

COMMONWEALTH OF PENNSYLVANIA



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September 22, 2022

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

Re: PPL Electric Utilities Corporation's Proposed
Universal Service and Energy Conservation
Plan for 2023-2027
Docket No. M-2022-3031727

Dear Secretary Chiavetta:

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

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

Respectfully submitted,

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CERTIFICATE OF SERVICE

PPL Electric Utilities Corporation's :
Proposed Universal Service and Energy : Docket No. M-2022-3031727
Conservation Plan for 2023-2027 :

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

Dated this 22nd day of September 2022.

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PPL Electric Utilities Corporation's :
Proposed Universal Service and :
Energy Conservation : Docket No. M-2022-3031727
Plan for 2023-2027 :

COMMENTS
OF THE
OFFICE OF CONSUMER ADVOCATE

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The Office of Consumer Advocate (OCA) files these Comments pursuant to the directive in the Commission's Order Directing Supplemental Information and Establishing Comment Period (*PPL USECP 2023-2027 Order*)¹ entered July 14, 2022.²

I. INTRODUCTION

On January 18, 2019, PPL filed a Petition at docket numbers P-2019-3007285 and M-2016-2554787 and requested that the 2017-2019 USECP be extended through 2020, that its next USECP be extended through 2023, and that the filing deadline for the 2021-2023 USECP be extended until September 1, 2023. *PPL 2023-2027 USECP Order* at 3. PPL also requested an extension of the due date for the third-party evaluation to March 1, 2020. *PPL 2023-2027 USECP Order* at 3. On February 3, 2019, the Commission issued a Secretarial Letter approving the Petition. *PPL 2023-2027 USECP Order* at 3. The Commission subsequently extended all of the universal service plans to five years and directed that PPL file its 2023-2027 Plan on or about April 1, 2022.

Pursuant to a November 9, 2019 Order, the Commission's CAP Policy Statement was amended effective March 21, 2020. *PPL USECP 2023-2027 Order* at 4; *see also 2019 Amendments to Policy Statement on Customer Assistance Programs, 52 Pa. Code § 69.261-69.267*, Docket No. M-2019-3012599, Final Policy Statement and Order (Nov. 5, 2019)(*Final CAP Policy Statement Order*). *Final CAP Policy Statement Order* details the 17 amendments to the Commission's CAP Policy Statement. *PPL USECP 2023-2027 Order* at 8.

¹ *PPL Electric Utilities Corporation Universal Service and Energy Conservation Plan for 2023-2027 Submitted in Compliance with 52 Pa. Code § 54.74*, Docket No. M-2022-3031727, Order (July 14, 2022).

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

On February 26, 2020, PPL filed the independent third-party evaluation of its universal service and energy conservation programs. *PPL 2023-2027 USECP Order* at 5. The evaluation was completed by Applied Public Policy Research Institute for Study and Evaluation (APPRISE) (2020 APPRISE Evaluation). *PPL 2023-2027 USECP Order* at 5.

On April 1, 2022, PPL Electric Utilities Corporation (PPL) filed its proposed 2023-2027 Universal Service and Energy Conservation Plan (2023-2027 USECP or Plan) pursuant to 52 Pa. Code § 54.74. The OCA filed its Notice of Intervention and Public Statement on May 18, 2022. The Coalition for Affordable Utility Service and Energy Conservation in Pennsylvania (CAUSE-PA) filed its Petition to Intervene on June 30, 2022. On May 27, 2022, the Pennsylvania Coalition of Local Energy Efficiency Contractors (PA CLEEC) filed Comments. On June 14, 2022, PPL filed its response to the Comments of PA CLEEC.

On July 14, 2022, the Commission issued its *PPL 2023-2027 USECP Order* and requested that the Company provide *Supplemental Information*. On August 30, 2022, PPL provided its *Supplemental Information*. The Secretary's office approved a request for an extension for Comments and Reply Comments on July 25, 2022. Comments are due on September 22, 2022, and Reply Comments will be due on October 7, 2022.

The OCA's comments address the following issues raised by the Commission in its PPL USECP 2023-2027 Order: (1) energy burdens; (2) continuation of the CAP Plus amount; (3) PPA forgiveness; (4) 12-month PPA forgiveness; (5) refund of security deposits; and (6) hardship fund. The OCA also addresses the following additional issues: (7) CAP recertification; (8) Community Education and Outreach Plan; (9) final bill and late payment charges; and (10) LIURP budget.

