



August 30, 2022

Via Efiling

Rosemary Chiavetta, Secretary
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: 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

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the **Comments of the Tenant Union Representative Network (TURN) and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) (collectively, Low Income Advocates)**, to the Commission's June 16, 2022 Order in the above referenced proceeding.

Due to the ongoing COVID-19 pandemic, a copy of these Comments is being served via email, as indicated on the attached Certificate of Service.

Sincerely,

Joline R. Price, Esquire
Attorney ID No. 315405

Cc: Certificate of Service
Norma Bowman, Bureau of Consumer Services, nobowman@pa.gov
Christina Chase-Pettis, Office of Communications, cchasepett@pa.gov
Louise Fink-Smith, Law Bureau, finksmith@pa.gov
Erin Tate, Law Bureau, etate@pa.gov
Rhonda L. Daviston, Law Bureau, rdaviston@pa.gov

Center City Office: 1424 Chestnut St. | Philadelphia, PA 19102-2505 | Telephone: 215-981-3700 clsphila.org

North Philadelphia Law Center: 1410 West Erie Ave. | Philadelphia, PA 19140-4136 | Telephone: 215-227-2400

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Philadelphia Gas Works Universal Service and Energy :
Conservation Plan for 2023-2027 Submitted in : Docket No. M-2021-3029323
Compliance with 52 Pa. Code § 62.4. :

CERTIFICATE OF SERVICE

I hereby certify that I have, on this day, served copies of the **Comments of the Tenant Union Representative Network (TURN) and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) (collectively, Low Income Advocates)**, in the above captioned matter upon the following persons and in accordance with the requirements of 52 Pa. Code § 1.54.

SERVICE BY EMAIL ONLY	
Craig W. Berry, Esquire Philadelphia Gas Works 800 West Montgomery Avenue Philadelphia, PA 19122 Craig.berry@pgworks.com	Richard Kanaskie, Esq. Bureau of Investigation and Enforcement Pennsylvania Public Utility Commission P.O. 3265 Harrisburg, PA 17105-3265 rkanaskie@pa.gov
Darryl A. Lawrence Christy Appleby Office of Consumer Advocate 555 Walnut Street 5th Floor, Forum Place Harrisburg, PA 17101-1923 CAappleby@paoca.org DLawrence@paoca.org	Sharon E. Webb, Esquire Office of the Small Business Advocate 555 Walnut Street 1 st Floor, Forum Place Harrisburg, PA 17101 swebb@pa.gov
Elizabeth R. Marx Lauren N. Berman Ria M. Pereira John W. Sweet Pennsylvania Utility Law Project 118 Locust Street Harrisburg, PA 17101 pulp@pautilitylawproject.org	

Respectfully submitted,



August 30, 2022

Joline R. Price, Esquire (Attorney ID: 315405)
Community Legal Services, Inc.
1424 Chestnut Street
Philadelphia, PA 19102

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Philadelphia Gas Works Universal Service and Energy :
Conservation Plan for 2023-2027 Submitted in : Docket No. M-2021-3029323
Compliance with 52 Pa. Code § 62.4. :
:

**JOINT COMMENTS OF
TENANT UNION REPRESENTATIVE NETWORK
AND
THE COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY
EFFICIENCY IN PENNSYLVANIA**

Community Legal Services
On Behalf of TURN
Joline R. Price, Esq.
Robert W. Ballenger, Esq.
Kintéshia Scott, Esq.
1424 Chestnut Street
Philadelphia, PA 19102-2505
215-981-3700
jprice@clsphila.org
rballenger@clsphila.org
kscott@clsphila.org

Pennsylvania Utility Law Project
On Behalf of CAUSE-PA
Elizabeth R. Marx, Esq.
John Sweet, Esq.
Ria Pereira, Esq.
118 Locust Street
Harrisburg, PA 17101
717-236-9486
PULP@pautilitylawproject.org

August 30, 2022

TABLE OF CONTENTS

- I. INTRODUCTION 1**
- II. BACKGROUND 1**
 - A. CAP Policy Statement Amendment and Final Order 1
 - B. PGW Petition to Amend 2017 USECP 4
 - C. PGW USECP for 2023-2027 5
- III. CUSTOMER ASSISTANCE PROGRAM..... 6**
 - A. Customer Responsibility Program (CRP) Program Design 6
 - i. Energy Burdens..... 6
 - ii. Quarterly Review of CRP bill amounts 7
 - iii. CRP Consumption Limits 8
 - B. Eligibility 10
 - i. Eligibility of Non-Heat Accounts for CRP..... 10
 - ii. Household Composition..... 10
 - iii. CRP Stay-Outs 11
 - C. Applying to CRP..... 12
 - i. Application Methods..... 12
 - ii. Accepting 30 Days or 12 Months of Income 15
 - iii. Identification Documentation 22
 - iv. Use of External Sources to Verify Household Composition and Income. 25
 - v. Treatment of Unearned Income of a Minor 26
 - vi. Zero Income 29
 - D. Reenrollment and Recertification 31
 - i. LIHEAP Recertification..... 31
 - ii. Recertification time frames..... 31
 - iii. Calculation of CRP Cure 32
 - iv. Retroactive Arrearage Forgiveness..... 33
 - E. Other CRP Issues 35
 - v. Appeals 35
 - vi. Refund of Security Deposits 35
 - vii. CRP Final Billing..... 37
 - viii. Outreach and Education Program 42

IV. LOW-INCOME USAGE REDUCTION PROGRAM.....	46
A. LIME Pilot Program	47
B. Health and Safety Pilot	50
C. Repair and Renew Pilot	53
D. Quality Control and Contractor Requirements	56
E. Home Comfort Eligibility	58
F. Define Single-family & Multifamily Properties	59
G. Landlord Approval Process.....	62
H. Usage Requirement: Coordinating LIURP Services.....	64
I. Routine Health and Safety Measures and Incidental Repairs.....	67
J. Re-Weatherization Eligibility	69
K. Continuation of Regulatory Waivers	70
L. LIURP Budget and Needs Assessment.....	74
i. LIURP Budget	74
ii. LIURP needs assessment criteria.....	77
V. HARDSHIP FUND	81
A. Proposed Pilot	82
B. Hardship Fund Eligibility	85
i. 24 Month Stay Out.....	85
ii. Definition of Active Shutoff	87
iii. Income Documentation	88
C. Hardship Fund Grant Payment Posting.....	89
i. Use of Hardship Funds to Cover CRP Cure or Balance	89
ii. Coordination with UESF.....	90
iii. Voluntary Customer Hardship Fund Contributions.....	91
VI. CONCLUSION	92

I. INTRODUCTION

The Tenant Union Representative Network (TURN) and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) (collectively, the Low Income Advocates) file these comments to Philadelphia Gas Works (PGW) proposed Universal Service and Energy Conservation Plan for 2023-2027 (Proposed 2023 USECP),¹ the Public Utility Commission (PUC or Commission) Order issued June 16, 2022,² and PGW's Supplemental Responses to that Order (PGW Responses).³

II. BACKGROUND

A. CAP Policy Statement Amendment and Final Order

On April 6, 2017, the Commission initiated two statewide proceedings to review the effectiveness of Pennsylvania's universal service programs and to examine the affordability of energy services to low-income households in Pennsylvania.⁴ Numerous stakeholder meetings, working groups, formal comments, reports, and orders followed over the next two years, culminating in revisions to the Commission's formal CAP Policy Statement, codified at sections 69.261 to 69.267 of the Commission's regulations.⁵

¹ Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2023-2027 Submitted in Compliance with 52 Pa. Code § 62.4, PUC Docket No. M-2021-3029323 (hereinafter Proposed 2023 USECP).

² See Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2023-2027 Submitted in Compliance with 52 Pa. Code § 62.4, PUC Docket No. M-2021-3029323 Order (June 16, 2022) (hereinafter Order).

³ Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2023-2027 Submitted in Compliance with 52 Pa. Code § 62.4, PUC Docket No. M-2021-3029323, PGW Response to June 16, 2022 Order Directing Supplemental Information re PGW's Proposed 2023-2027 Universal Service and Energy Conservation Plan (July 21, 2022) (hereinafter PGW Responses).

⁴ Review of Universal Service and Energy Conservation Programs, Docket M-2017-2596907; Energy Affordability for Low-income Customers, Docket M-2017-2587711.

⁵ 2019 Amendments to CAP Policy Statement, Final Policy Statement and Order, Docket No. M-2019-3012599 (order entered Nov. 5, 2019) (hereinafter Final CAP Policy Statement and Order).

On October 3, 2019, as part of the Commission’s statewide review of universal service programs, the Commission issued an Order extending the USECP filing schedule from three to five years and directing each utility – including PGW – to file updated enrollment and budget projections for the additional years of their currently-effective USECP.⁶

A month later, on November 5, 2019, the Commission entered a Final CAP Policy Statement and Order (Final CAP Policy Statement and Order), adopting and implementing a number of critical reforms to the Commission’s formal Customer Assistance Program (CAP) Policy Statement at 52 Pa. Code §§ 69.261-.267.⁷ In its Final CAP Policy Statement and Order, the Commission found that, based on extensive data, analysis, and information in the underlying proceedings,⁸ the current CAP energy burden standards were both unreasonable and unaffordable.⁹ The Commission explained that the existing maximum energy burden standards, “do not reflect reasonable or affordable payments for many low-income customers,” especially those with income at or below 50% FPL.¹⁰ The Commission further found that the current standards did not fulfill the Commission’s statutory obligation to ensure that universal service programming is appropriately funded and accessible to ensure that low-income customers can reasonably afford to maintain service to their home.¹¹ Accordingly, the Commission amended its Policy Statement to reduce the energy burden standards (i.e., the percentage(s) of household income that a low-income customer can afford to pay for home heating and electricity) for customers enrolled in a utility-run

⁶ See Universal Service and Energy Conservation Plan (USECP) Filing Schedule and Independent Evaluation Filing Schedule, Docket No. M-2019-3012601, at 15-16 (Order entered Oct. 3, 2019).

⁷ See Final CAP Policy Statement and Order.

⁸ Energy Affordability for Low-Income Customers, Docket No. M-2017-2587711, and Review of Universal Service and Energy Conservation Programs, Docket No. M-2017-2596907.

⁹ Final CAP Policy Statement and Order at 27.

¹⁰ Id. at 27, 29-30.

¹¹ Final CAP Policy Statement and Order at 27; see also 66 Pa. Code § 2802, 2203.

CAP, setting a maximum *combined* energy burden for electric and heating of 10% for households with income between 51-150% of the Federal Poverty Level (FPL) and 6% for households with income between 0-50% FPL.¹² For gas customers, the maximum was set at 6% for customers with income between 51-150% FPL and 4% for customers with income between 0-50% FPL.¹³

In addition to adjusting the maximum energy burden standards, the Commission made a number of other reforms to its CAP Policy Statement to improve the accessibility and affordability of the program. These changes included adoption of tiered maximum CAP credits; amendment to various standards related to income verification and recertification; exemption of CAP customers from late payment charges and other fees that increase unaffordability; elimination of “payment troubled” requirements; standards for CAP customers who relocate; elimination of Social Security Number requirements; expectations that utilities will launch online applications; requirements for periodic assessment of CAP rates; and outreach and education planning.¹⁴ The Commission also discussed several other key issues, including the appropriate threshold for maximum CAP credit limits, imposition of minimum bill thresholds, and recovery of universal service costs from non-CAP customers.¹⁵ However, the Commission deferred further resolution of these additional issues for assessment in the context of each utility’s USECP and/or general base rate proceedings.¹⁶

As part of its Final CAP Policy Statement and Order, the Commission directed each utility to file and serve an addendum to their existing or proposed Universal Service and Energy Conservation Plan (USECP) within 60 days of entry date of the order to indicate whether the

¹² Id. at 32-33.

¹³ Id.

¹⁴ Id. at 5-7, 101-104.

¹⁵ Id. at 36-37, 60-61, 90-97.

¹⁶ See Id.

utility's existing or pending USECP was consistent with the amended CAP Policy Statement and, if not, whether and how the utility would implement the policy changes specified in the amended CAP Policy Statement.¹⁷

On March 12, 2020, the Commission issued an Order regarding CAP final billing methods as part of a separate proceeding that had earlier been instituted as part of the Commission's 2017 statewide proceedings.¹⁸

B. PGW Petition to Amend 2017 USECP

On January 6, 2020, PGW filed its addendum required by the Final CAP Policy Statement and Order, proposing to amend its 2017-2020 USECP to incorporate the Commission's revised energy burdens and eliminate the obligation for CAP – the Customer Responsibility Program or CRP – customers to pay \$5 per month towards pre-program arrears via a pilot program. On February 21, 2020, PGW filed a Petition for Expedited Approval, docketed at P-2020-3018867, requesting the Commission approve its CRP pilot program. On March 26, 2020, the Commission entered an order (the March 26 Order) granting PGW's petition. PGW implemented the CRP pilot program on September 12, 2020.

Following the Commission's March 26 Order, the Office of Consumer Advocate (OCA) and Office of Small Business Advocate (OSBA) filed Petitions for Review in the Commonwealth Court.¹⁹ The Commonwealth Court vacated the March 26 Order and remanded to the Commission

¹⁷ *Id.* at 106.

¹⁸ Staff Review of Customer Assistance Program (CAP) Final Billing Methods, Order, Docket No. M-2019-3010190 (March 12, 2020).

¹⁹ *Evans v. PUC*, 421 C.D. 2020; *McCloskey v. PUC*, 422 C.D. 2020 (consolidated).

for further proceedings.²⁰ On remand, the active parties, OCA, OSBA, PGW and the Low Income Advocates, successfully negotiated a proposed settlement that, if approved, maintains the terms of the CRP pilot program until PGW's 2023 USECP goes into effect, requires PGW to perform certain information gathering and reporting, provides for consideration of cost control mechanisms based on CRP program costs, provides for CRP applications and supporting documentation to be submitted by fax, and reflects the parties' agreement to support or not oppose continuation of the affordable energy burdens currently in place in PGW's Proposed 2023 USECP.

The Joint Petition for Settlement was filed on August 1, 2022 and awaits consideration by Administrative Law Judges Hoyer and DeVoe and the Commission.

C. PGW USECP for 2023-2027

On October 29, 2021, PGW filed its Proposed 2023 USECP. On June 16, 2022, the Commission entered an Order addressing PGW's Proposed 2023 USECP. The Order addressed concerns with various design and programmatic elements of PGW's Universal Service programs. PGW filed Supplemental Responses to the Order on July 21, 2022, and Comments of interested parties are due August 30, 2022. The Low Income Advocates file these Comments in response to PGW's Proposed 2023 USECP, the Commission's Order, and the Supplemental Information PGW filed in response to the Order.

²⁰ Evans v. PUC, 421 C.D. 2020; McCloskey v. PUC, 422 C.D. 2020 (consolidated), slip copy 2021 WL 4451007.

III. CUSTOMER ASSISTANCE PROGRAM

A. *Customer Responsibility Program (CRP) Program Design*

i. Energy Burdens

According to the CAP Policy Statement, Customer Assistance Programs (CAPs) are alternative to traditional collection methods for low-income customers that allow participants to receive discounted bills and address accumulated arrears.²¹ CAP customers make monthly payments based on household size and gross household income.²² PGW's Proposed 2023 USECP would continue its existing Percentage of Income Payment Plan in its CAP, the Customer Responsibility Program (CRP).²³ PGW plans to continue use of the energy burden standards established in the Commission's formal CAP Policy Statement – 4% of income for households 0-50% FPL and 6% of income for households 51-150% of FPL.

As discussed above, in March 2020, the Commission approved use of these energy burdens on a pilot basis. That decision was subject to remand from the Commonwealth Court for further proceedings based on procedural matters, and the parties to that proceeding recently reached a comprehensive settlement that – in relevant part – affirmed PGW's use of reduced energy burden standards.²⁴ Notably, the parties to that Settlement agreed to either support or to not oppose the ongoing implementation of PGW's reduced energy burden standards in the context of this proceeding.²⁵

²¹ 52 Pa. Code § 69.261

²² Id.

²³ Proposed 2023 USECP at 5.

²⁴ Petition to Amend Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2017-2022, Joint Petition for Settlement, Docket No. P-2020-3018867 (Joint Petition dated Aug. 1, 2022).

²⁵ Petition to Amend Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2017-2022, Joint Petition for Settlement, Docket No. P-2020-3018867 (Joint Petition dated Aug. 1, 2022).

In its Proposed 2023 USECP, PGW seeks to make the reduced energy burdens permanent. In addition, when households enroll in CRP, PGW compares their projected budget bill to the projected percentage of income based bill. If the budget bill is lower, PGW will enroll the customer in CRP at the average bill amount.

The Low Income Advocates strongly support PGW's continued use of a PIPP design, as well as its proposal to maintain the lower energy burdens currently in place.

ii. Quarterly Review of CRP bill amounts

As the Commission flagged in its Order, PGW has not updated its USECP to reflect its commitment in the 2020 Rate Case to review CRP monthly bill amounts quarterly upon implementation of its new Customer Information System (CIS).²⁶ In response to the Commission, PGW states that the current CIS implementation date is projected to be September 2023, and that its periodic CAP rate review process will begin after CIS implementation.²⁷

The Low Income Advocates remain concerned that PGW is not charging customers appropriately by only reviewing CRP bill amounts once per year. These reviews are intended to compare updated budget bill amounts to the percentage of income based bill to ensure that customers are being charged the most affordable rate. Absent these reviews, PGW is potentially charging customers more than their actual bill amount based on usage over the course of a year. The new CIS implementation is scheduled for the end of September 2023 – a full three years after PGW's rate case settlement commitment.²⁸ PGW even acknowledges that that date may be extended even further into the future.

²⁶ Order at 30.

²⁷ PGW Responses at 12.

²⁸ PGW Responses at 12.

The Low Income Advocates are concerned with PGW’s lengthy delay in implementing a quarterly CAP rate review process capable of ensuring CAP customers are paying the lowest available rate. The failure to ensure CAP customers are paying the best available CAP rate runs contrary to Section 1303 of the Public Utility Code, which requires a public utility to “compute bills under the rate most advantageous to the patron.”²⁹

PGW must prioritize implementation of a quarterly CRP rate review process to ensure CRP participants are not charged excessive rates. Pending implementation of this process, PGW should be required to implement a process to manually review and adjust CAP rates on a quarterly basis. Alternatively, if the Commission does not require manual CAP rate adjustment, the Commission should require PGW to issue credits to CRP customers to compensate them for any amounts charged in excess of actual usage based on PGW’s residential rates. PGW should be required to issue such credits at the time it conducts its annual review of each CRP participant’s bill amount. Once PGW’s quarterly review process is implemented, PGW can petition the Commission to modify or eliminate the annual credit process.

iii. CRP Consumption Limits

PGW’s Proposed 2023 USECP maintains consumption limits for CRP participants with excessive usage. Active CRP customers will receive letters when they reach 50%, 80% and 100% of the consumption limit.³⁰ Rather than moving customers to a budget bill after reaching the consumption limit, however, PGW proposes to refer households to its Low-income Usage Reduction Program and to its CARES program.³¹ The Low Income Advocates support this change

²⁹ 66 Pa. C.S. § 1303.

³⁰ Proposed 2023 USECP at 15.

