CRP costs significantly increase. Under the Settlement, the actual CRP costs will be monitored, and the Settlement will provide a pathway to address potential significant increases to the costs of the program. PGW will proactively monitor increases to the CRP costs of greater than 20% and will affirmatively meet with the parties to explain the reasons for the increases and identify programmatic cost containment measures that may be implemented. Settlement ¶ 33.

As OCA witness Colton testified, 20% is an appropriate benchmark to evaluate cost increases. Mr. Colton explained:

[t]he 20% figure is selected to be sufficiently large that it will not trigger a response simply due to normal fluctuations in program costs, but is not so large that the trigger is never exercised. The 20% figure should be considered in the context of each of the three discrete groups I identify above. While a 20% increase in total CRP costs may not give rise for concern for the third group (i.e., those over 300% of Poverty), it may well give rise for concern for either the first or second group.

OCA St. 1 at 41.⁸

The Settlement provides important protection for customers if the costs of the CRP discount significantly increase. The parties will have the opportunity to provide feedback if actual CRP costs exceed the projected budget by 20%. *Id.* The OCA submits that the proposal will allow the parties to monitor the costs of the program and to better understand the reasons for the cost increases. The parties will have the ability under the Settlement to recommend and/or to implement necessary changes to address the cost increases. Under the Settlement, if CRP exceeded budgeted amounts by 20% or more, in the next USECP, PGW will propose going forward cost control measures or will justify why, despite this increase, no cost control measures are needed. Settlement ¶ 33(e). The Settlement provision will work to address the OCA's concern related to potential unconstrained increases to the budget and provide a forum to address the need for additional cost control measures.

The OCA notes that Vice Chairman cited favorably to a similar cost tracking mechanism approved as a part of the Settlement of the Duquesne Light Company 2020-2025 USECP. The Duquesne Settlement provided for the tracking of important cost data and for further evaluation if costs exceeded the identified trigger (in that case 10%). In his Statement in response to the most recent Peoples Natural Gas Company and Peoples Gas Company USECP, Vice Chairman Coleman supported the Duquesne Settlement's provisions for tracking cost increases and recommended that similar provisions be considered in all USECP proceedings. In response to the Settlement, Vice Chairman Coleman's Statement provided:

[t]he proposed Order before us today directs the Peoples Companies to track data related to these CAP payment changes for review during their next

⁸ The three discrete groups referenced in Mr. Colton's Direct Testimony are: "(1) customers who are income-eligible for CRP but who do not participate; (2) customers who are *not* income-eligible for CRP, but who have insufficient income to be self-sufficient; and (3) customers who have income that is generally considered to be adequate for the household to be self-sufficient." OCA St. 1 at 36 (emphasis in original).

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

I believe similar provisions should be considered for inclusion in all USECPs. The Peoples Companies' Proposed 2019 USECP will be in effect for at least five years after it is approved. The Peoples Companies' next proposed USECP is not due until April 1, 2028, for the five years starting January 1, 2029. The Commission should not wait until five years, or more, have passed to address any disproportionate cost impact to the residential customers who are paying for the Peoples Companies' CAPs. To that end, I encourage the Peoples Companies to notify the parties to this proceeding and seek their input if CAP costs will exceed the annual projected budget by 10% and to file a petition with the Commission explaining the cost increase and outlining possible cost-containment measures.⁹

See also, OCA St. 1R at 4. The factual circumstances of the instant case differ from the Duquesne USECP, so the data tracked and the trigger for examination of cost increases also differs in this case. However, the concept and the objective are the same. The costs of the program changes should be monitored and evaluated, and the parties should not wait five years to evaluate significant changes to the costs of the program.

For the reasons set forth above, the OCA submits the proposed Settlement provisions are in the public interest and should be approved.

⁹ Peoples Natural Gas Company LLC and Peoples Gas Company LLC 2019-2024 Universal Service and Energy Conservation Plan Submitted in Compliance with 52 Pa. Code § 62.4, Docket Nos. M-2018-3003177, *et al.*, Statement of Vice Chairman John Coleman (May 12, 2022).

C. The Settlement Will Evaluate the Effectiveness of the Program Changes.
(Settlement ¶¶ 34-35)

In his Direct Testimony, OCA witness Colton recommended that PGW establish measurable outcomes to measure the extent to which the program will improve the ability of its low-income customers to pay their current bills. OCA St. 1 at 20-31. The Settlement provides for important information that will allow for an evaluation of the effectiveness of the program. Within 18 months of the final Commission Order in this proceeding, PGW “will complete a review of CRP for minimum bill, average bill, and Percentage of Income Payment Program (PIPP) customers, broken down for each by the following income tiers at a point in time: 0-50% of FPL; 51-100% of FPL; and 101-150% of FPL.” Settlement ¶ 34. The evaluation will be designed to answer five questions:

- (a) Did pilot program participants pay their CRP bills?
- (b) How much arrearage forgiveness did pilot program participants earn?
- (c) What was the average annual usage of pilot program participants?
- (d) Did pilot program participants receive LIHEAP grants and what was the average grant amount?
- (e) How many pilot program participants were removed from CRP due to termination for non-payment?

Settlement ¶ 34(a)-(e).