II. COMMENTS

A. Energy Burdens

PPL proposes changes to the program design, energy burdens and maximum CAP credit design. In its Plan, PPL proposes to transition from its current Percentage of Bill (POB) CAP design structure to Percentage of Income Payment Plan (PIPP). PPL proposes to retain an Agency Selected Plan and a Minimum Payment option. PPL 2023-2027 USECP at 3-4; *PPL 2023-2027 USECP Order* at 15. PPL will continue to evaluate which option will offer the best option for the customer. *PPL 2023-2027 USECP* at 3-4; *PPL 2023-2027 USECP Order* at 15. PPL has also proposed to change the energy burdens and the maximum CAP credits that will apply to the three options.

The Commission's Order created several tables that compare the proposed payment design options from the 2017 USECP to the Proposed 2023 USECP, the Percentage of Income Payments at the proposed energy burden levels, and the proposed changes to the maximum CAP credit levels. The proposed payment design options are as follows:

Table 1. On Track Payment Options: 2017 USECP vs. Proposed 2023 USECP

	Current 2017 USECP	Proposed 2023 USECP
Option 1.	Percent of Bill (POB) = (Estimated average monthly bill) X (Percent of Bill Amount) + (\$5 per month PPA co-payment) + (CAP Plus)	Percent of Income (PIP) = (Customer’s monthly income) X (Percent of Income Amount in Table 2) CAP Plus charge is then included in this amount.
Option 2.	Agency Selected (ASP) = Same calculation used to determine Percent of Bill payment, but an additional discount is provided based on extenuating circumstances caused by the customer’s household and/or financial situation.	Agency Selected (ASP) = If the PIP payment exceeds the average bill, the payment amount is determined by the CBO based on extenuating circumstances caused by the customer’s household and/or financial situation.
Option 3.	Minimum Payment = (Customer’s estimated monthly budget amount) – (maximum monthly CAP credit) + (\$5 per month PPA co-payment) + (CAP Plus).	PIP or ASP amount cannot be less than the minimum payment Minimum Payment = \$20 for ENH \$40 for EH

PPL 2023-2027 USECP Order at 16, citing 2017-2020 PPL USECP at 4-6, Proposed PPL 2023-2027 USECP at 4-5.

As described in the Commission’s Order, PPL proposes to change the energy burdens to the following:

Table 2. Percentage of Income Payments

FPIG Tier	ENH	EH
0-50%	2%	5%
51-100%	3.5%	6%
101-150%	4%	7%

PPL 2023-2027 USECP Order at 16, citing *PPL 2023-2027 USECP* at 4.

The Commission also compared the maximum energy burdens proposed by PPL with the CAP Policy Statement in Table 4.

**Table 4. Maximum Energy Burdens
CAP Policy Statement vs. PPL Proposed PIP**

FPIG Tier	ENH CAP Policy Statement (2020)	ENH Proposed PIP	EH CAP Policy Statement (2020)	EH Proposed PIP
0-50%	2%	2%	4%	5%
51-100%	4%	3.5%	10%	6%
101-150%	4%	4%	10%	7%

PPL 2023-2027 USECP Order at 18. PPL has proposed lower PIPs for electric non-heating customers from 51-100% of the FPL and electric heating customers from 51-100% and 101-150% of the FPL. *PPL 2023-2027 USECP Order* at 18. PPL has proposed slightly higher energy burdens for electric heating customers from 0-50% of the FPL. *PPL 2023-2027 USECP Order* at 18.

The Company also proposes to change the maximum CAP credits as follows:

Table 3. Maximum CAP Credits

	ENH	ENG	EH	EH
FPIG Tier	Current 18-month	Proposed 12-month	Current 18-month	Proposed 12-month
0-50%	\$1,585	\$1,950	\$4,027	\$3,150
51-100%	\$1,441	\$1,500	\$3,661	\$2,500
101-150%	\$1,310	\$1,250	\$3,328	\$2,150

PPL 2023-2027 USECP Order at 17, citing *PPL 2017-2020 USECP* at 17, Proposed 2023 USECP at 13.