³¹ Proposed 2023 USECP at 15-16.

because households with the levels of usage that meet the consumption limits typically have usage that is beyond their ability to control. By prioritizing customers for weatherization and referrals, PGW would be helping to address the likely root cause of high gas usage for households that lack resources to invest in comprehensive energy reduction measures. CRP customers are required to accept LIURP services or risk removal from CRP, unless program contractors are unable to treat the home due to pre-existing conditions, or work cannot be done because of a household member's illness, landlord refusal, or other severe circumstances outside of the customer's control.³²

Below, in Section IV, the Low Income Advocates discuss the critical importance of PGW's LIURP (known as Home Comfort) to help reduce household energy burden over the long term, and offer recommendations to improve program reach and cross-program coordination. Universal service programs – including CAP, LIURP, Hardship Funds, and CARES – are designed to work in tandem to provide an alternative path to collections for low-income consumers capable of addressing intersectional aspects of energy poverty. The Low Income Advocates also reiterate suggestions made below to improve communications to landlords – getting landlord consent for LIURP treatments would benefit both the individual household and help to lower the costs of the CRP program. By improving coordination between CAP and LIURP, PGW will help to ensure the programs operate more effectively to both reduce bills and reduce usage. This will improve the effectiveness of universal service programming, benefitting all PGW customers, especially those low-income customers who cannot afford to pay for service at PGW's residential rates.

³² Proposed 2023 USECP at 15 n.10.

B. Eligibility

i. Eligibility of Non-Heat Accounts for CRP

In its 2020 amendment to its USECP, PGW added non-heat accounts to the list of accounts that are ineligible for CRP. This change was not specifically addressed by any parties submitting comments or by the Commission in its review of PGW's then-amended USECP. PGW proposes to continue its newly implemented exclusion of non-heat customers in its Proposed 2023 USECP. The Low Income Advocates are concerned with this exclusion and submit that the Commission should require PGW to allow non-heat accounts to enroll in CRP to obtain arrearage forgiveness. Staying connected to gas is critically important for the health and safety of consumers, even for non-heating accounts, which rely on natural gas for cooking and water heating. These essential services must remain accessible to low-income consumers without undue financial burden. Non-heating customers should be eligible for CAP rates and debt forgiveness options to ensure they can maintain essential utility services to their home. Notably, the term "universal service and energy conservation" is defined as the programs, practices, and services that help residential gas consumers "maintain natural gas supply and distribution services" – and is not limited to heat-related service. PGW should not continue to curtail the availability of CAP to non-heating customers.

ii. Household Composition

PGW does not explicitly state how it counts the number of people living in the household in its USECP, other than requiring an applicant to list all children and adults living in the home. However, household composition can become a complicated issue where there is a shared custody arrangement. It is the Low Income Advocates understanding that PGW's current policy is to count

the child in whichever household first applied for CRP – regardless of which household has primary custody.³³ The Low Income Advocates are concerned that this approach can prevent a custodial parent from accessing critical bill assistance necessary to help maintain safe and stable service in a child’s home. We suggest that a more equitable approach would be that if both households apply for CRP, the household with primary physical custody should be able to claim the child. If physical custody is shared, then PGW should include the child in both households.

iii. CRP Stay-Outs

PGW’s Proposed 2023 USECP includes a CRP Stay-out provision, which bars customers from re-enrolling into CRP for a year in a number of different circumstances, including if a customer commits 2 or more incidents of unauthorized usage, submits fraudulent enrollment or re-certification information or documentation, or voluntarily removes themselves from CRP.³⁴ Customers are also subject to a stay-out if they refuse access to the meter, or refuse free Home Comfort weatherization services.³⁵ For the latter two categories, the stay-out lasts until meter access is granted or weatherization services are accepted.

The Low Income Advocates suggest that PGW remove the stay-out for customers who voluntarily remove themselves from the program, but later seek to reapply. To the best of the Low Income Advocates’ knowledge, the stay-out provision was intended to ensure that CRP participants do not take advantage of the program on a seasonal basis, but instead remain enrolled for the full year. However, since customers seeking to reenroll in CRP are required to pay a CRP

³³ This understanding is based on the experience of counsel for TURN representing individual low-income customers attempting to enroll in CRP.

³⁴ Proposed 2023 USECP at 6.

³⁵ Customers will not be subject to a CRP stay-out for failure to accept Home Comfort services if the case is rejected due to preexisting conditions, a landlord refuses to consent to services, or if there is a serious illness of a household member or other severe circumstance. Proposed 2023 USECP at 6-7.

cure amount based on their household income and compensation at the time of reenrollment, there is no longer an economic benefit to a customer who voluntarily withdraws from CRP. As a result, this stay-out provision is no longer necessary or appropriate, and serves as an unnecessarily punitive barrier to safe and affordable services for those who may withdraw from the program without realizing the financial consequences. Further, alternative natural gas suppliers often enter into low-income communities to use predatory marketing practices and convince customers to voluntarily remove themselves from CRP with the promise of door prizes and bill savings. Customers who have fallen victim to these exploitative tactics should not be subject to a one-year stay-out from CRP, where they must have PGW as their natural gas supplier to be eligible. The Low Income Advocates submit that the Commission should require PGW to eliminate this stay-out, and instead require PGW to improve its customer education to CRP customers who seek to withdraw from the program.

C. Applying to CRP

i. Application Methods

PGW has not provided or publicized data regarding its application approval or recertification rates, but its projected enrollment in CRP for 2023 is 65,429 customers.³⁶ PGW's most conservative estimate for low-income customers is 121,496.³⁷ This puts CRP enrollment, at best, at 54% of eligible households. Using the higher census-based estimate of 195,212 low-income households, CRP enrollment would reflect a mere 33% of eligible households. Tens of thousands of eligible households are not enrolled in CRP. In addition to its outreach and education

³⁶ Proposed 2023 USECP at 35.

³⁷ Proposed 2023 USECP at 9; PGW Responses at 31.

efforts, PGW needs to make application to CRP less onerous. One way to do this is to increase the number of methods by which customers can apply for CRP. In addition, as discussed more fully in the following sections, PGW needs to be flexible in its documentation and verification requirements to make CRP easier to enroll in and stay enrolled in.

Prior to the COVID-19 pandemic, the majority of CRP applicants (56.3%) submitted applications in person at customer service centers. Such in person applications were more likely to be approved than web or mail applications, with roughly 85.49% in-person approval rate compared to 56.84% and 70.54% approval rates, respectively, for online and mail applications. The table below shows applications received and approved from August 2018 through early June 2020.³⁸

TABLE 1: CRP Applications Received vs. Approved, August 2018 to June 2020

	Applications Received	Applications Received (%)	Applications Approved	Submitted Applications Approved (%)
District Office	49,058	56.3%	41,940	85.49%
Online	14,135	16.2%	8,034	56.84%
Mail	23,907	27.5%	16,863	70.54%
Total	87,100		66,837	

³⁸ This table was compiled from data was provided by PGW in response to discovery in its 2020 rate case, introduced in testimony, and was admitted on to the record of that proceeding and is publicly available on the PUC’s website. See Direct Testimony of Harry S. Geller on behalf of the Tenant Union Representative Network and the Action Alliance of Senior Citizens of Greater Philadelphia, PUC Docket No. R-2020-3017206, available at: <https://www.puc.pa.gov/pcdocs/1681663.pdf>.

PGW has permanently closed all of its customer service centers.³⁹ According to PGW's USECP, customers can apply for CRP either online, through their online account, or using a paper application and applying by mail.⁴⁰ PGW also refers customers to local Neighborhood Energy Centers for assistance applying for CRP – but PGW does not provide these Community Based Organizations (CBOs) with a direct pathway to submit applications. Rather, these NECs assist customers using those customer's online accounts, if they have one, or help a customer fill out a paper application and provide it to the customer to mail it in. Given the technology hurdles faced by many low-income Philadelphians, especially seniors and individuals with disabilities, and the unpredictable pace of mail service, the approval process for many applicants is unnecessarily slow. This can be especially problematic when PGW customers are attempting to prevent service termination by enrolling in CRP.

The Low Income Advocates submit that the methods by which PGW accepts applications are unnecessarily limited and urge the Commission to require PGW to adopt one or more additional methods to apply for CRP. PGW should make its online CRP application available without the requirement to create an account. PGW can do this by providing an online application portal that does not require customers to login to their account. Accounts often get associated with emails that are promptly forgotten, or customers do not have email addresses to begin with. Without needing the added step of logging into an account, customers can more easily get assistance from friends,

³⁹ While PGW has not officially announced this change, it has also scrubbed all mention of the in-person customer service centers from its Proposed 2023 USECP, customer bills, and most parts of its website.

⁴⁰ Proposed 2023 USECP at 5. In a Petition for Settlement that is currently pending before the Commission, PGW has committed to also publicizing a fax number for submission of CRP applications. Petition to Amend Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2017-2022, PUC Docket No. P-2020-3018867, Joint Petition for Settlement at ¶ 31 (Aug. 1, 2022), available at: <https://www.puc.pa.gov/pcdocs/1754348.pdf>. If that Petition is granted, PGW will need to update its Proposed 2023 USECP accordingly.

family, neighbors, elected officials, or social service providers to apply for CRP. This would also be consistent with PECO's online application process.⁴¹

In addition, PGW should provide CBOs with one or more direct pathways – a dedicated email, fax number, other direct interface with PGW workers who can approve CRP applications and a drop box at PGW's main office – that allows these neighborhood organizations to submit applications and follow up documentation on behalf of clients. The Low Income Advocates support the use of CBOs like the NECs to assist in CRP application processing. To best assist consumers, those organizations need a way to submit applications and documentation directly to PGW quickly and without the inevitable delay associated with mail-in applications.

ii. Accepting 30 Days or 12 Months of Income

The CAP Policy Statement establishes standards for income verification and provides that utilities should accept income documentation of at least the last 30 days or 12 months for the purpose of CAP enrollment and recertification.⁴² Further, the CAP Policy Statement provides that CAP applications and recertification letters should specify these options and explain how each can be beneficial.⁴³

PGW's Proposed 2023 USECP maintains PGW's current policy that customers applying for CRP must provide proof of income for the prior 30 days for all household members.⁴⁴ For customers who are self-employed, PGW's Proposed 2023 USECP is inconsistent. PGW states on page 11 of its Proposed 2023 USECP that it will accept federal or state tax returns filed within the

⁴¹ <https://secure.peco.com/CapAssistance/CAPRateApplication>

⁴² 52 Pa. Code § 69.265(8)(ii)(B)(I).

⁴³ Id.

⁴⁴ Proposed 2023 USECP at 11.

last 12 months as proof of self-employment income.⁴⁵ On page 12 of its Proposed 2023 USECP, PGW then states that CRP applicants who are self-employed and pay their own taxes are required to document their earnings by providing a 1040 Schedule C, along with a federal tax return for the prior year.⁴⁶

PGW also proposes to use year-to-date income to determine the monthly household income for CRP applicants with seasonal or otherwise fluctuating income, and provides examples such as home health aides, catering workers, construction workers and school district employees.⁴⁷

PGW includes as Appendix H a chart of acceptable proof of income for CRP, which is reproduced below.

⁴⁵ Proposed 2023 USECP at 11.

⁴⁶ Proposed 2023 USECP at 12.

⁴⁷ Proposed 2023 USECP at 12.

Appendix H: PGW CRP Application – Acceptable Income Documentation

Type of Income	Acceptable Proof of Income
Employment	<ul style="list-style-type: none"> • Pay Stubs - Last 30 days of Gross Income including YTD amounts, net income and deductions • Employer Verification Letter on Company Letterhead for new hires who cannot produce paystubs
Unemployment	<ul style="list-style-type: none"> • Letter from the Department of Labor and Industry showing unemployment benefits • Unemployment Award Letter
Pension	<ul style="list-style-type: none"> • Monthly Bank Statement showing direct deposit • Pension Award Letter • Monthly Check
Workmen’s Compensation	<ul style="list-style-type: none"> • Worker’s Compensation pay stub • Workmen’s Compensation Award Letter • Monthly Bank Statement showing Workmen’s Compensation deposits
Short/Long Term Disability	<ul style="list-style-type: none"> • Short-and/or long-term disability pay stubs. • Monthly Bank Statement showing Short-and/or long-term disability deposits
Department of Human Services (DHS)	<ul style="list-style-type: none"> • DHS benefits summary • Compass printout showing the household’s benefits and income
Child Support	<ul style="list-style-type: none"> • Child Support Court Order received on behalf of a child • Monthly Bank Statement showing child support deposits
Spousal Support	<ul style="list-style-type: none"> • Alimony Court Order • Alimony Monthly Check • Monthly bank statements showing Alimony deposits
Social Security <i>(SSI, SSD, Survivor Benefits, etc.)</i>	<ul style="list-style-type: none"> • Social Security Award Letter, provide annual award letter or bank statement showing monthly direct deposits
Rental Income	<ul style="list-style-type: none"> • Prior Year Federal Tax return showing rental Income • Copy of your most recent Mortgage Statement for the property you rent or a deed showing ownership of the rented, a copy of the lease with your tenant(s), and documentation of rental receipt (e.g., bank statements, rent receipts).
Self Employed	<ul style="list-style-type: none"> • Federal tax return for the prior year

Type of Income	Acceptable Proof of Income
Foster Care Support	<ul style="list-style-type: none"> • Foster Care Support Payments
Additional Financial Assistance	<ul style="list-style-type: none"> • A completed Additional Financial Assistance section on the CRP application. Must be completed by the person providing the assistance. <p>As part of the review process, PGW may also request a copy of a photo I.D. and a valid phone number of the person who provides Additional Financial Assistance. If the person providing assistance is enrolled in the PGW Customer Responsibility Program, the person providing assistance will be required to demonstrate how they meet basic living expenses.</p>
No Income	<ul style="list-style-type: none"> • Explanation of how food, housing and utility expenses are met • Unemployment Denial Letter • Workmen’s Compensation Exhaustion of Benefit or Denial Letter • Veteran’s Benefit Denial Letter • DHS Benefit STOP Notice • Social Security Benefits Denial Letter

In its Order, the Commission identifies a number of concerns with PGW’s income documentation policies.⁴⁸ First, the Commission notes that the USECP is unclear as to whether all customers are given the choice of providing 12 months of income when applying for CRP as recommended in the CAP Policy Statement.⁴⁹ The Commission also expresses concern over PGW’s proposal to allow seasonal workers or those with fluctuating income to use year-to-date income.⁵⁰ The Commission requested clarification on several issues related to income documentation, requiring PGW to clarify:

- whether customers are given the option of providing 30 days or 12 months of income through the CRP application process;
- whether seasonal/fluctuating income documentation policy is applied only to gross year-to-date income that can be divided by 12;

⁴⁸ Order at 18 – 21.

⁴⁹ Order at 18.

⁵⁰ Order at 19-20.

- to whom the seasonal/fluctuating income policy applies; and
- instructions and training materials given to PGW staff on when to apply the policy.⁵¹

PGW's responses do not provide much additional clarity on its income documentation requirements. PGW explains that the CRP application requests that customers provide proof of income for the last 30 days.⁵² PGW states that

[c]ustomers 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 income amount in lieu of proof for the last 12 months.⁵³

Rather than providing clarity, this response from PGW only serves to further complicate PGW's income documentation requirements. Taken at face value, PGW will only accept 12 months of income if the customer has a seasonal or fluctuating income. However, PGW then states that the year-to-date policy "can be applied in any month, as long as the customer has been at the same place of employment since the start of the calendar year."⁵⁴ This requirement further limits the customers who are able to take advantage of this income documentation policy. Seasonal workers and those with fluctuating income are more likely to have switched jobs or worked at multiple jobs over the past few months.

PGW also continues to provide unclear and inconsistent examples of the types of work that would be considered seasonal or fluctuating. In its responses to the Commission, PGW gives the following examples: school district employees, Uber/Lyft drivers, farmworkers, landscapers and home health aides.⁵⁵ These are different examples than previously provided, and inconsistent with other statements made by PGW. For example, Uber and Lyft drivers are considered "self-

⁵¹ Id.

⁵² PGW Responses at 1.

⁵³ PGW Responses at 1 (emphasis added).

⁵⁴ PGW Responses at 1.

⁵⁵ PGW Responses at 1.

employed,” and do not necessarily have pay stubs. Farmworkers may work for multiple different employers and be paid in cash.

The Low Income Advocates suggest that PGW’s attempts to further subdivide income documentation requirements into multiple categories and exceptions creates unnecessary complexity and hurdles for customers applying for CRP. It would be simpler, more effective, and more equitable to allow all applicants to provide either their last 12 months of income or their last 30 days of income, as recommended by the CAP Policy Statement. This is consistent with eligibility requirements for the Low-income Home Energy Assistance Program (LIHEAP). The Commission noted this in its CAP Policy Statement Order:

Establishing this provision will align CAP policy with Section 601.83 of the 2019 LIHEAP State Plan, which also accepts documentation of gross income over the past 30 days or 12 months.

Utilities should give CAP applicants and participants the option of selecting a timeframe which is most representative of their true annual household income. Utilities should use whichever income timeframe is more beneficial to the household to determine annual income for CAP eligibility and credits.⁵⁶

In addition, PGW should update its income documentation standards to provide additional flexibility and reflect the reality of low-wage work in the 21st century. PGW’s current list of acceptable documentation is limiting, and likely has the effect of reducing participation in CRP. For example, applicants with income from employment are required to produce pay stubs showing last 30 days of gross income, or, in the limited circumstance of a new hire, an employer verification letter on company letterhead. For self-employed individuals, a federal tax return for the prior year is required.⁵⁷

⁵⁶ Final CAP Policy Statement and Order at 41.

⁵⁷ As noted above, in some places, PGW states it will also accept a state tax return.

Many low-income individuals and households have incomes that do not fit neatly into these boxes. A household member who has only recently started driving for Lyft may not have filed a tax return yet. Someone who cleans houses, works as a nanny, or performs other odd jobs to help make ends meet may not have paystubs to provide. Low-income and low wage workers often have multiple jobs and may change jobs frequently – making it difficult to produce paystubs documenting past short-term employment. Households should be able to provide the documentation they have to verify their income. PGW should expand its list of acceptable income to include other documentation that accurately reflects gross income for household members over the last 30 days or 12 months. This is consistent with LIHEAP requirements for verification of income. Specifically, Section 601.101 of the LIHEAP State Plan⁵⁸ currently states that:

The applicant shall provide sufficient information regarding the household's circumstances to enable the LIHEAP administering agency to determine LIHEAP eligibility and the amount of a LIHEAP benefit.

(1) Verification. The term refers to ***any form of convincing information, including oral statements or documentation***. Types of documentation may not be limited to any specific type and may include: written evidence, public records, automated sources, electronic evidence and websites.

(2) Documentation. The term refers to written or printed evidence, such as fuel bills, rent receipts, or pay stubs, that is needed to determine LIHEAP eligibility and the type and amount of the LIHEAP benefit.⁵⁹

Allowing a customer to provide 30 days or 12 months of income, and expanding the definition of acceptable income documentation, are critical to ensuring that the maximum number of customers in need of assistance are able to enroll in and benefit from PGW's CRP. To the extent that the

⁵⁸ Commonwealth of Pennsylvania Low-Income Home Energy Assistance Program State Plan for Fiscal Year 2022, available at: https://www.dhs.pa.gov/Services/Assistance/Documents/Heating%20Assistance_LIHEAP/2022%20LIHEAP%20State%20Plan_FINAL%20Approved.pdf (hereinafter 2022 LIHEAP State Plan).