In addition to evaluation of the effectiveness of the program, as part of its next USECP Impact Evaluation, PGW will include the following information by CRP type: payment frequency and bill coverage rates by CRP type; non-payment shut-off frequency; and average CRP credit. Settlement ¶ 34(a)-(c). PGW will also include the effectiveness of LIURP to reduce gas usage by high consumption CRP participants; changes in weather-normalized usage for new participants in CRP compared to their consumption levels as non-participants; and trends in CRP participant

weather-normalized usage levels during the past two years, compared to non-participants. Settlement ¶ 34(d)-(f).

In his Direct Testimony, OCA witness Colton specifically recommended that PGW develop outcome measures to evaluate the effectiveness of the revised energy burdens. OCA St. 1 at 5-6, 11-48. Mr. Colton also recommended additional reporting metrics to assist with future evaluation of the program. OCA St. 1 at 48-52. Mr. Colton explained the “‘outcome’ of a program is the accomplishment of program objectives attributable to having performed those activities.” OCA St. 1 at 11. OCA witness Colton recommended that PGW be directed to include in future USECPs a report of the outcome measurements and “(1) its assessment of the outcomes; and (2) an identification of which elements of the proposed USECP have been included to respond to the outcome results.” OCA St. 1 at 15.

The Commission has also previously supported the idea of outcome measures to evaluate the effectiveness of customer assistance programs in its Nov. 5 CAP Policy Statement Order.¹⁰ As OCA witness Colton testified:

[t]he Commission has previously expressed its interest in reviewing outcomes with respect to CAPs. In the Final Policy Statement and Order in Docket M-2019-3012599, for example, the Commission said:

While the most common reason customers are removed from a CAP is due to failure to recertify, we acknowledge that frequency of recertification is a significant but not sole determinant of this suboptimal outcome. Another barrier is the process itself. Utilities should endeavor to find more effective ways of communicating their recertification policies and procedures and develop more efficient ways of collecting appropriate income information from customers in order to minimize disruption in CAP participation.

(Final Policy Statement and Order, at 71 – 72, Docket M-2019-3012599). As can be seen, in this Commission discussion, the Commission did not direct *what* “ways of communicating recertification policies and procedures” should be adopted, nor did it direct *what* “ways of collecting appropriate income information from customers” were appropriate. Instead, it identified the “suboptimal outcome” that

¹⁰ Nov. 5 CAP Policy Statement Order at 71-72.

it stated utilities should avoid (i.e., “customers are removed from CAP. . .due to failure to recertify”).

Moreover, in its Final Policy Statement and Order, the Commission noted “the need for increased awareness.” The Commission, in particular, noted the need “to reach customers, particularly the very marginal, for enrollment in universal service programs.” (Final Policy Statement and Order, at 78 – 79). The Commission said that utilities should “develop more robust efforts to reach customers. . .” (Id.) Again, the Commission did not direct utilities to pursue any particular “robust efforts to reach customers.” Instead, it identified the *outcome* to be achieved (i.e., reach customers, particularly the very marginal for enrollment in universal service programs).

OCA St. 1 at 13-14.

The proposed metrics to be completed within 18 months of a final Commission Order and the five questions to be addressed in the next impact evaluation reasonably address OCA witness Colton’s recommendation to implement outcome measures and reporting metrics. Settlement ¶¶ 34-35. The proposed metrics and information included in the impact evaluation will provide critical information to evaluate the effectiveness of revised energy burdens and whether additional changes are necessary in the Company’s next USECP. That information will allow the stakeholders and the Commission the ability to determine whether the revised energy burdens are reasonably achieving their identified objectives, the impact on ratepayers who pay the costs of the program, and whether further changes such as additional cost control measures are necessary in the Company’s next USECP. The OCA submits that the provision is in the public interest and should be approved.

D. The Settlement Will Also Provide for an Additional Avenue for CAP Customer Enrollment. (Settlement ¶ 31)

The Settlement also provides that “within 90 days after a final PUC order is entered in the proceeding, PGW will disseminate and publish on its website a fax number by which customers can submit CRP applications and associated supporting documentation.” Settlement at ¶ 31. One

of the outcome objectives that OCA witness Colton identified in his Direct Testimony is how PGW is serving its low-income customer population. OCA St. 1 at 16-20. OCA witness Colton testified:

[a]ccording to the PUC's Bureau of Consumer Services (BCS) annual report on and Universal Service Programs and Collections Performance, PGW had 197,855 estimated low-income customers in 2019. (BCS, at 9). PGW had 53,722 CRP participants in 2019. (BCS, at 59). This represents a CRP participation rate of 27.2% ($53,752 / 198,855 = 0.2715$).

OCA St. 1 at 18-19 (footnotes omitted). OCA witness Colton testified that “[o]nly if participation rates within PGW’s low-income population improves will the offer of deeper discounts, and thus lower burdens, truly improve the affordability of service to Philadelphia’s “low-income population” (PGW’s low-income customer base).” OCA St. 1 at 18.

Allowing customers to fax CRP applications and supporting documentation will provide one more pathway for customers to enroll in the program. Improved access to CRP enrollment and recertification is a key element to improving the outcomes for PGW’s enrollment of low-income customers in its programs. The OCA submits that the provision is in the public interest and should be approved.

III. CONCLUSION

The Office of Consumer Advocate submits that the terms of the Settlement are in the public interest and in the interest of both PGW's CRP participants and the non-participant customers who pay the costs of the program. Based on the above reasons, the Office of Consumer Advocate submits that the proposed Settlement should be approved.

Respectfully Submitted,

/s/ Christy M. Appleby

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