The Commission requested *Supplemental Information* from PPL related to the energy burdens: (1) explanation of how the proposed PIP energy burdens were determined, including an analysis of projected average monthly PIP bills and the projected annual PIP credit expenditures from 2023-2027 based on the CAP Policy Statement energy burdens; (2) explanation of how the Agency Selected Payment option may differ from the customer’s average bill; (3) projected average monthly OnTrack bills from 2023-2027, broken down by FPIG tier, energy type, and payment option; (4) projected cost impact of the proposed OnTrack payment changes, including an estimate of how the energy burden change may impact OnTrack expenditures in 2023-2027; (5) projected annual increase to OnTrack costs from 2023-2027 based on the elimination of the \$5 PPA co-payment; (6) projected impact on annual collections costs from 2023-2027 based on implementation of the proposed OnTrack payment changes, broken down by FPIG; and (7) projected impact on unused LIHEAP grants returned to the Department of Human Services. *PPL 2023-2027 USECP Order* at 20.

The *Supplemental Information* provides that the combined impact of the proposed changes to the energy burdens, the maximum CAP credits, the 12-month arrearage forgiveness, and the increase to the minimum payments would result in a projected OnTrack program cost

increase of \$1,533,222 (1.8%) from \$85,000,000 to \$86,533,222 in 2023. By 2027, the Company anticipates that the increase in OnTrack costs would be approximately \$5,536,684 (6.4%) from a projected \$87,000,000 to \$92,536,684. *Supplemental Information* at PA PUC 1-1, Attachment at 2 (Change to percent of income). One of the cost drivers is that the Company projects a 12.4% increase in enrollment from 71,000 participants in 2023 to 79,800 participants in 2027. PPL projects that its proposed changes would decrease the payments of electric hearing customers at 0-5% poverty by approximately \$25.36 per month by 2027. *Supplemental Information* at PA PUC 1-1, Attachment at 4. Customers from 101-150% would experience an average increase to bills of approximately \$34.14 per month by 2027, and nonelectric heating customers would experience an average increase of approximately \$23.61 per month. *Supplemental Information* at PA PUC 1-1, Attachment at 4 (PPL right sized participant cost by month). As discussed more fully below, the OCA generally supports these changes with two modifications, outlined in Section B and D, that would also reduce the monthly payments for customers through: (1) elimination of the CAP Plus payment and (2) modification to the arrearage forgiveness periods.

Based on the OCA's review of the Company's proposed Plan and its *Supplemental Information* responses, and the specific unique facts of this filing, the OCA supports PPL's proposed energy burdens as filed in this case. The Company's proposal would reapportion the discounts to those customers with the greatest need. Due to the relatively modest increase in program costs, the OCA does not believe that additional cost control measures are necessary at this time but recommends that the costs of the program be monitored throughout Plan's duration. In addition, the OCA reserves the right to raise the need for additional cost control measures and to re-examine the identified energy burdens in the Company's next Universal Service and Energy Conservation Plan proceeding.

The OCA supports PPL's proposed energy burdens because of the benefits provided to CAP participants and the relatively low impact on other ratepayers. The goal of the revised energy burdens is to improve affordability for low-income customers so that those customers can remain connected to service, but it is also the case that the cost impact on other ratepayers should be considered.³ The OCA believes that the proposed energy burdens effectively balance those goals.

However, the OCA recommends that the Commission continue to monitor the costs of the program throughout the duration of the Company's plan. The OCA recommends that PPL should be required to monitor the impact of the revised energy burdens on the actual OnTrack program costs and provide information to the parties about the actual cost information if the actual annual CAP costs exceed the originally projected budget by greater than 20%. If this criterion is met, PPL should provide the actual cost information to all parties in this proceeding and schedule a meeting with interested stakeholders within 30 days of providing the data to receive input on the need for cost controls. Any party would be able to petition the Commission before or after those meetings to address cost control concerns or to raise or oppose cost control measures in any subsequent USECP or base rate proceeding. PPL should propose going forward cost control measures if the CAP costs exceed budgeted amounts by 20% or more, or justify why, despite this increase, no cost control measures are needed. This circuit breaker mechanism would allow for ongoing monitoring of costs so they do not get too far afield from what PPL is

³ The Commission noted this balance in its *Final CAP Policy Statement Order* when it provided:

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

Final CAP Policy Statement Order at 8.

projecting an important safeguard given the changes that PPL is proposing here, the length of the USECP, and the currently ongoing volatility of the energy markets.