⁵⁹ 2022 LIHEAP State Plan at B-21 (emphasis added).

Commission orders PGW to make specific changes to its income documentation requirements, PGW should accurately and clearly reflect any changes in income documentation policies in public facing materials, including website information and CRP brochures. PGW should also provide updated training for customer service representatives and community-based organizations who assist with CRP applications.

In addition, PGW should update its CRP application to clearly state its income documentation standards. The current language on the CRP application states: “[a]ttach copies of current income documentation for all household members listed above (e.g. all paystubs within last 30 days, social security letter). PGW will use this documentation to calculate each household member’s average gross monthly income, using year-to-date earnings.”⁶⁰ This language is confusing at best, and does not adequately notify applicants what to include with their application.

iii. Identification Documentation

As detailed in PGW’s USECP, PGW requests a copy of the social security card for each household member listed on the application.⁶¹ PGW further sets forth that customers who do not have a social security card, PGW will accept other identification – for adults, this would include a driver’s license number or an Individual Tax Identification Number (ITIN), and for children, this could include a school roster or a public assistance benefits letter.⁶² In its Order, the Commission asks PGW to identify what other identification might be accepted.⁶³ In all, PGW identifies the following forms of identification as acceptable, in lieu of a social security card.⁶⁴

⁶⁰ See CRP Application included with PGW Responses.

⁶¹ Proposed 2023 USECP at 11.

⁶² Proposed 2023 USECP at 12.

⁶³ Order at 31.

⁶⁴ Proposed 2023 USECP at 12; PGW Responses at 13.

- For an adult: State issued driver's license number, ITIN, Philadelphia identification card, social security number, H1B Visa number, Passport number
- For a child: school roster, public assistance benefits letter, ITIN, Philadelphia identification card, social security number, H1B Visa number, Passport number; hospital birth certificate (newborn less than 6 months old)

The Low Income Advocates have several concerns with PGW's requirements. First, it appears that PGW requires a copy of the applicant's social security card, and only accepts a social security number as an alternative form of identification. However, this requirement is not included on PGW's paper application, and appears to run contrary to Commission regulation and prior Commission Order.⁶⁵ The Low Income Advocates question why PGW requires consumers to produce a social security card (or number) to enroll in CRP. CRP applicants are already customers of PGW and should not need to produce further proof of identity to enroll in PGW's CRP. The requirement needlessly exposes sensitive customer information and serves as an unreasonable barrier for those without a social security number. At the very least, the Commission should direct PGW to update its USECP to eliminate the requirement that an applicant produce a copy of their physical social security card (as opposed to requesting a social security number), and update its online application to match the requirement of its paper application.⁶⁶

In addition, PGW's list of acceptable forms of identification does not seem to be comprehensive. For example, PGW refers to drivers' licenses but does not list state issued identification cards. The Commission should require PGW to clarify and to make clear on public

⁶⁵ See 52 Pa. Code § 56.32(c); see also Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2014 -2016 Submitted in Compliance with 52 Pa. Code § 62.4, Order, Docket No. M-2013-2366301, at 19-20 (Final Order entered Aug. 22, 2014). By contrast, PGW's online application requires applicants to upload a social security card. This requirement can be circumvented by uploading a picture of a social security number written down.

⁶⁶ This would be consistent with previous Commission orders on this topic. With regards to PGW's 2014-2016 USECP, the Commission strongly recommended that PGW inform customers on the CRP application that SSNs are not required. See Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2014-2016 Submitted in Compliance with 52 Pa. Code § 62.4, Order at 20 (Aug. 21, 2014), *available at* <https://www.puc.pa.gov/pcdocs/1306832.docx>.

facing materials what alternate documentation could be provided. As with income documentation, that list should not be exclusive. PGW should be required to accept any documentation that accurately shows an individual's identity.

Moreover, nowhere on the face of PGW's paper application is there an indication that the social security number is not required and alternative documentation could be provided. The requirement to provide a social security number likely discourages potential CRP applicants who do not have a social security number from applying. The Low Income Advocates suggest that the Commission direct PGW to include language on its applications (paper and online) that explicitly states that social security numbers are optional and alternative documentation could be provided. Doing so would make CRP more accessible to populations in Philadelphia, including immigrants, who may not have social security numbers but could provide alternative documentation.⁶⁷

PGW's USECP also states, "PGW will require a copy of the social security card for *each household member* as part of its periodic review of CRP applications to prevent fraud (rather than requiring them at the time of application)."⁶⁸ This requirement is inconsistent both with PGW's own statements that social security numbers and cards are not requirements to enroll in CRP, and with the CAP Policy Statement's guidance that a "utility may request, but not require, Social Security numbers (SSNs) to verify identity."⁶⁹ The Commission should require PGW to strike this language from its USECP or explain what other documentation a household could provide at the periodic review stage in lieu of social security cards.

⁶⁷ Requiring clarity on PGW's CRP application is also consistent with CAP Policy Statement guidance, which states that "[t]he utility should clearly explain the identification options on CAP applications and other communications." 52 Pa. Code § 69.265 (8)(ii)(A).

⁶⁸ Proposed 2023 USECP at 12.

⁶⁹ 52 Pa. Code § 69.265 (8)(ii)(A).

iv. Use of External Sources to Verify Household Composition and Income.

PGW's Proposed 2023 USECP includes language that requires CRP participants to authorize PGW to use external sources to verify household composition and income.⁷⁰ This is reflected on the bottom of the CRP application, which includes a lengthy notice that PGW may use internal and third party sources to audit and assess information and documentation provided by applicants. PGW also includes a section in its USECP on CRP periodic review, where it states that "PGW conducts reviews of CRP accounts utilizing credit reporting agencies to verify residency and perform death audits."⁷¹ The Commission, in its Order, asks PGW to clarify how it uses external sources to verify income and household composition, and if the process has changed since PGW's 2017 USECP proceeding.⁷² PGW's response is that it has made no changes, and that PGW does not use unregulated data brokers or credit reports to verify household composition and income.⁷³

Given that PGW is not using credit reports or unregulated data brokers, the Commission should direct PGW to strike all language about credit reporting bureaus from its USECP. PGW's response also lacks sufficient detail about other external sources. Is PGW using other external sources? If so, which ones? How is it using those sources?

The lack of clarity from PGW raises several concerns. First, unclear program requirements and notices that may alarm customers, like the language at the bottom of the CRP application, could deter people from applying for CRP. To the extent PGW includes language regarding the

⁷⁰ Proposed 2023 USECP at 7.

⁷¹ Proposed 2023 USECP at 14.

⁷² Order at 26.

⁷³ PGW Responses at 7.

use of third-party sources, it must be accurate and specific in order for customers to knowingly agree. Second, if PGW is utilizing third-party sources to verify or question customer-provided information, that use raises concerns under the Fair Credit Reporting Act. The Commission previously considered the use of similar “consumer reports” by PECO Energy Company in its August 11, 2016 Order in the matter of PECO’s Universal Service and Energy Conservation Plan for 2016-2018.⁷⁴ As in that proceeding, the Commission should ensure that PGW is aware that its use of such information requires PGW to comply with the Fair Credit Reporting Act. PGW should also be directed to file annual reports regarding its use of such consumer reports, identifying the frequency of use, number of customers involved, the results of use (i.e., was customer information verified or unverified, how many customers were removed from CRP, etc.), and the cost to PGW of utilizing third party reports.

v. Treatment of Unearned Income of a Minor

PGW clarifies in response to the Commission’s Order that it calculates household income using all adult income in the household, including unearned income of a minor.⁷⁵ As the Commission notes in its Order, the Public Utility Code defines household income as “the combined gross income of all adults in a residential household who benefit from the public utility service.”⁷⁶

⁷⁴ PECO Energy Co. Universal Serv. & Energy Conservation Plan for 2016-2018 Submitted in Compliance with 52 Pa. Code §§ 54.74 & 62.4., Docket No. M-2015-2507139 (order entered Aug. 11, 2016).

⁷⁵ PGW Responses at 8.

⁷⁶ Order at 26 (citing 66 Pa. C.S. § 1403).

The Low Income Advocates support limiting household income calculation to adult household income, consistent with the statutory definition of “household income” enshrined in the Public Utility Code.⁷⁷

As the Commission has noted, omitting minor household members’ income would facilitate consistency between the Commission and utilities and among utilities.⁷⁸ PGW states that “it does not have sufficient data to analyze the cost of implementing this modification, which is likely to be significant.”⁷⁹ The implication seems to be that excluding the income of minors in the household will increase access to CRP, presumably because more households would be eligible if unearned child income is excluded from the eligibility determination for CRP. Families that receive child support, SSI, and SSDI are subject to unique vulnerabilities. The Low Income Advocates submit that, in addition to clear statutory directives to exclude child income (earned and unearned), strong public policy considerations also support adoption of policies that will ensure such families are able to access adequate levels of assistance to reduce energy costs and maintain service to their home. Of course, improving access to CRP for uniquely vulnerable households would have the added benefit of helping to reduce uncollectible expenses, increase ability to maintain service (and reduce terminations), and may substantially improve payment patterns.

Single parent families that are reliant on child support are among the most vulnerable, and face substantially higher affordability gaps. According to the Pathways PA Self Sufficiency study,

⁷⁷ 66 Pa. C.S. § 1403 (“ ‘ Household income.’ The combined gross income of all **adults** in a residential household who benefit from the public utility service.” (emphasis added)).

⁷⁸ Order at 27.

⁷⁹ PGW Responses at 8.

households with children are at the greatest risk of not meeting their basic needs, especially for single parent households led by women of color:

The presence of children, especially young children, in a household almost doubles the likelihood of having inadequate income. The combination of being a woman, having children, and solo parenting is associated with the highest rates of income inadequacy – particularly for single mothers of color.⁸⁰

Excluding child support from the eligibility determination for CRP will help improve access to services for those most in need and will help improve equity in access to relief.

It is also important to recognize that there are many instances in which child support may be awarded, but not paid (either in part or in whole). In other words, receipt of child support in one month is not a guarantee that the household will receive child support in subsequent months. According to the US Census Bureau, in 2017, approximately two-thirds (69.3%) of custodial parents were owed child support from the non-custodial parent.⁸¹ The proportion of custodial parents who were supposed to receive child support payments, but received none, has increased over time from 24.2% in 1993 to 30.2% in 2017.⁸² Excluding child support from the calculation of income will help ensure single parent households are better able to meet their child's basic needs – including home heating and energy services.

Exclusion of SSI and SSDI received on behalf of a minor child likewise serves an important public policy goal – helping to support access to affordable energy services for children who are disabled themselves or who have a disabled parent. When SSI or SSDI is issued for a minor child, that child and their family are most often experiencing extreme economic and personal

⁸⁰ PathWays PA, Overlooked and Undercounted, available at: <https://pathwayspa.org/2020standard/overlooked/>.

⁸¹ US Census, Child Support Payments Received by Custodial Parents (Jan. 30, 2018), available at: <https://www.census.gov/library/visualizations/2018/comm/child-support.html>.

⁸² Id.

hardship. Indeed, children are only eligible for SSI if the child has a physical or mental condition that “very seriously limits his or her activities” and that is expected to last at least one year or result in death.⁸³ Parents of children with such severe disabilities face unique economic and other interpersonal challenges that make it harder – and more expensive – to navigate day to day life and meet basic needs. Similarly, for a child to receive SSDI benefits, the child’s parent must have a disability that significantly limits the ability of the parent to do basic work-related activities for at least one year.⁸⁴ Disabled parents with children also face unique economic, medical, and mobility challenges which make it more difficult and expensive to meet basic needs.

For all of the foregoing statutory and public policy reasons, the Low Income Advocates submit that PGW should not be permitted to utilize earned or unearned income of a minor to determine CRP eligibility.

vi. Zero Income

PGW requires customers who report zero income and no other means of financial support to complete an assessment, in addition to the CRP application, to describe how they meet basic expenses. Those customers are also required to recertify every six months for as long as they report zero income.⁸⁵

The Commission addresses PGW’s policies regarding zero-income customers and requests further information as to what is included in the assessment, and to explain how ongoing support

⁸³ Social Security Administration, Supplemental Security Income for Children, available at: <https://www.ssa.gov/benefits/disability/apply-child.html#:~:text=SSI%20provides%20monthly%20cash%20payments,may%20be%20eligible%20for%20SSI>

⁸⁴ Social Security Administration, Disability Benefits, available at: <https://www.ssa.gov/benefits/disability/>.

⁸⁵ Proposed 2023 USECP at 13.

from friends and family is documented.⁸⁶ PGW references the CRP application, which requires CRP applicants to explain why any adults in the household (18 or older) do not have an income, providing examples such as unemployment ending or attending school.⁸⁷ PGW further states that the online application provides applicants a space to provide an explanation of current circumstances.⁸⁸

The Low Income Advocates suggest that these answers do not fully address the Commission's concerns. It remains unclear how applicants who use PGW's paper application are able to indicate how they meet basic living expenses. The Low Income Advocates support the use of the Commission's Zero Income Form or a similar form and suggest that such a form be included with the application to reduce the need for follow up documentation requests which can add substantial time to the application process. PGW is not clear in its response whether payments from a third party directly to rent or other expenses would be considered financial assistance, or would fall under the zero-income assessment.⁸⁹

The Low Income Advocates submit that it is not necessary to ask households to justify why additional adults in the household do not have income. A household is not "zero income" if there is income reported in the household. Household members may simply be doing unpaid work necessary to support the household, such as child care or addressing a health issue. These details are not relevant to the household's eligibility for CRP. To the extent the Commission deems it appropriate to continue to ask for explanation on the CRP application for why a household member, PGW should not require submission of additional documentation to prove lack of income,

⁸⁶ Order at 28-29.

⁸⁷ PGW Responses at 9.

⁸⁸ PGW Responses at 9.

⁸⁹ PGW Responses at 9.

as it is difficult – if not impossible – to prove a negative such as this. Such a requirement also acts as a barrier for households attempting to access or remain on CRP.

D. Reenrollment and Recertification

i. LIHEAP Recertification

In its Order, the Commission notes that PGW’s Proposed 2023 USECP is internally inconsistent regarding the recertification timeframe for LIHEAP recipients.⁹⁰ In response, PGW provides a somewhat confusing explanation, stating that CRP customers are granted a 2-year recertification waiver if they apply for LIHEAP and assign the grant to PGW, but are required to recertify at least once every three years.⁹¹ The Commission should require PGW to clarify its language in its Proposed 2023 USECP to make clear that receipt of LIHEAP places a CRP customer on a three-year recertification timeline.

ii. Recertification time frames

In general, PGW requires CRP enrollees to recertify every 2 years (6 months for zero income).⁹² The CAP Policy Statement recommends that utilities recertify zero income customers every six months, LIHEAP recipients every three years, and fixed income customers (social security, SSI and pension recipients) every three years.⁹³

Income documentation requirements are burdensome and can be a barrier to recertification for *all* eligible customers. PGW should extend the recertification timeline to three years for all customers, with the limited exception for households with zero income. Low-income customers

⁹⁰ Order at 25.

⁹¹ PGW Responses at 6.

⁹² Proposed 2023 USECP at 13.

⁹³ See 52 Pa. Code § 69.265(8)(viii).

struggle to gather and submit documents, as they often lack access to the internet, printers, fax machines, and other communication tools necessary to comply with income documentation requirements.⁹⁴ Extending recertification timelines ensures that customers who need CRP to afford their bills are not unnecessarily removed from the program.

iii. Calculation of CRP Cure

In its Proposed 2023 USECP, PGW includes a "CRP Cure" process to allow former CRP participants to reenter the program by paying a "cure" amount - calculated as the difference between the amount actually paid and the CRP charges that would have been incurred if the participant remained in CRP.⁹⁵ The Low Income Advocates support the use of a CRP cure. However, PGW states that if at the time of reenrollment the customer reports a change in income, PGW will require documentation of the changed income, and will recalculate the cure amount from the date of the income change. This policy creates unnecessary complexity. PGW should use current income, as documented in the CRP application, to calculate the cure amount for all months in the cure period. In other words, PGW should use the household's currently reported income to calculate both the CRP cure payments and the forward-going CRP rates. This is not only more administratively expedient, it is also reflective of the household's ability to pay at the time they seek to reenter the program.

Additionally, PGW should re-enroll customers in CRP at the earliest possible date. For example, when a customer receives grant assistance – whether through UESF, LIHEAP, or another source – to cover a CRP cure amount, PGW should allow reenrollment in CRP as soon as it is

⁹⁴ See, e.g., Lynette Hazelton, Bridging the digital divide: An equity saga, Generocity, June 17, 2021, available at: <https://generocity.org/philly/2021/06/17/bridging-the-digital-divide-an-equity-saga/>.

⁹⁵ Proposed 2023 USECP at 6.

informed that the grant is approved. Utility Emergency Services Fund (UESF) grants in particular are made using PGW's own hardship funds. However, grants received through UESF can take more than 90 days to process and post to a customer's account. PGW should not require a customer to wait to reenroll in CRP until the grant posts, when a customer has already been approved for funds and PGW has been notified of the grant. Unlike standard payments, the time it takes UESF or any other grant agency to send money to the utility is not within the control of the applicant. The Commission should require PGW to reenroll customers in CRP once it has received notification of the grant amounts and verified that they cover the cure amount due.

iv. Retroactive Arrearage Forgiveness

PGW's Proposed 2023 USECP states that PGW will provide retroactive forgiveness for any months of arrearage forgiveness missed once the customer pays the asked to pay bill in full.⁹⁶ The Low Income Advocates suggest that customers who make any catch up payments while still enrolled in CRP, even if not fully covering the months owed, should be provided with arrearage forgiveness for the number of months the customer did catch up on. Making this change would promote customer payments, even if customers are not able to cover the full in CRP arrears amount.

In addition, for customers reenrolling in CRP through payment of a CRP cure, PGW states that it will "provide retroactive arrearage forgiveness for months outside of the program once the customer satisfies the CRP cure amount in full." Implicit in this assertion is that a customer will receive retroactive arrearage forgiveness for each month outside CRP – not just those covered by a final cure payment. However, it is not clear that PGW has implemented this provision

⁹⁶ Proposed 2023 USECP at 6.

appropriately, and the Low Income Advocates request that the Commission require PGW to ensure that PGW provides retroactive forgiveness for each missed month (not just the month covered by the final cure payment), as described in its USECP.

In addition, for each month of arrearage forgiveness received, a customer's total number of months of arrearage forgiveness should be reduced – regardless of whether a customer has experienced a gap in CRP enrollment. For example: a customer enrolls in CRP for the first time, makes 20 months of full payments over 24 months and then fails to recertify. At that point, that customer should have received 20 months of arrearage forgiveness. If they then re-enroll a month after failing to recertify, their cure amount should be equal to 5 months of CRP bills. Once paid, the customer should earn 5 months of arrearage forgiveness, for a total of 25 months. The customer's remaining pre-program arrearage should then be forgiven with 11 months of CRP payments.

In practice, however, PGW “resets the clock” on arrearage forgiveness once a customer re-enrolls, requiring the customer to start over and make 36 months of CRP payments to completely eliminate pre-program arrears. Furthermore, PGW increases the amount of the returning CRP customers arrears by the difference between the CRP cure and the bills issued under residential rates while the customer was not enrolled. As a result, the amount of pre-program arrears can be a moving target and customers' ability to eliminate them can take far longer than 36 months. The Commission should require PGW to ensure that it provides arrearage forgiveness over 36 months of CRP participation, including months cured upon reenrollment. Likewise, the Commission should prohibit PGW from adding charges to preprogram arrears upon re-enrollment.

E. *Other CRP Issues*

v. Appeals

The CAP Policy Statement sets forth that a utility should establish an appeal process for program denial as follows:

(i) If the CAP applicant is not satisfied with the utility's initial eligibility determination, the utility should use utility company dispute procedures in §§ 56.151 and 56.152 (relating to general rule; and contents of the public utility company report).

(ii) The CAP applicant may appeal the denial of eligibility to the Bureau of Consumer Services in accordance with §§ 56.161—56.165 (relating to informal complaint procedures).⁹⁷

PGW does not provide an example letter showing a CRP program denial, and nowhere in its provided brochures or on its website does PGW clearly provide notice that CRP denials can be challenged through PGW's dispute procedures and further appealed to BCS. The Low Income Advocates believe this procedural right is important, and should be clearly indicated and explained on PGW's CRP denial letter, as well as in CRP program materials. The Commission should direct PGW to provide a copy of its denial letter and require PGW to clearly explain the right to dispute and appeal a denial.

vi. Refund of Security Deposits

As noted by the Commission, both statute and Commission regulation prohibit requiring a cash deposit for utility service from applicants or customers who are income eligible for a CAP.⁹⁸ Additionally, PUC regulations also state that a public utility must “refund a deposit,

⁹⁷ 52 Pa. Code § 69.265 (7).

⁹⁸ See 66 Pa. C.S. § 1404(a.1); See also 52 Pa. Code § 56.32(e).

along with any applicable interest, within 60 days upon determining that the customer or applicant from whom a deposit was collected is not subject to a deposit [...].”⁹⁹ As such, in its Order, the Commission directed PGW to describe its policy and procedures regarding waiving or refunding security deposits for customers with income at or below the eligibility limit for CAP.¹⁰⁰

In response, PGW states that prior 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.”¹⁰¹ In other words, PGW applies the security deposit to arrears that are eligible to be frozen and forgiven through CRP. PGW further explains that its Account Management Department receives an exception report that identifies CRP accounts that owe or have paid a deposit that was not subsequently refunded, and that if such cases are identified, the deposit is removed (waived) or refunded.

It appears that PGW has no clear process to release security deposits held for low-income households that are not enrolled in CRP, who are known to be low-income due to prior income verification with PGW, and/or receipt of funding or assistance via LIHEAP grant, LIURP services, or a level 1 payment arrangement. PGW’s lack of a clear process is inconsistent with Commission regulations and relevant statutes prohibiting utilities from requiring a security deposit for applicants and customers who are income eligible for CRP. The Low Income Advocates thus submit that security deposits plus any accrued interest must be returned to

⁹⁹ See 52 Pa. Code § 56.32(f).

¹⁰⁰ PUC Order at 23.

¹⁰¹ PGW Response at 4.

consumers or applied to the “ask to pay” CRP amount as opposed to being applied to pre-program or deferred arrears as is PGW’s current operational policy.

PGW’s current policy regarding “on-hand” deposits applies such amounts to the account balance pre-CRP activation. As discussed earlier, the Commission’s regulations and statutory authority prohibit the requirement of a security deposit from applicants or customers who are income eligible for CRP. As such, PGW should be directed to change its current policy so as to be in line with Commission regulation. While also being in line with Commission regulation, this change in policy would allow for first-time CRP enrollees and/or subsequent CRP enrollees who have already had their “one bite at the apple” as it relates to arrearage forgiveness to benefit from application of the security deposit to any current and outstanding balance on their CRP bill. Further, this application to the “ask to pay” CRP amount would put these CRP-eligible customers in the same position as if they had not been improperly charged a security deposit at the outset. The Low Income Advocates urge the Commission to direct PGW to change its policy so that any security deposits (plus any accrued interest) that are improperly collected from CRP income eligible applicants and customers be returned to consumers or applied to the “ask to pay” CRP amount.

vii. CRP Final Billing

In its Order, the Commission requested that PGW describe its CRP Final Billing policy and explain whether the policy has changed since the Commission’s CAP Final Billing proceeding.¹⁰² The Commission also directed PGW to address how its Final Billing practices reflect compliance with the relevant statutes and regulations as was discussed in the

¹⁰² PUC Order at 22.

Commission's CAP Final Billing Order.¹⁰³ As noted by the Commission, PGW does not describe its final CRP billing practice in its Proposed 2023 USECP, but did describe its CRP Final Billing practice in the Commission's CAP Final Billing proceeding, as is discussed further below.

In March 2020, the Commission issued the *Staff Review of Customer Assistance Program Final Billing Methods* order (CAP Final Billing Order) which details how the various electric and natural gas public utilities calculate final CAP bills, summarizes stakeholder input, and notes the existing statutory and regulatory framework relating to billing.¹⁰⁴ The specifically identified statutory and regulatory provisions include:

Section 1303, 66 Pa. C.S. § 1303, provides that public utilities must bill their customers for service rendered. Section 56.11(a) of Commission regulations, 52 Pa. Code § 56.11(a), require that a public utility render bills every billing period. Utilities are henceforth on notice that these statutory and regulatory provisions will be applied to the facts in all matters wherein we are called upon to review specific final CAP bills or recovery of universal service costs. Further, Section 1303 provides that public utilities are to compute bills under the rate most beneficial to the customer. *Generally speaking, it would appear that the starting point for any specific inquiry regarding the bill for usage in a partial final billing period as a CAP participant should be a comparison between a residential tariff rate calculation for energy consumed and the CAP price prorated for the number of days of service in the billing period.* The other items on a bill such as true-ups, arrears, arrearage forgiveness, third-party assistance such as LIHEAP, and CAP credits and limits are separate considerations dependent on the customer's payment history and the utility's CAP provisions. We shall address how the energy utilities describe their final billing practices for CAP customers in utility-specific proceedings.¹⁰⁵

In Joint Comments to the Commission's Staff Review of CAP Final Billing Methods, the Low Income Advocates set forth a series of overarching principles, which we believe should guide decisions regarding CAP Final Billing policies:

¹⁰³ Id.

¹⁰⁴ Staff Review of Customer Assistance Program (CAP) Final Billing Methods, Order (CAP Final Billing Order), Docket No. M-2019-3010190 (March 12, 2020).

¹⁰⁵ CAP Final Billing Order at 22 (emphasis added).

- (1) Affordability must be the primary goal of any CAP final bill policy solution.
- (2) Charges on a final CAP bill should not exceed actual usage.
- (3) CAP customers should remain in CAP after service is terminated or discontinued.
- (4) CAP final bills should not include a budget bill true-up amount.
- (5) CAP final bills should clearly indicate the amount needed to restore service.¹⁰⁶

In those Joint Comments, we noted that a household remains a customer of a public utility for 30 days after service is terminated or discontinued, and that CAP customers should remain in CAP and should receive the full benefits of CAP on their Final Bill.¹⁰⁷ It is through this policy lens that we recommend changes to PGW's CAP Final Bill policy.

In its Proposed 2023 USECP filing, PGW does not describe its Final Billing practice but PGW previously stated in the CAP Final Billing proceeding that "a CRP Final Bill is based on the residential tariff rate for the billing period."¹⁰⁸ Additionally, in the CAP Final Bill proceeding, PGW stated that it does not apply CRP credits to a customer's Final Bill.¹⁰⁹ Further, in its supplemental response in this proceeding, PGW states that:

The 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 "Final Bill") 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. The total Final Bill includes all debt owed by the customer, including current usage at the full tariff rate, unsatisfied pre-program arrears, and unpaid CAP bills. If the customer seeks reconnection and reinstatement on CAP, they must pay only the unpaid CAP bills. PGW's CAP Final Bill process has not changed since the Bill Order. The consumer is no longer a CAP customer at final billing.

PGW Responses at 3.

¹⁰⁶ Id. at 15.

¹⁰⁷ Id.

¹⁰⁸ Id. at 7.

¹⁰⁹ Id. at 7-8.

PGW's current Final CAP billing policy requires several important modifications to ensure consistent and affordable results for low-income customers. We outline these recommendations in turn.

a. PGW's Final CAP Bill Calculation

First, the Low Income Advocates disagree with PGW's contention that a consumer is no longer a CAP customer at final billing. Again here, the Low Income Advocates maintain that a household remains a customer of a public utility for 30 days after service is terminated or discontinued, and that CAP customers should remain in CAP and should receive the full benefits of CAP on their Final Bill.¹¹⁰ As such, the Low Income Advocates disagree with PGW's current CAP Final Bill policy which states that the "[t]he total Final Bill includes all debt owed by the customer, including current usage at the full [residential] tariff rate, unsatisfied pre-program arrears, and unpaid CAP bills."¹¹¹ The Low Income Advocates disagree with this methodology and propose the alternative methodology described below.

b. Proposed CAP Final Bill Calculation

PGW's current CAP program is a Percentage of Income Program or PIPP. The Low Income Advocates support PGW's continued use of the PIPP as a program design. CAP bills through the PIPP are tied to a percentage of household income as opposed to a tariff rate. Public utilities are statutorily obligated to "compute bills under the rate most advantageous to the patron." The Low Income Advocates submit that for calculation of the final CAP bill, PGW should be directed to compare the CAP bill ("CAP bill, pro-rated" or "PIPP bill, pro-rated") to the residential tariff rate bill ("residential tariff rate bill") for the days service is connected for

¹¹⁰ *Id.* at 15.

¹¹¹ PGW Responses at 3.

the final month, and charge the lesser of the two. The final CAP bill should identify this amount, the amount of previously unpaid CAP bills issued to the customer, and the remaining amount of PPA arrearages for which the customer is responsible. Otherwise, PGW's CRP customers will not be able to recognize, from the Final Bill, the extent to which they are behind on CRP, and the potential benefit associated with curing unmissed payments and re-entering the program.

c. Treatment of Pre-program arrears on Final Bill

In Comments to the Commission's Staff Review of CAP Final Billing Methods, at docket M-2019-3010190, PGW indicated that "[t]he Final Bill includes all debt owed by the customer including the current usage at the full tariff rate, unsatisfied PPAs, and unpaid CAP bills. If the customer seeks reconnection and reinstatement on CAP, they must pay only the unpaid CAP bills." PGW further states:

PGW's CAP does not include a budget true-up or credit limits. PPA forgiveness related to the Final Bill amount is not provided prospectively on the Final Bill, or subsequently if the Final Bill is paid in the future. However, a customer will receive PPA forgiveness for all satisfied prior CAP bills upon re-entry into the program.¹¹²

As set forth in PGW's comments, PGW does not treat payment of a CRP customer's Final Bill in the same way that it treats payment of any other CAP bill. Instead, PGW withholds PPA forgiveness for payment of a Final Bill amount, even upon re-entry to CRP. PGW explains that PPA forgiveness is limited to "all satisfied *prior* CAP bills," and is not earned upon payment of the Final Bill. The Low Income Advocates submit that PGW's differential treatment of CAP Final Bill payments is inequitable and without reasonable basis. Instead, the Low Income Advocates submit that PGW should treat its CAP Final Bill in the same fashion as it treats any preceding CAP bill. Upon payment of the CAP Final Bill, the CRP customer should earn PPA

¹¹² PGW Comments, CAP Final Billing Methods, at Docket M-2019-3010190.

forgiveness in like fashion as payment of any other CAP bill.¹¹³ Because PPA forgiveness is tied to the payment, and not the amount, of the CAP bill (or duration of service reflected therein), the Low Income Advocates submit that PPA forgiveness associated with Final Bill payment should not be prorated. Once implemented, this improvement will incentivize payment and promote administrative simplicity.

Ultimately, the Low Income Advocates submit that CRP charges for the final billing month (or portion thereof, as described above), CRP cure amount, and remaining PPA forgiveness should be separately identified on the Final Bill. This improvement will ensure that low-income, CRP-eligible customers, receive clear information that informs them of what is required in order to resume participation in CRP.

viii. Outreach and Education Program

In its Order, the Commission requested PGW provide clarification about its Outreach and Education Plan – specifically, which initiatives were new and which represented existing, ongoing practices to help the most vulnerable customers (identified as customers with income at or below 50% FPL, customers who have limited English proficiency, and households impacted by COVID-19).¹¹⁴ In addition, the Commission requested information on how PGW chose languages for translation of its CRP application.

The Low Income Advocates recognize PGW’s efforts to increase awareness of its programs, and offer a few suggestions that could improve PGW’s outreach and education. Most

¹¹³ Although not explicitly addressed in the Commission’s CAP Final Billing Order, the Low Income Advocates submit that, in general, the Order recognizes that PPA forgiveness is credited upon payment of the previously issued CAP bill. Order at 21 (“If..the customer has made the prior month’s payment, then PPA forgiveness based on that prior month’s payment has been earned and should be tallied...”). The Low Income Advocates’ recommendation, that PPA forgiveness be earned in respect of the Final Bill, once paid, is consistent with this recognition.

¹¹⁴ Order at 32.

importantly, PGW's outreach and education must be paired with efforts to streamline and simplify its application processes, and to coordinate more effectively with partner agencies across PGW's service territory that provide services to low-income Philadelphians.

The Low Income Advocates recognize PGW's willingness to translate materials into numerous different languages, and encourage PGW to continue to build on its outreach to limited English proficient households and communities, through neighborhood-based outreach and in partnership with community organizations that work with LEP households. The Low Income Advocates urge PGW to consider translating additional documents, especially CRP approval and denial letters. Translating applications is a step in the right direction, but applicants should also be able to understand the decision PGW has made on their CRP application, and their rights and responsibilities related thereto.

We further recommend that PGW utilize zip code and neighborhood-based data on indicators of need that go beyond concentrations of poverty. For example, PGW should look at zip code level data on arrears, payment arrangements, shutoff notices and terminations, and CAP enrollment. PGW could look to target outreach to neighborhoods with low levels of CRP enrollment but high levels of arrears, shutoff notices, and/or terminations. PGW does include a list of target zip codes in its Consumer Education and Outreach Plan, but makes no mention of how or why those specific zip codes are being targeted.¹¹⁵

PGW should also utilize data regarding CRP and Hardship Fund applications to inform and target outreach. PGW should track, geographically and by reason, application approvals and denials for CRP and Hardship Fund grants, as well as program removals for CRP. Doing so would

¹¹⁵ Proposed 2023 USECP at 47.

allow PGW to assess the barriers that application requirements impose on low-income customers who are attempting to access its universal service programs. Further, PGW should examine to what extent the denials and removals are due to customers being ineligible (over income) and to what extent customers are being denied or removed because of documentation issues, failure to complete their applications, or difficulty submitting applications. If a significant portion of PGW's application denials and program removals are due to application issues or document requirements, then PGW should examine how it can improve the accessibility of its application and streamline documentation requirements. As part of its outreach work, PGW should also solicit feedback from community groups and stakeholders, including the CBOs that assist with CRP applications, on how they can make their applications more accessible.

The CAP Policy Statement specifically provides that consumer education and outreach plans should include “specific efforts to educate and enroll eligible and interested customers at or below 50% of [FPL].” However, PGW's plan does not contemplate steps PGW could take to ensure these very low-income customers not only are aware of CRP, but are actually able to enroll. Many of the application barriers discussed throughout these Comments are magnified for households with income below 50% FPL. Households in this lowest income tier struggle to access and maintain the technology and internet needed to apply online, often lack access to public or private transportation, and may struggle more profoundly to comply with various stringent documentation requirements. The recent Philadelphia Household Internet Assessment Survey, conducted by the City of Philadelphia in 2021, found that nearly 1 in 3 (29%) of Philadelphia households with income at or below \$20,000 do not have access to home internet services.¹¹⁶

¹¹⁶ City of Phila., Understanding the Digital Divide: Philadelphia's Report on Digital Access, available at: <https://www.phila.gov/2021-10-20-understanding-the-digital-divide-philadelphias-report-on-digital-access/>.

Moreover, a disproportionate percentage of Spanish-speaking Philadelphians (33%) reported having no access to internet services in their home, compared to 17% of English-speaking households. The Low Income Advocates submit that approving our recommendations to remove barriers to apply for assistance would help PGW to improve its ability to effectively reach very low-income customers (those at or below 50% of FPL) and households with limited English proficiency – two uniquely vulnerable populations that have traditionally been underserved.

As discussed above, PGW has also recently decided to permanently close its neighborhood-based customer service centers. This has reduced CRP application pathways. It is imperative that PGW build on the partnerships it cites in its outreach and education plan to not only inform customers about PGW’s low-income assistance programs, but also to create opportunities for customers to get information about their accounts and submit CRP applications and follow up documentation in their own neighborhood. There are a number of ways PGW could do this, including:

- contracting with neighborhood organizations to accept and process CRP applications;
- creating ways for neighborhood based organizations to more easily submit applications on behalf of clients; or
- sending mobile customer service staff to “pop-up” in person in neighborhood spaces such as organizations, the offices of elected officials or even recreation centers or schools.

PGW also cites a partnership with Benefits Data Trust in its Plan.¹¹⁷ Benefits Data Trust runs the BenePhilly hotline that Philadelphia residents can call to get assistance with a variety of public benefits applications. The Low Income Advocates encourage PGW to consider whether

¹¹⁷ Proposed 2023 USECP at 49.

BenePhilly could add CRP to the list of benefits it can assist with over the phone, especially given PGW's indication that it has an existing partnership with Benefits Data Trust.

In sum, the Low Income Advocates note that PGW's Consumer Education and Outreach Plan seems primarily focused on informing Philadelphians about CRP and its benefits. This is of course an important first step in boosting enrollment in PGW's low-income programs, but will be insufficient if customers are unable to apply for and access these programs. PGW should look for ways to both focus its outreach and expand access to its program through partnerships across Philadelphia.

IV. LOW-INCOME USAGE REDUCTION PROGRAM

In its Proposed 2023 USECP, PGW advances several proposals to amend its Low-income Usage Reduction Program (LIURP), known as Home Comfort. PGW proposes to maintain and/or add several pilot programs, including its Low-income Multifamily Efficiency (LIME) pilot, Health and Safety pilot, and a new Repair and Renew pilot. PGW proposes to fund these pilots from its existing LIURP budget. PGW also requested a continuation of several regulatory waivers of Sections 52 Pa. Code §§ 58.2 and 58.11(a), though it did not file a Petition outlining the reasons for this request pursuant to 52 Pa. Code § 58.18. Pursuant to the Commission's June 16, 2022 Order, PGW filed additional information in support of its Home Comfort proposals, though key aspects of PGW's Home Comfort proposals remain unclear.

The Low Income Advocates' comments in response to PGW's Home Comfort proposals are as follows. For ease, we have organized our comments to align with the issues identified in the Commission's Order.