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

[t]he proposed Order before us today directs the Peoples Companies to track data related to these CAP payment changes for review during their next USECP. I agree with the proposed Order, but I also encourage the Peoples Companies to take more immediate action if CAP costs increase beyond the projected budgets. The Commission recently approved a Joint Petition for Settlement in Duquesne Light Company's 2020-2025 USECP which contained a provision whereby Duquesne Light Company will notify the parties to their proceeding and seek their input if USECP costs will exceed the projected budget by 10% and file a petition with the Commission explaining the cost increase and outlining possible programmatic cost-containment measures.

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

Peoples Natural Gas Company LLC and Peoples Gas Company LLC 2019-2024 Universal Service and Energy Conservation Plan Submitted in Compliance with 52 Pa. Code § 62.4, Docket Nos. M-2018-3003177, et al., Statement of Vice Chairman John Coleman (May 12, 2022). The factual circumstances of the instant case differ from the Duquesne USECP. There the threshold was a 10% increase in total USECP costs. Here, the OCA is proposing a trigger at 20% increase for CAP costs which are only one part of the USECP. However, the concept and the objective are the same. The costs of the program changes should be monitored and evaluated, and the parties should not wait five years to evaluate significant changes to the costs if they increase at rates significantly in excess of what has been projected.

In addition, the OCA recommends that the Company track the total dollar amount unused LIHEAP grants returned to the Department of Human Services (DHS) each year and provide the information as a part of the Company's next Universal Service and Energy Conservation Plan. The OCA recommends that the following data specifically be tracked: the number of annual CAP accounts which have had or may have unused LIHEAP funds returned to DHS and the total and average annual amount of those funds. PPL should provide actual data for 2023-2027, broken down by income tier (*i.e.*, 0%-50%, 51%-100%, and 101%-150%). This information will provide a useful base to determine whether CAP tiers are appropriately targeting affordability.

As noted throughout this section, the OCA supports the proposed changes to the energy burdens due to the specific unique facts of this case. For the reasons set forth above, the OCA submits that the Companies' proposed changes to the energy burdens should be approved with the OCA's additional proposed recommendations to monitor the costs, and to track and report the LIHEAP refunds in the next USECP. Separately, the OCA also suggests, consistent with

Section D, below, that the arrearage forgiveness timeline be amended from 18 months to 12 months.

B. CAP Plus

PPL’s OnTrack payment includes a CAP Plus amount. *PPL 2023-2027 USECP* at 5; *PPL 2023-2027 USECP Order* at 21. The Commission’s Order provides:

[t]he amount of the CAP Plus charge can change annually every November based on the availability of federal funding for the LIHEAP program in the prior year. PPL calculates the monthly amount of the CAP Plus payment by “taking the total amount of LIHEAP funding received by OnTrack participants [in the previous year], dividing that dollar amount by the number of active OnTrack accounts as of September 30, and then dividing that annual amount by 12 months.” Since DHS prohibits the use of LIHEAP funds to offset the cost of utility CAP programs, PPL reports it does not include a CAP Plus charge if the customer has a LIHEAP credit. Proposed 2023 USECP at 4-5.

PPL 2023-2027 USECP Order at 15. As the Commission noted, PPL proposes to eliminate a monthly \$5 PPA co-payment but to retain the CAP Plus charge. *Id.* at 19. PPL also proposed that it would not include the CAP Plus amount on the customer bill. *PPL USECP* at 5; *PPL 2023-2027 USECP Order* at 21.