A. LIME Pilot Program

PGW proposes to continue its Low-income Multifamily Efficiency (LIME) Pilot for the duration of its 2023-2027 USECP. The LIME pilot provides efficiency and weatherization services to multifamily properties if 75% of the buildings' gas usage comes from tenants with income at or below 150% of the FPL. PGW proposes to spend \$120,048 annually on LIME, with discretion to spend up to \$140,000 in a year if the Home Comfort budget does not exceed \$7,988,818.¹¹⁸ PGW indicates that it intends to target buildings for LIME services that receive Section 8 housing vouchers or have Low-Income Housing Tax Credits, and indicates that the pilot is open to both master metered and individually metered properties.¹¹⁹ PGW projects serving just two multifamily buildings per year.¹²⁰ In the needs assessment section of its Proposed 2023 USECP, PGW explains that it based its Home Comfort projections on its treatment activity from 2017 –2020, during which it reported completing 26 LIME projects – or 8.6 jobs per year.¹²¹

In its Order, the Commission directed PGW to clarify what types of forms or contracts are provided to multi-family property owners and occupants and the types of measures installed as a part of its LIME program.¹²² In response, PGW provided a copy of a program fact sheet and its landlord consent form – which appears to be a separate form from its general Home Comfort landlord consent form.¹²³ PGW also provided a list of possible measures - including heating, hot water, building shell, and custom measures - and indicates that the actual measures installed in a LIME job depend on cost-effectiveness.¹²⁴

¹¹⁸ Order at 34; Proposed 2023 USECP at 18-19.

¹¹⁹ Order at 34; Proposed 2023 USECP at 35.

¹²⁰ Proposed 2023 USECP at 21.

¹²¹ Proposed 2023 USECP at 10.

¹²² Order at 35.

¹²³ PGW Responses at 17.

¹²⁴ Id.

The Low Income Advocates strongly support the continuation of PGW’s LIME to provide comprehensive energy efficiency services to low-income families who reside in multifamily buildings. According to research from the Housing Alliance of Pennsylvania, multifamily housing units (defined as 3+ units) account for roughly one quarter (25%) of residential housing in Philadelphia.¹²⁵ Moreover, low-income families are more likely than higher income families to rent their home and to live in multifamily buildings¹²⁶ – making it particularly important for LIME to serve the efficiency needs of low-income families who reside in multifamily buildings.

Nevertheless, notwithstanding our support for PGW’s LIME, the Low Income Advocates submit that LIME should become a permanent component of PGW’s Home Comfort program. Providing LIURP services to multifamily buildings and units should not be a short-term or temporary solution. Multifamily buildings are ubiquitous across PGW’s service territory, and house tens of thousands of low-income Philadelphians. Importantly, PGW’s universal service costs are recovered across all rate classes, making it particularly important to ensure that all low-income housing sectors – including those which fall in the residential and commercial rate classes – should have equitable access to comprehensive efficiency services through PGW’s Home Comfort program. As such, PGW’s LIME should be integrated as a permanent part of its Home Comfort program to ensure this critical housing sector continues to be served.

In turn, we submit that PGW should be required to increase its LIME budget to more adequately support the proportional provision of critical energy efficiency and usage reduction

¹²⁵ Housing Alliance of PA, [Analysis of the Reach of the Act 129 Energy Efficiency and Conservation Program to Low-Income Multifamily Housing](https://housingalliancepa.org/resources/analysis-of-the-reach-of-the-act-129-energy-efficiency-and-conservation-program-to-low-income-multifamily-housing/) (April 27, 2020), available at: <https://housingalliancepa.org/resources/analysis-of-the-reach-of-the-act-129-energy-efficiency-and-conservation-program-to-low-income-multifamily-housing/>.

¹²⁶ Housing Alliance, [Analysis of the Reach of the Act 129 Energy Efficiency and Conservation Program to Low-Income Multifamily Housing](https://housingalliancepa.org/resources/analysis-of-the-reach-of-the-act-129-energy-efficiency-and-conservation-program-to-low-income-multifamily-housing/), available at: [Analysis of the Reach of the Act 129 Energy Efficiency and Conservation Program to Low-Income Multifamily Housing \(housingalliancepa.org\)](https://housingalliancepa.org/resources/analysis-of-the-reach-of-the-act-129-energy-efficiency-and-conservation-program-to-low-income-multifamily-housing/)

services to multifamily residents across PGW’s service territory.¹²⁷ We note here that PGW’s needs assessment for its LIME is fundamentally flawed, as it relies on historical participation - rather than make any attempt at determining actual need for comprehensive usage reduction services in multifamily buildings across PGW’s service territory. The actual need for multifamily usage reduction services for low-income consumers is far greater, given the large percentage of the population in Philadelphia who reside in multifamily buildings, and it is simply incongruous to approve PGW to serve just two multifamily buildings each year. We note that PGW’s woefully inadequate proposal for LIME funding is further exacerbated by its unduly restrictive definition of “multifamily”, as it includes buildings with individually metered tenant units that should otherwise qualify for standard Home Comfort / LIURP services.¹²⁸ As discussed more fully below with regard to PGW’s definition of multifamily and its proposed Home Comfort / LIURP budget, we urge the Commission to increase the budget for PGW’s LIME *without reducing the funds available to serve single family homes*, and to require PGW to reform its definition of “multifamily” to ensure that individually metered units remain eligible for standard Home Comfort.¹²⁹

Finally, the Low Income Advocates note that PGW’s landlord consent form for participation in the LIME is overly restrictive, and imposes unduly harsh and likely unenforceable requirements on participating landlords.¹³⁰ PGW should be required to reform its landlord consent forms for LIME, consistent with our comments below.

¹²⁷ American Council for an Energy-Efficient Economy, Closing the Gap in Energy Efficiency Programs for Affordable Multifamily Housing, (April 2019), available at: <https://www.aceee.org/sites/default/files/publications/researchreports/u1903.pdf>.

¹²⁸ Proposed 2023 USECP at 35; PGW Responses at 23.

¹²⁹ See sections IV.F and IV.L, below.

¹³⁰ See section IV.G, below.

B. Health and Safety Pilot

In addition to its LIME pilot program, PGW is proposing to continue its Health and Safety pilot, which commenced in 2018 as part of its current USECP.¹³¹ Rather than propose a standalone budget to support the health and safety pilot, PGW proposes to allocate up to \$100,000 per year of the overall LIURP program budget to support this pilot.

The program targets the highest usage homes and allows contractors to spend up to \$3,000 per-project on the installation of health and safety measures to address conditions that prohibit cost-effective weatherization. Conservation Service Providers (CSPs) must project energy savings of at least 15% for a residence to qualify for this increased health and safety allowance.¹³² PGW notes in its Proposed 2023 USECP that between September 2018 and December 2020, 133 homes benefited from having health and safety measures installed. Notably, PGW reports that “the average direct costs of all measures installed in pilot homes were twice the average direct costs of measures installed in other homes that were comprehensively treated, producing average gas savings that were 50% higher in pilot homes than in non-pilot homes.”¹³³ The Commission did not request additional information related to this pilot program.¹³⁴

The Low Income Advocates strongly support efforts to remediate health and safety issues with the home that prevent installation of comprehensive energy efficiency and weatherization services for high-usage low-income households. The need for comprehensive and targeted health and safety home remediation for low-income households is substantial and well documented. A 2019 report published jointly by the Federal Reserve Bank of Philadelphia and PolicyMap,

¹³¹ Proposed 2023 USECP at 21-22.

¹³² Order at 35.

¹³³ Proposed 2023 USECP at 21.

¹³⁴ Order at 35.

Measuring and Understanding Home Repair Costs, explains the cost of unmet housing repair needs. Injuries and illness related to inadequate housing are estimated to contribute billions of dollars in direct and indirect health-care costs annually and impose additional societal costs related to lost economic productivity and lower quality of life. The report found that in the Philadelphia area, 38% of households, both renters and homeowners, have at least one repair need with an average estimated repair cost of \$3,125. The report provides an analysis of the benefits of policies intended to improve housing quality and found that they have the strongest positive returns for public health and neighborhood conditions when they target the most vulnerable households.¹³⁵ Targeting low-income households with the highest energy usage for health and safety remediation to permit comprehensive weatherization services will undoubtedly yield positive benefits for the participant, the broader community, and other ratepayers – leveraging improved outcomes across the board.

On the flipside, deferring homes with high energy usage for comprehensive efficiency services due to health and safety issues interferes with the ability to address energy inefficiencies through installation of major measures, and results in the expenditure of substantial avoidable costs and resources. A 2017 evaluation by APPRISE for Columbia Gas shows that health and safety issues often prevent weatherization work because low-income customers with these issues are canceled, deferred, or treated with only minor measures. This results in the loss of potential high yield energy savings that increase the likelihood that the customer may be able to afford their

¹³⁵ Federal Reserve Bank of Philadelphia and PolicyMap, [Measuring and Understanding Home Repair Costs: A National Typology of Households](https://www.philadelphiafed.org/-/media/frbp/assets/community-development/reports/measuring-and-understanding-home-repair-costs/0919-home-repair-costs-national-report.pdf), (2019), available at: <https://www.philadelphiafed.org/-/media/frbp/assets/community-development/reports/measuring-and-understanding-home-repair-costs/0919-home-repair-costs-national-report.pdf>

energy bill in the future.¹³⁶ Unfortunately, similar deferral data is not available in the PGW service territory to allow for a similar analysis of avoidable costs and increased savings potential achievable through comprehensive health and safety programming.

The Low Income Advocates strongly support continuation of PGW's Health and Safety pilot, as it will allow PGW to serve low-income households that face serious health and safety deficiencies in their home to adopt comprehensive energy efficiency and usage reduction services. We recommend that the Commission approve PGW's Health and Safety pilot. In approving continuation of this pilot, we recommend that the Commission require PGW to track and report on the number of homes deferred for LIURP services due to health and safety issues with the home, and the reason for the deferral. Tracking and reporting on this data will help PGW, the Commission, and stakeholders to more accurately assess the projected need for health and safety remediation to allow more targeted budgeting.

Moreover, as discussed further below in Section IV.L regarding PGW's proposed LIURP budget and needs assessment, the Low Income Advocates submit that approval of the health and safety pilot must come with an *increase* in the overall LIURP budget to ensure that the pilot does not detract from the already inadequate level of LIURP services provided through the program.

Finally, we recommend that PGW be required to coordinate its Health and Safety pilot with other home repair programming to ensure appropriate leveraging to prevent deferrals. PGW's proposed budget for its Health and Safety pilot is relatively small – and will likely only serve a small portion of need. PGW should ensure its contractors are knowledgeable about available home

¹³⁶ See, e.g., Columbia Gas 2019-2021 USECP, APPRISE Columbia Gas LIURP Health and Safety Research, Attachment A at 39, available at: <https://www.puc.pa.gov/pcdocs/1645337.pdf>. In 2017, APPRISE found that 47% of the total jobs were flagged as having a potential health and safety issue, and 70% of these jobs were cancelled/deferred. When they assessed the reasons for the cancelled jobs, 91% of the cancelled/deferred jobs were due to health and safety issues.

repair programs, and equipped to provide direct referrals to complementary programs that could help to quickly resolve home repair issues that are preventing installation of comprehensive energy efficiency and weatherization measures. To that end, we recommend that PGW host an annual meeting with efficiency, conservation, weatherization, home repair, and related services providers to share information about programs, and to help identify areas where enhanced coordination could occur. In turn, PGW should maintain and distribute a list of providers and available programs that could offer the kind of wrap-around services necessary to remediate issues with a home to reduce deferrals and improve energy and bill savings achievable through LIURP.

C. Repair and Renew Pilot

PGW is proposing to add a Repair and Renew Pilot to its Home Comfort services in its Proposed 2023 USECP.¹³⁷ This pilot program is intended to provide LIURP benefits to households with a heating system component that is either not operating safely or at all. To participate in this new pilot, (1) customers must have been enrolled in CRP, received a LIHEAP grant, or had a Level 1 or 2 (200% or under FPL) payment arrangement during the current or prior fiscal year, and (2) customers must have received a hazard tag from a PGW service representative indicating a heating system component is not operating safely or at all. Those whose gas service has been terminated will still be eligible, provided they take steps to resume service in accordance with other applicable requirements. However, PGW indicated it will consider more flexible reinstatement terms to assist this group of eligible customers to participate in the pilot.¹³⁸ PGW proposes to select and prioritize customers with the highest usage and lowest arrearages. Once a customer is selected, CSPs will

¹³⁷ Order at 35-36; Proposed 2023 USECP at 22.

¹³⁸ Proposed 2023 USECP at 22.

evaluate the heating or hot water hazard and determine if measures can be installed in a cost-effective manner.¹³⁹

The Commission identified a number of points of clarification required to more fully evaluate the potential efficacy of this pilot. These include providing dates of PGW's fiscal year, providing the reasons a customer would receive a hazard tag, how the Company would determine high usage for a customer whose service is off, and how PGW determines cost-effectiveness.¹⁴⁰

In response, PGW explained that its fiscal year is September 1 to August 31. It also provided a list of what constitutes a heating hazard. PGW explained that the Repair and Renew pilot is intended to be responsive to immediate heating hazard issues (over the last month), and proposes to evaluate high usage based on 11 out of 12 months if the customer's heater is inoperable or service is off. PGW additionally explains how the Company determines cost-effectiveness.

The Low Income Advocates strongly support PGW's proposed Repair and Renew pilot. Homes with inoperable or unsafe heating systems are dangerous to live in and dangerous to communities. When a household's primary heating system is inadequate or inoperable, members of the household will often resort to using unsafe, high-usage, and high-cost alternative heating methods including solutions such as electric space-heaters, electric stoves, and/or portable generators, which increase the risk of carbon monoxide (CO) poisoning and house fires.¹⁴¹ These activities put all members of the household and the greater community at risk of serious harm. Reliance on inefficient space heaters also increases the household's electric burden – putting further strain on the financial stability of low-income households. For this reason, when dangerous

¹³⁹ Proposed 2023 USECP at 22-23.

¹⁴⁰ Order at 38.

¹⁴¹ See, e.g., Diana Hernandez, Heat or eat? America's poor face an inhumane, impossible choice this winter, USA Today, October 27, 2021, available at: <https://www.usatoday.com/story/opinion/voices/2021/10/27/inflation-energy-costs-force-heat-or-eat/8551676002/> (“Extreme energy conservation is a coping strategy used by the poor along with turning to ovens, stoves or space heaters as supplemental heating sources.”)

issues are present in a home, it is squarely in the public interest that such matters are addressed in a timely fashion to prevent further damage or worsening conditions in the home.

Nevertheless, the Low Income Advocates are concerned about PGW's proposed prioritization, and question the reasonableness of PGW's proposal to prioritize those with recent high-usage and low arrears for participation in the pilot. If a household has been "red-tagged" for several months, it is no less critical for the safety issue to be resolved. In fact, those who face long periods of time without an operable furnace and/or other gas appliances may have even greater need for assistance to prevent dire consequences to health and safety of the consumer, their family, and the surrounding community. The same is true for low-income families with high arrears. If a household was unable to keep up with their bill while their furnace was operable, they are unlikely to have the resources necessary to perform critical safety repairs to their heating system. The Low Income Advocates further note that PGW does not state how many customers are "red-tagged" each month or how many of those customers will be prioritized for services using its proposed high usage/low arrearage threshold. This lack of clarity could result in inequitable and arbitrary exclusions.

We also have concerns about the appropriateness of the cost-effectiveness standards PGW proposes to impose on its LIURP services. While PGW is proposing to exclude certain health and safety measures from the cost effectiveness test, we nevertheless submit that application of a traditional cost-effectiveness test for LIURP services is inappropriately exclusive and unnecessarily complex – and likely prevents installation of comprehensive efficiency measures capable of driving deep, long-term energy and bill savings. The LIURP regulations provide a 7 or 12-year simple payback criterion that does not require LIURP measures to meet a more complex

cost-effectiveness test.¹⁴² Instead of using the simple payback test, PGW employs a Total Resource Cost (TRC) test to evaluate cost-effectiveness of LIURP measures in general, and is proposing to use the TRC test to evaluate measures implemented through this proposed pilot. Our concerns with PGW's application of the TRC test in the context of its LIURP are discussed more fully below, in Section IV.K (regarding PGW's proposed regulatory waivers).

Finally, consistent with our comments regarding PGW's LIME and Health and Safety pilot programs, we urge the Commission to require that the Repair and Renew pilot be funded through a separate budget – not as a carve-out of PGW's already-inadequate general LIURP budget. PGW has proposed to allocate \$250,000 of its overall LIURP budget to support the Repair and Renew pilot, and projects that the pilot will cost an average of \$7,042 per job and will serve an estimated 36 households per year.¹⁴³ While there is clearly a need for PGW's Repair and Renew pilot, these expanded services should expand the ability of PGW to provide general LIURP services. We recommend that PGW expand funding to support this new pilot program, rather than carve funds from its proposed LIURP budget.

D. Quality Control and Contractor Requirements

PGW's Proposed 2023 USECP discusses PGW's intention to use three independent conservation service providers (CSPs) for delivery of LIURP services and indicates that the best performing contractors will be awarded increased funding.¹⁴⁴ In its Order, the Commission directed PGW to provide details regarding its contractor training and certification requirements,

¹⁴² 52 Pa. Code § 58.11(a).

¹⁴³ Proposed 2023 USECP at 4, 10.

¹⁴⁴ Proposed 2023 USECP at 18.

quality controls, and evaluation methods - such as number or percentage of jobs inspected post-measure installation and how inspections are selected.¹⁴⁵

In response, PGW explained its certification requirements for contractors as well as operating requirements when working on cases for PGW.¹⁴⁶ PGW also described its training and evaluation practices for contractors and types of inspections conducted.¹⁴⁷ PGW noted that they perform inspections on 10% of full-home weatherization cases, as well as on a smaller number of limited weatherization cases.¹⁴⁸ Inspections are either performed randomly or based on certain measure criteria (based on pre-usage, savings amount, air leakage rates, repeated CSP issues, or specific customer complaints).¹⁴⁹ PGW does not explain the timeframe for post-installation inspection, stating only that CSPs are required to regularly close cases as soon as is practicable after energy conservation measures have been installed.¹⁵⁰

The Low Income Advocates are concerned that PGW's sampling methodology does not provide an accurate, holistic picture of how well PGW's Home Comfort measures and services are achieving their goals. While some jobs are selected for evaluation randomly, PGW's other criteria triggering evaluation may skew program data by focusing on cases where the type of inspection is based on certain measure criteria that may be triggered by unique projects or specific customer complaints. The Low Income Advocates recommend PGW disaggregate inspection data based on whether the household received comprehensive weatherization treatment measures or partial/low-cost energy saving measures to ensure that the findings are representative of all types of projects

¹⁴⁵ Order at 38.

¹⁴⁶ PGW Responses at 20.

¹⁴⁷ Id.

¹⁴⁸ Id. at 20-21.

¹⁴⁹ Id.

¹⁵⁰ Id.

and give a truer indication of how effectively PGW is accomplishing energy usage reduction and improving bill affordability.

E. Home Comfort Eligibility

PGW's Proposed 2023 USECP states that Home Comfort is available to households known to be low-income, either because they participated in CRP, received a LIHEAP or Hardship Fund grant, or were on a level 1 payment arrangement within the last 24 months.¹⁵¹ However, PGW's proposed plan is silent as to whether it also allows households with income between 151-200% of the Federal Poverty Level (FPL) to participate in LIURP.¹⁵²

In its Order, the Commission noted that LIURP regulations allow a public utility to use up to 20% of the LIURP budget for special needs customers whose income falls within the 151%-200% FPL and directed PGW to clarify if special needs customers¹⁵³ are included as low-income customers eligible for Home Comfort. If these customers are eligible, the Commission asked PGW to define the parameters of that eligibility.¹⁵⁴

PGW responded in its Supplemental Information that the Company does not treat any customers within the 151%-200% FPL income tier and does not have the number of special needs customers within that tier. In response to the Commission's questions, the Company states that a significant portion of PGW's customer base falls within the 150% or below-income tier and Home Comfort is designed to address the significant need for Home Comfort services in PGW's service territory.¹⁵⁵

¹⁵¹ Proposed 2023 USECP at 19.