The Commission’s Order provides the following Table 5 to explain how a PIP bill is calculated for an Electric Heating customer with a 2-person household and \$950 of monthly income, or approximately 62% of the 2022 FPL. Table 5 provides:

PIP Option Example-Electric Heat

Household Size	2
Monthly income	\$950
Electrically heated home	Yes
Percent of Income factor	6%
Total Energy Burden Payment Amount (TEBPA)	\$57.00
Components of TEBPA:	
CAP Plus Amount	\$7.00
OnTrack Installment Amount	\$50.00

Proposed PPL 2023-2027 USECP at 4; *PPL 2023-2027 USECP Order* at 23. The Commission identified that in this example, the energy burden did not exceed the targeted energy burden. The Commission, however, questioned “whether the OnTrack Installment Amount plus the CAP Plus charge, which changes annually, will always be equal to or less than the PIP energy burden targets or average bill payment. It is also not clear how the OnTrack installment Amount is calculated.” *PPL 2023-2027 USECP Order* at 21. The Commission requested that PPL provide in *Supplemental Information* whether the CAP Plus charge would result in a bill that is greater than the energy burden or average bill amount; how the OnTrack amount is calculated; how the annual charge is communicated to customers; how the monthly OnTrack payment can remain unchanged if the CAP Plus charge is not included on the bill; and how annual OnTrack costs would increase from 2023 through 2027 if the CAP Plus charge were eliminated.

As noted in the Company’s Plan, the CAP Plus payment stems from the Company 2010 distribution base rate proceeding settlement at Docket No. R-2010-2161694. *Proposed 2023-2027 USECP* at 5. As PPL states, “the purpose of CAP Plus is to help offset program expenses for all residential customers who pay for OnTrack through the reconcilable Universal Service Rider (“USR”). *Id.* What is clear, however, based on the example above outlined by the Commission as well as PPL’s responses to PA PUC 1-8, 1-9, 1-11, and 1-12, the CAP Plus amount is actually part of the Total Energy Burden Payment that is calculated based on the participant’s percentage of income and, as such does not appear to be achieving this objective and providing a cost containment measure. Customers appear to pay the same total energy burden either with or without the CAP Plus payment. *Supplemental Information* at PA PUC 1-8, 1-9, 1-11, 1-12. Despite the fact that PPL may call a portion of the TEBPA the CAP Plus amount, it is not in addition to that which the customer would otherwise pay. Under this

paradigm, it is not clear how the design of the CAP Plus as proposed provides a benefit to other ratepayers. Although in the Company's response to PA PUC 1-12, PPL seems to indicate that costs to CAP would increase by the LIHEAP amount, this analysis does not seem to be accurate. *Supplemental Information* at PA PUC 1-12. The CAP Plus is not in *addition* to the total energy burden amount, so with or without the CAP Plus, it appears that the payment would remain the same because the energy burdens remain the same. The OCA assumes that PPL structured the CAP Plus payment this way so as to adhere to the energy burdens outlined by the CAP Policy Statement. Generally speaking, the OCA supports CAP customer not paying more than their established energy burdens. Here, the inclusion of CAP Plus does not seem to make a difference those energy burdens, but simply seems to add needless complexity to the calculation. As such, the OCA would support elimination of the CAP Plus amount as described and calculated by PPL.

C. Arrearage Forgiveness

In its Order, the Commission requested clarification regarding the Company's policy regarding PPA (pre-program arrearage) forgiveness. The Commission Order provides that:

[t]he CAP Policy Statement (2020) recommends that public utilities allow PPA forgiveness for each on-time and in-full monthly payment, regardless of in-program arrears, and retroactive PPA forgiveness for any months missed once the customer pays the balance in full. 52 Pa. Code § 69.265(8)(ix)(A-B). PPL reports that it is compliant with this provision. February 2020 Letter at 2. However, the Proposed 2023 USECP does not indicate that customers receive PPA forgiveness for each monthly payment, regardless of OnTrack arrears, or retroactive PPA forgiveness.

PPL 2023-2027 USECP Order at 32; *see* 52 Pa. Code § 69.265(8)(ix)(A-B). The Commission requested that PPL "clarify whether it allows OnTrack customers to receive PPA forgiveness for each on-time and in-full monthly payments, regardless of OnTrack arrears, and retroactive PPA forgiveness for any months missed once the customer pays the OnTrack balance in full." *PPL 2023-2027 USECP Order* at 32.

In its *Supplemental Information*, PPL responded that “[y]es, the customer will receive PPA arrearage forgiveness for each on-time and in-full monthly payment.” *Supplemental Information* at PA PUC 1-24. The Company, however, did not specifically address whether a customer receives retroactive PPA forgiveness for any months missed once the customer pays the OnTrack balance in full.