¹⁵² See id.

¹⁵³ "Special needs customers" are defined pursuant to 52 Pa. Code § 58.2 to include non-CAP customers who otherwise meet the LIURP eligibility requirements. The Commission has also permitted the term to include Seniors, customers with medical needs, customers with a disability, and/or customers with young children in the home. (Order at 39).

¹⁵⁴ Order at 39-40.

¹⁵⁵ PGW Responses at 22.

The Low Income Advocates recommend that the Commission require PGW designate up to 20% of its LIURP budget to serve households with special needs whose income falls within the 151%-200% FPL tier, provided they meet the other programmatic requirements. The LIURP regulations allow PGW to design its Home Comfort program to address the need for these services among special needs customers within this tier. Households with income between 151-200% FPL often do not have adequate resources to make ends meet,¹⁵⁶ but are ineligible for direct bill assistance through CRP and LIHEAP. Vulnerable households in this income bracket – including having young children, medically vulnerable individuals, Seniors, and individuals with a disability – should be able to access LIURP services to help reduce energy consumption and resulting bills.

F. Define Single-family & Multifamily Properties

PGW proposes to provide standard Home Comfort services to low-income families who reside in single family homes – while relegating services to multifamily homes through its LIME.¹⁵⁷ In its Order, the Commission directed PGW to clarify how the Company defines a “single-family” unit versus a “multi-family” unit to receive Home Comfort or LIME.¹⁵⁸ PGW provided the following in response:

- Single family is defined as being physically detached from any other housing unit (no building surfaces are common to any other housing unit or commercial space); OR physically attached to another housing unit or commercial space but with boundary walls extending from the ground to the roof (no housing units, commercial spaces or common spaces above or below); AND directly accessible from the outdoors without using a space shared by another housing unit or commercial space; AND supplied with space and water heating with its own individual mechanical system(s).”

¹⁵⁶ See Pathways PA, Ctr. for Women’s Welfare, Univ. Wash., Self Sufficiency Standard: Pennsylvania, available at: www.selfsufficiencystandard.org/pennsylvania.

¹⁵⁷ Proposed 2023 USECP at 18.

¹⁵⁸ Order at 40.

- 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.¹⁵⁹

The Low Income Advocates have concerns with PGW’s broad definition for multifamily properties, and note that the broad definition underscores the need for greater funding to support the provision of comprehensive energy efficiency and usage reduction services in multifamily buildings. As discussed above with regard to PGW’s LIME pilot proposal, PGW proposes to serve just two multifamily buildings each year. Yet multifamily buildings with three or more units account for roughly one-quarter of Philadelphia’s residential housing – and likely an even higher percentage of low-income housing, given low-income families are more likely than higher income families to be renters and reside in multifamily buildings.¹⁶⁰ The definition of multifamily that PGW provides in its supplemental information is even more broad, including any building with more than one unit – irrespective of the metering configuration of the building or the units. In its Proposed 2023 USECP, PGW indicates that all multifamily buildings, including both single and master-metered multifamily buildings, are served through its LIME.

The Low Income Advocates submit that more information is necessary to fully assess PGW’s broad definition of “multifamily”, and the likely impact on the provision of services to low-income families who live in a multifamily building. It is unclear, for instance, how many residential homes fall within PGW’s broad definition of multifamily, the extent to which those homes are occupied by low-income families, and the usage patterns across the multifamily sector. Researchers have repeatedly concluded that low-income families who reside in affordable

¹⁵⁹ PGW Responses at 23.

¹⁶⁰ Housing Alliance, [Analysis of the Reach of the Act 129 Energy Efficiency and Conservation Program to Low-Income Multifamily Housing](#), available at: [Analysis of the Reach of the Act 129 Energy Efficiency and Conservation Program to Low-Income Multifamily Housing \(housingalliancepa.org\)](#)

multifamily housing often have *lower* than average usage compared to the residential class as a whole – but nevertheless have *higher* usage when assessed based on the square footage of the property.¹⁶¹ Affordable multifamily buildings which provide housing to low-income residents more likely to be older, with fewer efficiency upgrades over time, and are often most in need of efficiency upgrades to reduce high energy costs.¹⁶² However, based on PGW’s broad definition of multifamily residential consumers, we are concerned that a great majority of Philadelphia’s low-income families are unable to access LIURP services.

We recommend that the Commission require PGW to produce additional information and data to assist in analyzing the appropriateness of PGW’s expansive definition of multifamily, and the ability of PGW’s LIME to serve high usage multifamily units under this definition. This information and data should include the number of residential accounts coded as “multifamily” – and the number of those homes that are occupied by confirmed low-income residential consumers. Monthly usage data (including mean, median, and range) for multifamily residential and confirmed low-income residential consumers should also be provided. Without this information, the Commission cannot appropriately assess the number of homes that fall within PGW’s definition of multifamily or the adequacy of PGW’s LIME to serve this critical housing sector.

¹⁶¹ Stefan Samarripas & Dan York, ACEEE, Closing the Gap in Energy Efficiency Programs for Affordable Multifamily Housing (April 2019), available at: <https://www.aceee.org/sites/default/files/publications/researchreports/u1903.pdf>; Elizabeth La Jeunesse, Joint Ctr. for Housing Studies, Housing Perspectives: US Household Are Using Less Energy (July 11, 2018), available at: <https://www.jchs.harvard.edu/blog/us-households-are-using-less-energy>.

¹⁶² In Philadelphia, 95% of the housing stock was built before 1978 – and the median age of homes is 93 years old. Nat’l Ctr. for Healthy Housing & Nat’l Safe & Healthy Housing Coalition, Pennsylvania Healthy Housing Fact Sheet, available at: https://nchh.org/resource-library/Healthy_Housing_Fact_Sheet--Pennsylvania_2015_7.15.15_final.pdf; see also Anna Kramer, PLAN Philly / WHYY, Old Homes, High Poverty Make Philadelphia Housing Less Affordable for Some (July 2018), available at: <https://whyy.org/articles/old-homes-high-poverty-make-philadelphia-housing-less-than-affordable-for-some/>.

G. Landlord Approval Process

The Commission noted in its Order that, per PGW’s 2020 Base Rate Case, the Company agreed to provide two letters to landlords to obtain approval to install LIURP measures for a tenant. Alternatively, if a phone number is available, one letter may be replaced by a phone call to the landlord. The Commission notes that the LIURP regulations require landlords to provide written consent before installation of program measures, and that the landlord must agree “that rents will not be raised unless the increase is related to matters other than the installation of usage reduction measures.”¹⁶³ The Commission directed PGW to provide a copy of the letter the Company uses to verify landlord approval and directed PGW to explain what the landlord is told during the telephone call to obtain approval and how verbal landlord consent is recorded.¹⁶⁴

PGW responded that it only allows written consent, due to “legal reasons”, and provided a copy of the cover letter and the “Landlord Authorization and Release of All Claims” forms for standard Home Comfort and for its LIME.¹⁶⁵

The Low Income Advocates are concerned that PGW’s landlord authorization form is unduly harsh and restrictive, resulting in inequitable services to low-income renters– which account for roughly 60% of Philadelphia’s low-income population.¹⁶⁶ In Philadelphia, 88% of

¹⁶³ Order at 41.

¹⁶⁴ Order at 40-41.

¹⁶⁵ PGW Responses at 17 & 22. Note that PGW’s LIME landlord authorization form was provided in response to questions about its LIME, and did not reproduce the form in response to questions about its landlord authorization process. While similar, the two forms are slightly different.

¹⁶⁶ According to the American Community Survey, 65% of all Philadelphia households with income below the Federal Poverty Level (FPL) live in rental housing. See Table B17019, 2019 American Community Survey, available at: <https://www.census.gov/programs-surveys/acs/data.html>.

renters with income below \$30,000 per year are cost-burdened, and 68% are severely cost-burdened – defined as spending 50% or more of income on housing costs.¹⁶⁷

First, PGW’s Landlord Authorization Form includes impossibly far-ranging waiver of any liability or warranty for the work performed and measures installed. Specifically, the form requires a landlord to waive “any and all” losses, claims, costs, liabilities and damages “arising out of or in any way associated with the Property, the Program Measures, and/or the weatherization materials provided to the Property” – including those arising from the acts, omissions, negligence, or fault of PGW or PGW’s contractor.¹⁶⁸ The form goes so far as to disclaim any rights of the landlord to seek damages for personal injuries, death, illness, or property damage that is both *known and foreseen* by PGW or its contractor.¹⁶⁹

PGW’s Landlord Authorization Form further requires the landlord to disclaim all warranties with regard to the quality of services and the measures installed. Pursuant to Section 58.14 of the Commission’s LIURP regulations, a utility’s LIURP contractor must provide “a warranty covering workmanship” – yet PGW’s Landlord Authorization Form attempts to disclaim any such warranties for both the services and measures installed. PGW’s broad disclaimer of any and all warranty that the work performed and measures installed will meet basic quality standards is unreasonably broad and inconsistent with Commission regulations.¹⁷⁰

Ultimately, PGW’s Landlord Authorization Form is likely serving as a substantial deterrent, preventing landlords from participation in the program and resulting in inequitable

¹⁶⁷ Howell, O. Pew Trusts, [The State of Housing Affordability in Philadelphia](https://www.pewtrusts.org/en/research-and-analysis/reports/2020/09/the-state-of-housing-affordability-in-philadelphia), (Sept. 2020), available at: <https://www.pewtrusts.org/en/research-and-analysis/reports/2020/09/the-state-of-housing-affordability-in-philadelphia>.

¹⁶⁸ PGW Responses at 22.

¹⁶⁹ Id.

¹⁷⁰ 52 Pa. Code § 58.14(b).

services to low-income renters. After reviewing PGW’s landlord authorization forms, it is not surprising that landlords refuse to authorize their tenants to receive PGW’s LIURP services at such a high rate. The Commission should require PGW to revise these overly extensive waivers and disclaimers, as it is unfair for PGW to ask the landlord to assume all risks of injury to persons or property to participate in PGW’s LIURP program.

H. Usage Requirement: Coordinating LIURP Services

In its Order, the Commission notes that PGW’s 2023 USECP states that it “coordinates with other agencies to qualify customers for LIURP that are in the top 50% usage tier who have received health and safety treatments performed by coordinating nonprofit and public agencies that were not assigned to Home Comfort through the automatic assignment process.”¹⁷¹ The Order explains that PGW coordinates services across utility programs, partnering with PECO’s Low-income Energy Efficiency Program.¹⁷² The Commission directed PGW to clarify if the Company waives its minimum usage requirements when coordinating Home Comfort services with another utility’s LIURP, Act 129 programming, or the Department of Community and Economic Development’s Weatherization Assistance Program.¹⁷³ The Commission also directed PGW to explain how the waiver is determined and documented on a case-by-case basis.¹⁷⁴

PGW responded that it does waive minimum usage requirements to facilitate coordination with other programs or entities treating the same case. PGW automatically assigns the top 25-30% of its low-income customers to Home Comfort but allows customers who are in the top 50% of

¹⁷¹ Order at 41.

¹⁷² Id.

¹⁷³ Id.

¹⁷⁴ Id. at 41-42.

low-income users to be manually assigned in Home Comfort if there is an opportunity for coordination.¹⁷⁵

PGW's response to the Commission's request for clarification raises additional questions and suggests that PGW applies unstated eligibility criteria. PGW's Proposed 2023 USECP states that income-eligible households are eligible for LIURP services if their "weather normalized usage [is] within the top 50% of all eligible customers."¹⁷⁶ However, in its Supplemental Information, PGW establishes an intermediate usage threshold – clarifying that it only "assigns" households within the top 25-30% of users to participate - unless there is an opportunity for coordination with another program. In other words, a low-income household with usage between 50-31% of high users will only be served through PGW's Home Comfort program if the consumer is already receiving services through another program.

PGW's stated procedure is substantially divergent from the LIURP eligibility criteria included in PGW's Proposed 2023 USECP, which ostensibly permits all households with weather normalized usage in the top 50% of low-income customers to participate in LIURP - irrespective of coordination. The Low Income Advocates object to PGW's application of an unstated, intermediate usage threshold for participation in its LIURP. We note that PGW's use of unstated eligibility – which utilizes a range (25-30%) to determine eligibility – could result in inequitable and arbitrary acceptance and exclusion from the program based on unstated and potentially biased factors. All low-income consumers with usage greater than 50% of normalized usage for residential consumers should be permitted to participate in LIURP, as stated in PGW's Proposed 2023 USECP. In turn, to promote additional coordination across programs, PGW should waive this high usage threshold to allow for coordination with other efficiency, weatherization, and home

¹⁷⁵ PGW Responses at 25.

¹⁷⁶ Id.

repair programming – even if a household uses less than 50% of normalized usage for residential consumers.

Further, the Low Income Advocates question how PGW actually coordinates with other agencies, as a practical matter, and why PGW finds it “difficult to find customers who qualify for multiple programs.”¹⁷⁷ PGW should be required to further explain the mechanics of its coordination, including but not limited to whether PGW works with common contractors to provide services without duplication, whether PGW requires applicants to complete and submit multiple applications, documentation, and authorization forms, and whether PGW has established any cost-sharing standards to reduce the cost of measures provided under each of the coordinated programs. The Low Income Advocates find it hard to believe that PGW has difficulty identifying customers who qualify for multiple programs, and note that this difficulty is likely due to PGW’s rigid application of requirements – not because there is any shortage of consumers who are in need of comprehensive usage reduction services for both gas and electric services.

Finally, PGW’s Proposed 2023 USECP does not indicate whether and to what extent PGW plans to coordinate its standard LIURP services with its Health and Safety and Repair and Renew Pilot Programs. For example, does PGW intend to provide full LIURP services to households participating in the Health and Safety or Repair and Renew Pilot Programs at the time those services are delivered? The Low Income Advocates strongly support efforts to coordinate LIURP service delivery – across PGW’s own universal service and efficiency programs and with other utilities, agencies, and governmental efficiency, weatherization, and home repair programs. Effective coordination of weatherization, energy efficiency, home repair, and other related programming allows for more comprehensive treatment of selected homes, improving quality of

¹⁷⁷ PGW Responses at 25.

life for low-income households – while leveraging additional resources to improve programmatic reach.

I. Routine Health and Safety Measures and Incidental Repairs

The Commission discussed in its Order that, per PGW’s Proposed 2023 USECP, Home Comfort treatment begins with an initial assessment that includes energy education, basic health and safety information, and low-cost efficiency measures.¹⁷⁸ If health and safety issues like mold, asbestos, roof leaks, or pests exist in the home that cannot be remediated in a cost-effective manner by a conservation service provider (CSP), the home will only be provided with low-cost energy savings measures.¹⁷⁹ The Commission noted that the Proposed Plan is silent as to whether CSPs are permitted to address routine health and safety situations that, once corrected, would allow for the installation of full-cost heating measures. The Commission directed PGW to explain its parameters and allowance thresholds for performing routine health and safety measures and incidental repairs.¹⁸⁰

PGW responded that the Health and Safety pilot program, as described previously, awards \$100,000 annually to CSPs to support measures that can be completed outside of the cost-effectiveness review that would allow for comprehensive weatherization. For the case-by-case allowance, CSPs must submit requests for cases in which they anticipate using pilot funds that must satisfy certain criteria. These include: (1) projected savings for projects must be at least 15%; (2) each case should not use more than \$3,000 for health and safety pilot measures; (3) health and safety work cannot be incorporated into the full job work scope cost effectively (i.e., achieving a

¹⁷⁸ Order at 41.

¹⁷⁹ Order at 42.

¹⁸⁰ Order at 41-42.

benefit to cost ratio at or above 1.0) without utilizing these pilot funds; and (4) funds must be used to address a legitimate health and safety issue, which must be detailed in the proposal.¹⁸¹ PGW indicates that it will allow additional health and safety measures to be installed, but only if those measures are “cost-effective”.¹⁸²

As previously mentioned and discussed at greater length below, LIURP is subject to a simple payback assessment – not a full cost-effectiveness test.¹⁸³ In turn, Section 58.12 of the Commission’s LIURP regulations provide that expenditures on program measures may include “incidental repairs” to the dwelling necessary to permit proper installation of the program measures or repairs to existing weatherization measures which are needed to make those measures operate effectively.¹⁸⁴ In other words, incidental measures to remediate basic health and safety issues to permit installation of efficiency and weatherization measures are not held to regulatory payback standards, and should be installed wherever necessary to permit the provision of comprehensive efficiency and usage reduction services. We note that if PGW is seeking a waiver of Section 58.12 to further restrict its ability to perform incidental health and safety repairs, such a waiver would be unnecessary, contrary to the public interest, and not based on alleged “special circumstances” necessary to approve a regulatory waiver.¹⁸⁵

PGW should be required to establish a per-job budget for its CSPs to install incidental health and safety measures outside of its limited Health and Safety Pilot program, which should remain focused on remediating more complex health and safety issues identified in the home. We

¹⁸¹ PGW Responses at 26.

¹⁸² Id.

¹⁸³ 52 Pa. C.S. § 58.11(a).

¹⁸⁴ 52 Pa. Code § 58.18.

¹⁸⁵ Id. As discussed below, this section sets forth the standard for regulatory waiver – “special circumstances” – and should not in itself be subject to waiver as requested by PGW in this proceeding.

recommend a per-job budget of at least \$600 to allow CSPs to automatically install routine health and safety measures and/or remediate basic health and safety issues with the home. Such a policy would be consistent with other Pennsylvania utilities, including those with established budgets to permit the provision of more comprehensive health and safety measures.¹⁸⁶ In turn, such a policy would further the public interest – helping to improve the health and safety of low-income homes by installing basic, routine health and safety measures like carbon monoxide and fire detectors.

J. Re-Weatherization Eligibility

PGW's Proposed 2023 Plan maintains that Home Comfort is available to eligible customers who have not received Home Comfort services over the past seven years.¹⁸⁷ In its Order, the Commission noted concern that this stay-out provision may render high-usage households ineligible for Home Comfort measures even if they received low-cost or limited measures over the last seven years.¹⁸⁸ The Commission further noted that restrictions on re-weatherization are often tied to payback periods, but that it has encouraged utilities to be flexible in application of the payback periods when determining what measures should be installed.¹⁸⁹ The Commission directed PGW to clarify if there are any exceptions to its seven-year stay-out period for Home Comfort services.¹⁹⁰

¹⁸⁶ See, e.g., PPL Electric Utilities Corp., Universal Service and Energy Conservation Program, 2017-2019 Plan at 47 (Nov. 6 2017), available at: <https://www.puc.pa.gov/pcdocs/1543006.pdf> (PPL has a \$650 standard per-job health and safety allowance, and contractors may exceed this budget with PPL approval); see also Peoples Natural Gas Co. LLC & Peoples Natural Gas Co. LLC Equitable Division Universal Service and Conservation Plan for 2019-2024, at 22 (June 13, 2022) (establishing a \$600 standard per-job health and safety allowance, and the ability to spend up to \$1,000 with approval); Nat'l Fuel Gas Dist. Corp., Universal Service and Energy Conservation Plan for 2022-2026, at 62 – Exh. 6 (June 2, 2022) (establishing a \$500 standard per-job health and safety allowance, and the ability to spend up to \$1,000 with approval).

¹⁸⁷ Proposed 2023 USECP at 19.

¹⁸⁸ Order at 43.

¹⁸⁹ Id.

¹⁹⁰ Id. at 43-44.

PGW responded that it does not generally offer waivers to the seven-year stay-out period, but that it will nevertheless do so in two limited instances. First, if a case (treated home) is designated as limited (did not receive air sealing, insulation, or a heater replacement due to health and safety issues) and a customer resolves health and safety issues that would allow for comprehensive Home Comfort measures to be installed, a contractor may return in fewer than seven years or if a property is eligible for services from another agency.¹⁹¹

The Low Income Advocates do not oppose PGW maintaining its seven-year re-weatherization standard, as long as the exceptions described above are consistently applied as necessary to ensure that comprehensive measures are available to all low-income customers - including those who received only limited measures in the past seven years. We note the language PGW used to describe the second exception; “PGW *has waived* the seven-year rule” does not inspire confidence that this practice will continue into the future, or that the waiver has been consistently applied. The Low Income Advocates therefore recommend the Commission direct PGW to include these stated exceptions in its Plan as rules they intend to follow throughout the duration of the Plan.

K. Continuation of Regulatory Waivers

For PGW’s 2017 USECP, the Commission granted the Company’s request to continue waivers of 52 Pa. Code §§ 58.5 (administrative costs) and 58.11(a) (energy survey, payback criterion). PGW requested in its Proposed 2023 USECP to continue those waivers, without providing justification for why the waivers continue to be necessary.¹⁹² In its Order, the

¹⁹¹ PGW Responses at 27.

¹⁹² Proposed 2023 USECP at 21.

Commission directed PGW to clarify why waivers for Section 58.5 and 58.11(a) are still necessary and reminded PGW that “waivers are generally granted narrowly and only for a finite term.”¹⁹³

In response, PGW indicated that the Home Comfort program’s administrative expenses exceed the 15% cap for administrative charges because PGW’s program design is based on TRC cost effectiveness targets.¹⁹⁴ PGW asserts that exceeding the limit on administrative costs to implement the TRC test “better serves the intent of this regulation,” which PGW asserts is rooted in the “protection of ratepayer dollars.”¹⁹⁵ In other words, PGW asserts that its alternative approach to assessing cost-effectiveness is more in line with the regulatory intent than the regulation itself. PGW avers that, should the Commission discontinue the waiver, PGW would install fewer comprehensive whole home measures in fewer homes, achieving fewer savings and impairing home comfort.¹⁹⁶

LIURP is rooted in achieving comprehensive usage reduction and corresponding bill savings, and the Commission’s regulations – developed through a lengthy and deliberative process – set forth the standards by which measures should be assessed.¹⁹⁷ PGW should not be permitted to substitute its policy judgement to override regulatory standards developed through the rulemaking process.

The Low Income Advocates submit that PGW has not met the standard for regulatory waiver, and its regulatory waiver request should be denied. PGW has not demonstrated any “special circumstances” that would warrant special treatment not afforded to other utilities – nor has it followed the appropriate regulatory process for requesting a regulatory waiver, which

¹⁹³ Order at 45.

¹⁹⁴ PGW Responses at 28.

¹⁹⁵ Id.

¹⁹⁶ PGW Responses at 29.

¹⁹⁷ 52 Pa. Code §§ 58.1 & 58.18.

requires utilities to file a formal Petition with the Commission when seeking a regulatory waiver.¹⁹⁸ The requirement that a utility file a Petition for approval of a regulatory waiver is not merely perfunctory – it ensures stakeholders are appropriately apprised of the fact that a utility is seeking permission to forego adherence to established regulations, and provides an appropriate forum to respond to and investigate such a request. If PGW still wishes to pursue a continuation of prior regulatory waivers, it should be required to file a formal Petition with the Commission laying out – in detail – why it believes a waiver is necessary and permitting interested parties to respond.

Time and informational constraints in this proceeding have not allowed for the Low Income Advocates to conduct a full analysis of PGW’s waiver request, and the resulting impact of PGW’s adherence to the TRC test on its ability to install comprehensive energy efficiency and weatherization services. Nevertheless, based on its initial review of available data, the Low Income Advocates are concerned that PGW’s reliance on a complex TRC assessment to identify appropriate LIURP measures may actually result in the installation of *fewer* comprehensive measures - eroding the bill savings achieved for participants through the program.

Regarding PGW’s request to waive Section 58.5, the purpose of the Commission’s 15% limit on administrative costs is not solely to reduce overall program spending, but also serves to ensure that at least 85% of funds are appropriately targeted to benefit low-income customers through energy efficiency measures. PGW is projected to spend \$7,988,818 annually on Home Comfort. However, there is no break down on how much of that budget will go to administrative costs – or the extent to which PGW may exceed the 15% regulatory cap on administrative costs. In review of PGW’s last USECP, PGW’s prorated LIURP administrative costs of \$710,939

¹⁹⁸ 52 Pa. Code § 58.18.

represented an astounding 32.8% of its prorated 2017 LIURP budget of \$2,165,482.¹⁹⁹ This was more than two times the 15% administrative cost cap contained in the Commission’s LIURP regulations.²⁰⁰

The LIURP regulations explicitly provide that the program is intended to “assist low-income customers conserve energy and reduce residential energy bills.”²⁰¹ To the Low Income Advocates’ knowledge, all other energy utilities manage their administrative LIURP costs at or below the 15% administrative cost cap, and none apply a TRC test to determine cost-effectiveness of LIURP measures.

The Low Income Advocates note that, in the context of Act 129 energy efficiency program portfolios, the low-income program components are exempt from the TRC requirements and are not required to have a TRC Test ratio greater than 1.0.²⁰²

In its recent 2021 TRC Final Order the Commission stated:

Often, low-income programs need to rely on a direct installation program delivery model, which increases the administrative cost and lowers cost-effectiveness. Additionally, CSPs delivering low-income programs will encounter health and safety issues that must be addressed as part of the job. Addressing health and safety issues costs program dollars but generates no TRC benefits. **If low-income programs were required to be cost-effective, a likely outcome is that low-income households would be underserved by Act 129 residential programs despite funding them via rate recovery. This would be a regressive policy, given that energy costs make up a larger share of low-income household budgets than they do for market rate residential households.**²⁰³

¹⁹⁹ PGW Universal Service and Energy Conservation Plan for 2017-2020 Submitted in Compliance with 52 Pa. Code § 62.4, Docket No. M-2016-2542415, Tentative Order, at 25 (Jan. 26, 2017), available at: <https://www.puc.pa.gov/pdocs/1507144.docx>.

²⁰⁰ 52 Pa. Code § 58.5.

²⁰¹ 52 Pa. Code § 58.1 (“The programs are intended to assist low-income customers conserve energy and reduce residential energy bills. The reduction in energy bills should decrease the incidence and risk of customer payment delinquencies and the attendant utility costs associated with uncollectible accounts expense, collection costs and arrearage carrying costs.”).

²⁰² 2021 Total Resource Test (TRC), M-2019-3006868, Final Order at 23 (entered Dec. 19, 2019).

²⁰³ Id.

Application of the TRC test in the LIURP context may well serve as a hinderance to the program's ability to serve low-income customers conserve energy and reduce residential energy bills,²⁰⁴ while at the same time driving unnecessarily inflated administrative costs.

As the Commission stated in its Order, it encourages utilities to apply the simple payback standard on a per-job basis to allow for installation of "all appropriate measures to ensure that potential energy savings is maximized on each job, particularly for 'heating' jobs, to reduce the need for multiple treatments to that home over time." (Order at 43). PGW should move to this simpler, per-job analysis to help reduce administrative costs and extend the depth and breadth of the program reach.

L. LIURP Budget and Needs Assessment

In addition to the issues noted in the Commission's Order, the Low Income Advocates identified concerns with PGW's proposed LIURP Budget and Needs Assessment. We will address each in turn.

i. LIURP Budget

PGW's Proposed 2023 USECP sets forth a budget of \$7,988,818 total per year for LIURP programmatic and administrative costs, including the budgets for PGW's pilot program costs.²⁰⁵

²⁰⁴ 52 Pa. Code § 58.1.

²⁰⁵ Proposed 2023 USECP at 21. PGW's current plan proposes to budget \$120,048 (and up to 140,000) annually from the total LIURP budget for its LIME program, and to complete 2 jobs per year. PGW also proposes to allocate \$100,000 annually from the total LIURP budget to continue its Health and Safety pilot. As noted above, PGW allocated its new Repair and Renew pilot \$250,000 per year from the total LIURP budget, and the Company proposes to complete 36 jobs per year at an average cost of \$7,042 per job.

PGW is silent, however, as to whether it will continue to roll over and add any remaining program dollars to its LIURP budget for the following year.²⁰⁶

As an initial matter, the Low Income Advocates submit that PGW's overall LIURP budget to perform standard LIURP work is too low, and is not appropriately targeted to meet the need for comprehensive LIURP services across its service territory. PGW's proposed budget falls far short of serving the estimated need for comprehensive usage reduction services, resulting in an unreasonable timeframe for PGW to serve all those in need of LIURP services.²⁰⁷ Even applying PGW's flawed needs assessment (which, as discussed below, grossly underestimates the number of households that require usage reduction assistance), it would take an estimated 17 years to provide LIURP services to all eligible households. Moreover, inflationary pressure on the cost of standard LIURP measures is having a substantial impact on the number of households that can actually be served through the program.²⁰⁸

The Low Income Advocates offer two recommendations to help improve the availability of comprehensive usage reduction services to those in need. First, we recommend that the Commission require PGW to continue rolling over any unspent funds and adding those funds to the budget for the next year. PGW was required to carry over unspent LIURP funds as a condition of its last rate case. This policy helps improve program operations and ensure that program funding

²⁰⁶ In the context of PGW's 2020 rate proceeding, PGW committed to carrying over any unspent LIURP budget to the following year for the duration of its currently-effective USECP. Pa. PUC v. PGW, [Opinion and Order](#), Docket No. R-2020-3017206 (Opinion and Order entered Nov. 19, 2020).

²⁰⁷ Proposed 2023 USECP at 11.

²⁰⁸ Rachel Siegel and Andrew Van Dam, 'Survival mode': Inflation falls hardest on low-income Americans (Feb. 13, 2022), available at: <https://www.washingtonpost.com/business/2022/02/13/low-income-high-inflation-inequality/>; Paul Davidson, Another record month for inflation: New level driven by gas, grocery prices and high rent, USA Today (June 11, 2022), available at: <https://www.usatoday.com/story/money/2022/06/10/inflation-rate-cpi-may-consumerpriceindex/7577577001/>. See also Office of the Assistant Secretary For Planning and Evaluation, HHS, [The Impact of the First Year of the COVID-19 Pandemic and Recession on Families With Low-incomes](#) (Sept. 20, 2021), available at: <https://aspe.hhs.gov/reports/covid-19-impact-low-income-families>.

is fully expended to meet projected service levels. PGW has not proposed to continue this policy in its Proposed 2023 USECP.

Second, as previously discussed, the Low Income Advocates are also concerned with the lack of additional funding allocated to the LIURP budget to support implementation of the newly proposed Repair and Renew Pilot Program and continuation of its existing Health and Safety and LIME Pilot Programs. PGW proposed to allocate a combined budget of between \$470,048 and \$490,000 each year (depending on LIME expenditures) from the total LIURP budget to support these pilot programs. The Low Income Advocates are strongly supportive of PGW's proposed pilot programs (consistent with the recommended reforms outlined above), and urge their approval; however, we submit that funding for these programs should be in addition to and not carved from PGW's overall LIURP budget. As discussed at length in the next section with regard to PGW's LIURP needs assessment, PGW's proposed LIURP budget is woefully inadequate to effectively serve the level of need across PGW's service territory. PGW's pilot programs should be additive to PGW's standard LIURP services and should expand – not contract – the total number of households served through the program.

Finally, we note that PGW appears to have a mathematical error embedded in its budget proposal. PGW proposes a total annual budget of \$7,618,975 for its standard (single family) Home Comfort program, and projects to complete 2,561 jobs per year at an average job cost of \$2,975 (including administrative costs).²⁰⁹ However, after funding is carved out for all of its pilot programming, the remaining budget will be \$7,498,818 – which falls short of what is required to reach projected service levels by \$100,205 per year – or \$501,025 over the course of PGW's five-

²⁰⁹ Proposed 2023 USECP at 10.

year USECP.²¹⁰ The Commission should require, at a minimum, that PGW increase its LIURP budget to meet its projected service levels.

ii. LIURP needs assessment criteria

In its initial needs assessment for its LIURP, PGW identified its expected participation rate as 44,168 customers, based on eligibility for usage reduction services that used a set of determinants.²¹¹ The Low Income Advocates seek clarification to assess the accuracy of whether the data used is an accurate representation of the subgroup included or excluded from the calculated needs assessment. Given the myriad of factual disputes and informational gaps at issue, we submit that formal discovery is needed to adequately assess each figure listed as the criterion in Table 4 that PGW chose to determine the expected participation rate in LIURP programming.²¹² The Low Income Advocates' questions regarding each component of PGW's LIURP needs assessment are discussed, in turn, below.

a. Customers who are Confirmed Low-income

To the extent that more precise information is unavailable, the Low Income Advocates support the use of census data to identify the number of estimated low-income customers in PGW's service territories, in proportion to the percentage of customers served in a given service territory. After identifying the total estimated low-income population, PGW begins its calculated needs assessment with the number of identified low-income customers (based on receipt of CRP, LIHEAP or a Level 1 Payment Arrangement between September 2020 and August 2021) who have not been treated by Home Comfort in the last seven years, and have not been deemed ineligible for the program, vs. estimated number. The Low Income Advocates question why PGW

²¹⁰Proposed 2023 USECP at 18-21.

²¹¹ Proposed 2023 USECP at 11.

²¹² Proposed 2023 USECP at 9-10.

is basing its identified low-income customers on enrollment in CRP or the receipt of the above listed grants or payment arrangements over just a 12-month period, since the eligibility criteria for Home Comfort services looks back over the prior 24 months. Further, PGW is silent on whether it includes customers that received UESF grants in their calculation, which is indicated as an allowable eligibility criterion in its Plan. Last, we question PGW's outright exclusion of those who have not been deemed ineligible for the program in this step, which causes us concern that the Company is filtering those deemed ineligible repeatedly, with each of the following three steps.

b. Customers with Statistically Significant Gas Usage and 12 Months of Concurrent Usage

PGW's second step in its proposed needs assessment was to exclude the number of customers whose gas usage and 12 months of concurrent usage was not statistically significant. Of the recent 86,527 eligible LIURP customers for whom PGW has data, 67,997 have statistically significant gas usage and 12 months of concurrent usage. In Table 4, PGW applied 78.5% portion to the estimated low-income figure to assume that 95,477 of the estimated low-income customers would have statistically significant usage and 12 months of concurrent usage. The statistical significance of historical usage was determined by calculating the coefficient of determination (R-squared) between heating consumption and heating degree days. The R-squared indicates the reliability of savings and cost-effectiveness calculations based on the weather normalized usage. PGW itself indicates that the weather normalized results may not be producing a statistically significant confidence level (e.g. there may be anomalous usage months; inconsistent or insufficient data; etc).²¹³

²¹³ Proposed 2023 USECP at 10.

The Low Income Advocates object to these exclusions in PGW’s calculation of need and in its program restrictions, and note that there are a number of factual and policy issues with these categorical exclusions. To begin, excluding those who do not have 12 months of concurrent usage may include those who may have been terminated within the past year. This is particularly restrictive and creates a perverse result whereby those most in need of bill savings through comprehensive usage reduction are likely to be categorically excluded from the needs assessment, thereby reducing the accessibility of comprehensive usage reduction services. In consideration of this same issue for the needs assessment in PGW’s Proposed 2017 USECP, the Commission suggested in its order that “half of these customers should be added back in to recognize that year-to-year ineligible status could change during the remaining three years of the USECP.”²¹⁴ Also, we question why and how the Company excludes customers based on statistically significant usage in its calculation of need, as this excludes those whose service is off or inoperable – resulting in the overreliance on insufficient and inconsistent data. In assessing PGW’s LIURP eligibility criteria, the Commission did not order PGW to require customers to have “statistically significant” gas usage, as discussed below.²¹⁵ Again, we suggest that the Commission seek further inquiry into the appropriateness of these exclusions and the accuracy of the underlying data.

c. High Usage Customers

PGW’s third step in its proposed needs assessment was to filter out non-high usage customers where consumption does not fall into the top 50% tier. The Low Income Advocates question whether this group was already partially accounted for in its exclusion of customers in the previous step to exclude those without statistically significant usage. To demonstrate how the

²¹⁴ 2017-2020 PGW USECP Tentative Order at 34.

²¹⁵ Order at 33.

Company calculated the needs assessment, PGW provides an example which shows that approximately 21% of eligible LIURP customers did not have statistically significant gas usage and 12 months of concurrent usage.²¹⁶ PGW's proposal takes steps to exclude those who do not have high usage (consumption within the top 50% tier) *after* excluding those without statistically significant gas usage and 12 months of concurrent usage—thus already reducing the pool of **all** eligible customers by over one fifth (1/5) before removing the bottom 50%. Further inquiry into the data and accounting methods employed by PGW is necessary to understand how and why this figure is not double counting a number of customers whose consumption falls in the bottom 50%.

d. Customers Who Can Participate

PGW's fourth and final step in its proposed needs assessment was to exclude half of properties with rental licenses. In PGW's proposal, a tenant who resides in a single-family home is eligible for Home Comfort services, if the landlord provides permission for PGW to perform weatherization measures. (Proposed 2023 USECP at 19.) The Low Income Advocates question whether this group was already accounted for in its previous criteria for exclusion and recommends that the Commission seek further clarification on how PGW's blunt removal of 50% of properties with rental licenses from the expected participation rate is an accurate use of this data. PGW should be seeking to improve enrollment of renters, who make up a disproportionate number of

²¹⁶ Proposed 2023 USECP at 10. As an example, of the recent 86,527 eligible LIURP customers for whom PGW has data, 67,997, or 79%, have statistically significant gas usage and 12 months of concurrent usage. Therefore, PGW applied this 79% portion to the estimated low-income figure to assume that 95,477 of the estimated low-income customers would have statistically significant usage and 12 months of concurrent usage. (Proposed 2023 USECP at 10). By subtracting the 79% of customers that have statistically significant gas usage and 12 months of concurrent usage from all eligible LIURP customers indicates that 21% of eligible LIURP customers did not have statistically significant gas usage and 12 months of concurrent usage.

Philadelphia’s low-income populations – especially across communities of color,²¹⁷ and should not wholesale exclude half of the renter population in its needs assessment.

For the foregoing reasons, the Low Income Advocates submit that these factual questions and concerns surrounding the accuracy and appropriateness of PGW’s LIURP needs assessment, and the resulting adequacy and reasonableness of its LIURP budget to serve this identified need, should be referred to the Office of Administrative Law Judge for further proceedings.

V. HARDSHIP FUND

In its Proposed 2023 USECP, PGW seeks approval to implement a Hardship Fund pilot that would provide grants to households at or below 250% FPL. Outside of that proposal, PGW makes no additional changes to its Hardship Fund. The Commission did not raise any additional issues with PGW’s Hardship Fund in its Order. However, the Low Income Advocates have several concerns about the operation of PGW’s Hardship Fund, including its limitation on grant frequency (prohibiting receipt more frequently than once every 24 months), definitions of active shutoff, and income documentation requirements. We will address each concern in turn below.