It is the OCA’s understanding from prior USECP proceedings that PPL has in the past allowed customers to receive retroactive arrearage forgiveness, but it is not clear from PPL’s response whether that is still the case. *See PPL Electric Revised 2014-2016 USECP Final Order*, Docket No. M-2013-2367021, at 6 (Order Entered Sept. 11, 2014) (*PPL USECP 2014-2016*). To the extent that PPL does currently not permit retroactive arrearage forgiveness, the OCA recommends that the Company implement a policy of including retroactive arrearage forgiveness.

The Commission has articulated the policy that arrearage forgiveness should be granted as complete payments are made, irrespective of whether those payments were made in a “timely” fashion. Two different processes have developed regarding the application of arrearage forgiveness to payments that have been missed, and the Commission’s CAP Policy Statement recommends both processes. Under the first approach, the Company provides arrearage forgiveness for each on time and in-full CAP payment, regardless of existing CAP arrears. 66 Pa. C.S. § 69.265(8)(ix)(A); *see also, PGW USECP 2017-2020*, Docket No. M-2016-2542415, Order at 34-36 (August 3, 2017); *UGI 2011-2013 USECP Final Order*, Docket No. M-2010-2186052, Order at 32-33 (October 31, 2011) (*UGI USECP 2011-2013*). The OCA supports allowing CAP customers to receive arrearage forgiveness for any month in which the customer made an on-time and in-full CAP payment. The monthly forgiveness allows an OnTrack

customer to continue to reduce their debt and provides motivation for a customer to stay current in the monthly CAP payments, even if they have otherwise fallen behind on prior payments. This arrearage forgiveness policy also would address the income instability often experienced by low-income households.

Under the second approach, the Company applies arrearage forgiveness retroactively to any months missed once the CAP customer catches up on any missed payments. *See* 66 Pa. C.S. § 69.265(8)(ix)(A). Duquesne Light Company (Duquesne), National Fuel Gas Distribution Company (NFG), and the UGI Companies have voluntarily allowed CAP customers to receive arrearage forgiveness for any monthly payments once the entire CAP balance is paid in full. *Duquesne Light Company 2014-2016 USECP Final Order*, Docket No. M-2013-2350946, Order at 3 (May 9, 2011) (*Duquesne USECP 2014-2016*); *UGI Revised 2014-2017 USECP*, Docket No. M-2013-2371824, Order at 16 (January 15, 2015) (*UGI USECP 2014-2017*); *NFG 2011-2013 USECP Final Order*, Docket No. M-2010-2192210, Order at 12 (May 9, 2011) (*NFG USECP 2011-2013*).

The OCA recommends that arrearage forgiveness be granted when a bill is completely paid, for any month in which it is completely paid and for retroactive arrearage forgiveness when a customer catches up on payments. The OCA submits that providing retroactive arrearage forgiveness encourages customers to catch up on missed payments. CAP programs frequently serve households that are dependent upon wage earners employed in low-wage jobs that frequently receive unstable or inconsistent incomes. Low-wage employees tend to be hourly employees. A lack of sufficient hours in a given month may reflect the decisions of the employer, or may reflect other events in a customer's life, including illness of the worker or a worker's family member, the need to address parental responsibilities at school, or other similar

life events. Low-wage employees are also a population of employees who lack paid vacation and sick leave, flex time, or other time-related benefits to ensure that they receive a consistent income stream.

D. 12-Month PPA Forgiveness

As part of PPL's proposal to change from an 18-month to a 12-month program cycle, PPL proposes to shorten the arrearage forgiveness from 18 months to 12 months. Proposed PPL USECP at 2; *PPL 2023-2027 USECP Order* at 32. The Commission's Order requested that PPL identify the projected annual costs of providing PPA forgiveness over 12 months, 18 months, 24 months, and 36 months and why the proposed cycle was chosen. *PPL 2023-2027 USECP Order* at 32. In PPL's response in its *Supplemental Information*, the Company identified that in 2023, the costs of changes from an 18-month arrearage forgiveness period to a 12-month period resulted in an increase in costs of approximately \$4,630,231 to a total of \$25,640,231. *Supplemental Information* at PA PUC 1-25. Whereas increasing the arrearage forgiveness period from 18 months to 24 months would decrease current projected costs for 2023 by \$11,112,506 or to \$9,887,493. *Supplemental Information* at PA PUC 1-25.