PGW’s Hardship Fund operates by matching grants provided by the Utility Emergency Services Fund (UESF), up to \$750 for a grant and match of up to \$1500.²¹⁸ While PGW states in its Proposed 2023 USECP that it receives customer contributions that go towards UESF through its Dollar Plus program, PGW’s Hardship Fund budget show that those funds are minimal – PGW

²¹⁷ See, e.g., The Pew Charitable Trusts, The State of Housing Affordability in Philadelphia, Sept. 2020, available at: <https://www.pewtrusts.org/-/media/assets/2020/09/phillyhousingreport.pdf> (reporting that 88% of low-income renters are cost burdened; 68% are severely-cost burdened; and cost burden is more heavily concentrated among Hispanic households and non-Hispanic Black households).

²¹⁸ Amended Universal Service and Energy Conservation Plan 2017-2020 Philadelphia Gas Works, Docket No. M-2016-2542415, at 30, available at: <https://www.puc.pa.gov/pcdocs/1535412.pdf>.

estimates only \$2,000 in customer or employee contributions.²¹⁹ In the Commission’s 2021 Universal Service and Collections Report, PGW reported collecting just \$793 through voluntary ratepayer contributions to the Hardship Fund in 2020.²²⁰ That year, PGW contributed just \$122,575 to support the issuance of Hardship Fund grants.²²¹ From 2019-2020, PGW issued just 249 grants through the program – a tiny fraction of those in need of such assistance across the City of Philadelphia.

A. Proposed Pilot

PGW’s Hardship Fund budget includes a set amount of funds (\$795,500) made available by PGW as matching funds to UESF grants fundraised through other sources (including PGW’s Dollar Plus program). PGW proposes that if UESF is unable to meet PGW’s budget, and funds remain of the \$795,500 in matching PGW has budgeted, PGW will use up to \$100,000 of these funds for a pilot in the subsequent calendar year.²²² PGW proposes to target this \$100,000 pilot towards customers with incomes between 151% and 250% FPL. Customers in this slightly higher income bracket are ineligible for programs like LIHEAP or CRP, and those above 175% FPL are not eligible for traditional Hardship Fund grants. PGW proposes to provide up to \$750 per household in the form of automatic grants to two categories of households within this income category: (1) CRP customers removed from CRP during the recertification process due to exceeding income eligibility limits; and/or (2) customers who are victims of domestic violence with a Protection from Abuse order (PFA) or other court order providing clear evidence of domestic violence.²²³

²¹⁹ Proposed 2023 USECP at 29.

²²⁰ Pa. PUC, BCS, Report on 2020 Universal Service Programs and Collections Performance, at 78 (Nov. 2021), available at: <https://www.puc.pa.gov/media/1709/2020-universal-service-report-final.pdf>.

²²¹ *Id.* at 80.

²²² Proposed 2023 USECP at 28.

²²³ Proposed 2023 USECP at 28.

The Commission in its Order asked PGW to clarify how customers would be selected for this grant, how customers would be informed about the grant, and who would administer the program.²²⁴ PGW responded that the grant would be automatically provided, with no required action on the customer's part, to all customers who:

- Submit an application for CRP and are deemed ineligible due to exceeding income guidelines, but remain under 250% FPL; or
- Are protected by a PFA, contact PGW after the start of the pilot, and have income between 151-250% FPL.²²⁵

PGW further states that grants will be between \$200 and \$750. The Low Income Advocates generally support the goal of the pilot to provide grants to slightly higher income but still struggling households. However, the Low Income Advocates have several concerns about the operation of the proposed pilot.

First, PGW implies that customers who have balances over \$750 will still be eligible for a grant. However, it is not clear what effect this grant will have on the customer's service. If a customer's balance is over \$750, will PGW suspend shutoff activity on the remaining balance? Will PGW allow the customer to enter a payment arrangement on the remaining balance? Over how many months? Will the grant be available for customers who are in active payment arrangements that may be unaffordable based on their household income?

In addition, PGW indicates in its USECP that customers will be able to opt-out of the grant.²²⁶ However, in its Responses to the Commission, PGW states that there will be no required action on the customer's behalf. The Low Income Advocates believe that a customer should be given the opportunity to opt out of receiving this grant – customers may be eligible for a larger

²²⁴ Order at 48.

²²⁵ PGW Responses at 30.

²²⁶ Proposed 2023 USECP at 28.

UESF grant with PGW matching, for instance, if their income is under 175% FPL. And there may be other reasons a customer would want to opt out from receiving the grant.

The Low Income Advocates are also concerned about how customers would know that they might be eligible for these grants. Many customers with household incomes between 151 and 250% FPL are aware of the income limits for CRP and so do not apply. How will PGW ensure that these customers submit an application for CRP? Has PGW considered other ways of reaching these customers, to eliminate the burden on PGW and these customers of applying for a program for which they are ineligible? In its Proposed 2023 USECP, PGW states that this grant will be for customers removed during the recertification process, but in its responses to the Commission, states that any customer who submits an application will be eligible.²²⁷ These statements make it unclear whether this grant is limited to customers being removed from CRP or is also available to customers who apply and are denied. PGW's statements regarding victims of domestic violence are similarly unclear – will this grant be available to customers already known to PGW to be victims of domestic violence, or only to customers newly providing proof? The Low Income Advocates submit that the Commission should require PGW to be clear and inclusive in its eligibility definitions for the pilot program and to advertise the program so that all customers know it is available.

PGW's proposal brings up an additional concern. Specifically, the Low Income Advocates are concerned about the extent to which PGW's budgeted amounts for Hardship Fund are not being used, and whether there is a reason PGW cannot also make available, either directly or through UESF, \$750 grants that do not require a UESF match. We are particularly concerned that these

²²⁷ Proposed 2023 USECP at 28, PGW Responses at 30.

matching requirements act as barriers to customers successfully obtaining grant assistance critical to staying connected to services and addressing accumulating balances.

In general, the Low Income Advocates urge PGW and the Commission to adopt policies that make Hardship Funds available to as many households as possible. As discussed in the following section, this includes making changes to eligibility requirements that serve as barriers to receipt of Hardship Fund assistance.

B. Hardship Fund Eligibility

i. 24 Month Stay Out

One requirement of PGW’s Hardship Fund is that a customer “must not have received assistance from UESF in the past 24 months.”²²⁸ UESF is the Utility Emergency Services Fund, which administers PGW’s Hardship Fund. UESF also administers other utility and housing-related assistance programs. The Low Income Advocates submit that PGW’s restrictive Hardship Fund policy is unnecessary and inappropriate for a utility-run Hardship Fund. At a minimum, any time barrier for receipt of Hardship Funds should be limited solely to PGW grants, and should be limited to no greater than 12 months – consistent with other Pennsylvania utilities. Not only is a customer barred for 24 months if they received a PGW grant – they are also barred from receiving a PGW Hardship Fund grant if they received assistance from UESF for PECO or Philadelphia Water Revenue Bureau²²⁹ bills – or for non-utility assistance such as housing stabilization and water conservation. By tying eligibility for PGW’s hardship to receipt of other forms of assistance, PGW

²²⁸ Proposed 2023 USECP at 26.

²²⁹ Philadelphia Water Revenue Bureau is the division of Philadelphia City government responsible for all billing and collection functions for water and sewer charges and is not regulated by the Commission.

is inappropriately delegating its responsibility to establish program parameters.²³⁰ The PUC should direct PGW to remove this unreasonably restrictive requirement from its USECP.

PGW was previously directed to provide quarterly updates regarding discussions with UESF to explore ways to modify Hardship Fund eligibility, including eliminating the 24-month stay out provision.²³¹ In response to this requirement, PGW submitted its first Quarterly Status Update on October 2, 2017, stating that it “has engaged in discussions with UESF” and that “UESF appears receptive to considering possible changes to some of their policies.”²³² As of March 30, 2018, PGW reported that “UESF has indicated this policy [the 24-month stay-out] is important to its mission because it allows the program to serve as many families as possible,” but that UESF was “still considering” eliminating this provision in the future.²³³ From and after this report, PGW reports no further detail, indicating only that possible elimination of the 24-month stay-out is still under consideration by UESF.

As the Commission clearly articulated, and consistent with the Commission’s rulings in other USECP proceedings, “PGW is responsible for establishing the eligibility criteria for its Hardship Fund,” not UESF.²³⁴ By all indications, PGW has inappropriately delegated its

²³⁰ The Commission has addressed this in other utility contexts. See Duquesne Light 2017-2019 USECP Order, Docket No. M-2016-2534323, at 46 (Mar. 23, 2017); see also Duquesne Light 2020-2025 USECP Order, Docket M-2019-3008227, at 77-79 (April 14, 2022).

²³¹ Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2017-2020 Submitted in Compliance with 52 Pa. Code §62.4, Order at 61-62 (August 3, 2017); available at: <https://www.puc.pa.gov/pcdocs/1530729.docx>.

²³² Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2017-2020 Submitted in Compliance with 52 Pa. Code §62.4, Quarterly Status Update (October 2, 2017); available at: <https://www.puc.pa.gov/pcdocs/1589349.pdf>.

²³³ Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2017-2020 Submitted in Compliance with 52 Pa. Code §62.4, Quarterly Status Update (March 30, 2018); available at: <https://www.puc.pa.gov/pcdocs/1561756.pdf>.

²³⁴ Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2017-2020 Submitted in Compliance with 52 Pa. Code §62.4, Order at 62 (August 3, 2017); available at: <https://www.puc.pa.gov/pcdocs/1530729.docx>.

responsibility to establish Commission-approved program parameters to its program administrator – evading the Commission’s review, and undermining the Commission’s statutory obligation to ensure universal service programs are appropriately funded and accessible to those in need.²³⁵ Indeed, even if UESF’s is unwilling or incapable of modifying its grant policies, the incorporation of a 24-month stay out *in PGW’s USECP* is unnecessary and unwarranted as it is not a condition PGW is imposing, but rather is one imposed by its CBO. Moreover, in light of PGW’s proposed pilot, and the provision of Hardship Fund assistance independently on the basis that UESF may not be capable of utilizing the full amount of funding PGW makes available, there appears no policy basis supporting the stay out. Indeed, if UESF cannot expend the full amount of assistance available, the limitation is not achieving the goal of serving “as many families as possible.”

In any event, if a limitation on frequency of receipt of Hardship Funds is to be in place, 24 months is simply too long. The Commission recently ordered PECO to allow eligible customers to receive one Hardship Fund grant per year.²³⁶ Should there be a restriction on frequency of receipt, PGW’s Hardship Fund should, like PECO’s, only limit customers to one grant per year.

ii. Definition of Active Shutoff

Another issue that prevents vulnerable households from accessing Hardship Funds is PGW’s policy that customers with a temporary hold are not considered at risk of termination for purposes of applying for a Hardship Fund grant.²³⁷ It is unclear whether this temporary hold

²³⁵ 66 Pa. C.S. §§ 2202 (definition of universal service) & 2803(7), (8).

²³⁶ PECO Energy Company Universal Service and Energy Conservation Plan for 2019-2024, Docket No. M-2018-3005795, Order at 91 (Jun. 16, 2022); available at: <https://www.puc.pa.gov/pdocs/1748763.pdf>.

²³⁷ Proposed 2023 USECP at 27

terminology includes medical certificates. Medical certifications only provide *short term* holds for medically vulnerable households who are at risk of termination. Households with a medical certificate must be provided opportunities while protected by a medical certificate to equitably resolve the debt. This is not only good policy; the Commission’s regulations require consumers protected by a medical certificate to make equitable payments to address the underlying debts while protected by a medical certificate.²³⁸ We therefore additionally recommend that PGW amend its plan to indicate that any customer who has a temporary hold on termination should still be considered at risk of termination for purposes of applying for PGW’s Hardship Fund.

iii. Income Documentation

PGW’s Proposed 2023 USECP does not specifically outline income calculation for the purposed of its Hardship Fund – rather, it only provides the income eligibility guideline of at or below 175% FPL.²³⁹ The Low Income Advocates offer a few suggestions regarding income calculation and documentation for the Hardship Fund. First, PGW should use the income provided at the time of application. If application processing takes a week or two, a customer should not be required to submit additional paystubs due to that delay in processing.

Second, PGW should implement the same flexible income and identification documentation standards discussed above regarding CRP for its Hardship Fund. Finally, if a customer is already enrolled in CRP, they should not need to provide additional income documentation at all, as any customer who is income eligible for CRP will also be income eligible for a Hardship Fund grant.

²³⁸ 52 Pa. Code §§ 56.114(1), 56.116.

²³⁹ Proposed 2023 USECP at 26.

Finally, PGW should adopt an explicit policy within its Proposed 2023 USECP to authorize auto-enrollment of LIHEAP recipients upon implementation of a data-sharing protocol between the Department of Human Services (DHS) and utilities to facilitate cross-program enrollment. As the Commission is aware, DHS has been moving forward with implementation of a data sharing protocol to facilitate coordination and streamline administration. While the timeframe for implementation of this policy change is uncertain, the Low Income Advocates understand that a data sharing protocol could be in place as early as the 2023 LIHEAP season. Given PGW's USECP will be effective for the next five years, it is critical that PGW adopt a policy now – in its pending USECP – to ensure it will be prepared to utilize LIHEAP data for cross-enrollment without delay.

C. Hardship Fund Grant Payment Posting

PGW Hardship Fund grants from UESF can take more than 90 days to post to a customer's account following approval. This can lead to customer confusion and concern about what they are being asked to pay. While a hold protects the customer from termination, oftentimes a customer cannot reenroll in CRP until the grant is posted. The Low Income Advocates suggest that PGW credit a customer's account with the Hardship Fund amount at the time the customer is notified of the grant amount and allow the customer to reenroll in CRP at that time.

i. Use of Hardship Funds to Cover CRP Cure or Balance

PGW's Proposed 2023 USECP states that the Hardship Fund grant must eliminate the total amount due, not including frozen arrears if the customer is enrolled in CRP.²⁴⁰ It is UESF's practice to use Hardship Fund grants to cover a customer's CRP cure amount, consistent with this language in the USECP. The Low Income Advocates generally support the use of Hardship Fund dollars to

²⁴⁰ Proposed 2023 USECP at 27.

reenroll in CRP, and suggest that practice should continue in place for the majority of Hardship Fund recipients.

However, the Low Income Advocates submit that some applicants, who are able with Hardship Fund assistance to cure their entire balances (including frozen arrears, if any), should be permitted to do so. Indeed, because past due obligations to PGW can be filed as liens against the property served, the ability to fully satisfy PGW debt can be vital for homeowners facing potential mortgage foreclosure and tenants whose landlords demand payment in full. Accordingly, the Low Income Advocates submit that PGW's Hardship Funds should authorize payment, including frozen arrears, to the extent necessary in those circumstances.

Finally, customers should be allowed to reenroll in CRP as soon as PGW is notified of the grant amount and confirms that the grant, plus any additional grant assistance and/or customer payment, is satisfactory either to cover the cure amount or eliminate all past due balances. Requiring customers to wait several months before reenrolling in CRP undermines ongoing bill affordability and is unnecessary.

ii. Coordination with UESF

PGW states that with regards to temporary holds, it will “meet with UESF to discuss a policy change to allow customers with holds to remain eligible for a UESF grant.”²⁴¹ This raises another concern about PGW's responsibility for the rules for PGW's Hardship Fund. PGW provides both matching funds and a significant amount of operating support to UESF.²⁴² The Low Income Advocates are concerned about the extent to which PGW defers to UESF for

²⁴¹ Proposed 2023 USECP at 27.

²⁴² Proposed 2023 USECP at 29.

eligibility requirements such as the definition of a crisis. The Low Income Advocates request that the Commission direct PGW to clarify how it coordinates its Hardship Fund program with UESF.

iii. Voluntary Customer Hardship Fund Contributions

In its Proposed 2023 USECP, PGW indicates that it receives customer contributions to UESF throughout the year and that it expects to conduct outreach to customers for contributions to Dollar Plus.²⁴³ The Low Income Advocates are concerned about PGW's failure in recent years to raise voluntary customer contributions for its Hardship Fund. For example, according to the Commission's 2020 Report on Universal Service Programs and Collections Performance, PGW only raised \$753 in voluntary ratepayer contributions between 2019 and 2020.²⁴⁴ Similarly, PGW only raised \$986 in voluntary ratepayer contributions between 2018 and 2019.²⁴⁵ These voluntary ratepayer contribution levels are significantly lower than other regulated NGDCs reported by the Commission.²⁴⁶

These striking disparities in reported voluntary ratepayer contributions evidences the critical need to improve PGW's policies, procedures, and processes for soliciting voluntary contributions to its Hardship Fund. The Low Income Advocates recognize that PGW indicates in its Proposed 2023 USECP that it intends to conduct outreach for voluntary Hardship Fund contributions. However, given the extremely low level of voluntary ratepayer Hardship Fund contributions in recent years, the Low Income Advocates recommend that PGW be required to

²⁴³ Proposed 2023 USECP at 25.

²⁴⁴ 2020 Report on Universal Service Programs and Collections Performance, at 79, available at: <https://www.puc.pa.gov/media/1709/2020-universal-service-report-final.pdf>.

²⁴⁵ 2019 Report on Universal Service Programs and Collections Performance, at 68, available at: https://www.puc.pa.gov/General/publications_reports/pdf/EDC_NGDC_UniServ_Rpt2019.pdf.

²⁴⁶ Id.

develop additional methods for soliciting voluntary ratepayer contributions for its Hardship Fund including, but not limited to, the use of bill inserts and other donation solicitations. We further recommend that PGW be required to work with its Advisory Group to determine other methods to effectively solicit voluntary ratepayer contributions for the Hardship Fund. Finally, we reiterated our suggestion above that PGW work to expend its full Hardship Fund budget regardless of available matching dollars raised through ratepayer contributions or through UESF.

VI. CONCLUSION

The Low Income Advocates appreciate the opportunity to provide comprehensive comments and recommendations to the Commission regarding PGW's Proposed 2023 USECP. We have advanced numerous recommendations and observations, all targeted to help improve the accessibility, affordability, and reach of PGW's universal service and energy conservation programs. We urge the Commission to adopt our foregoing recommendations. To the extent our comments raise factual disputes or require additional factual information, that the Commission refer those specific matters to the Office of Administrative Law Judge to oversee the exchange of discovery and the development of a factual record.

Respectfully Submitted,

COMMUNITY LEGAL SERVICES
Counsel for TURN



Joline R. Price, PA ID 315405
Robert W. Ballenger, PA ID 93434
Kintéshia Scott, Esq., PA ID 328600
1424 Chestnut Street
Philadelphia, PA 19102
215-981-3700
jprice@clsphila.org
rballenger@clsphila.org
kscott@clsphila.org

PENNSYLVANIA UTILITY LAW PROJECT
Counsel for CAUSE-PA



Ria M. Pereira, Esq., PA ID: 316771
Elizabeth R. Marx, Esq., PA ID: 309014
Lauren N. Berman, Esq., PA ID: 310116
John W. Sweet, Esq., PA ID: 320182
118 Locust Street
Harrisburg, PA 17101
Tel.: 717-236-9486
Fax: 717-233-4088
pulp@pautilitylawproject.org

August 30, 2022