The arrearage forgiveness timeframe can greatly impact the costs of the program. Given the substantial difference in costs, the OCA would propose that if the energy burden changes are approved that the Commission consider increasing the timeframe for arrearage forgiveness to 24 months to reduce the annual costs of the program. The proposed change is still within the 1-3 year range identified in the Commission's CAP Policy Statement, but it could act as an important cost control measure.

E. Refund Of Security Deposits

In the Commission's Order, the Commission requests that PPL clarify its policy regarding the waiving or refunding of security deposits for OnTrack-eligible customers. *PPL 2023-2027 USECP Order* at 33. As the Commission's Order provides:

[b]oth Title 66 and Commission regulations prohibit requiring a cash deposit for utility service from customers who are confirmed to be eligible for a CAP. *See* Pa. C.S. § 1404(a.1) and 52 Pa. Code § 56.32(e). Commission regulations also state that a public utility must "refund a deposit, 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..." *See* 52 Pa. Code § 56.53(f).

PPL 2023-2027 USECP Order at 33. The Commission requested that PPL clarify its policies and procedures regarding the waiver of security deposits for OnTrack eligible customers. *Id.* at 34.

PPL responded that when a customer is made eligible for OnTrack and has an active security deposit, PPL's system will do one of the following: (1) "if the deposit has been quoted, the security deposit will be waived automatically;" (2) "if the deposit has been billed and not paid, the security deposit will be credited back to the account automatically;" and (3) "if the deposit has been paid, either partially or in full, the security deposit will be refunded back to the account along with interest." *Supplemental Information* at PA PUC 1-27. The OCA has concerns about how PPL applies this third method of refunding the deposits.

The OCA requests that PPL clarify how the deposit is refunded "back to the account." The security deposit is the customer's funds that should not have been charged to an OnTrack-eligible household, and the customer should be given the ability to direct where and how he or she wants the money refunded. If PPL applies the refund to a balance of pre-OnTrack arrears that would otherwise be forgiven through the program, a customer should be provided the informed choice to receive a refund of the security deposit or to allocate it towards the back balance.

Depending on how PPL applies the refunds back to the account, PPL's current practice of refunding the security deposit may not be a waiver or refund of the deposits consistent with the Public Utility Code or the Commission's regulations. 66 Pa. C.S. § 1404(a)(1); 52 Pa. Code § 56.32(e). It may be simply redirecting the deposit to be applied against the customer's account to reduce the arrears that would otherwise be subject to forgiveness under OnTrack. PPL should clarify its policy, and if it is applied to any arrears, the Commission should direct PPL to provide customers with an affirmative choice of whether to receive a refund of the security deposit or to apply the amount to the customer's pre-OnTrack activation balance that would otherwise be subject to forgiveness with monthly OnTrack payments.⁴

F. Hardship Fund

The Commission's Order provided that "the Proposed 2023 USECP does not explain how the amount of the Operation HELP grant is determined or whether there is a minimum or maximum threshold for assistance." *PPL 2023-2027 USECP Order* at 54. Then the Commission requested that the Company provide clarification regarding how it determines the amount of hardship fund grant to issue whether there is an established maximum or minimum grant. *Id.*

In its *Supplemental Information*, PPL identified the grant provided is unique to the customer and designed to meet the customer's immediate need. PPL states that "[a] customer can apply for the program regardless of their balance. However, if the grant is not sufficient to cover the amount needed, the customer may be asked to make a payment or seek additional sources of assistance." *Supplemental Information* at PA PUC 1-46. PPL's response appears to indicate that PPL would not provide a hardship grant unless the customer can retire his or her entire balance. The response also indicates that a customer "may be asked" to make a payment, but the

⁴ There may be reasons why an individual would choose to have their deposit applied to their pre-program account balance. Doing so would reduce the amount that the household owes if they leave OnTrack for any reason. The choice, however, should be the customer's.

Company's response does not indicate under what circumstances a customer would be required to make a payment or seek additional assistance.

The OCA does not agree with the notion that a hardship fund grant should be required to reduce a balance to \$0 before the grant is granted or accepted. For example, a customer should be able to combine a hardship fund grant with a LIHEAP crisis grant in order to restore service or prevent termination or they should be able to combine a hardship fund grant with a payment agreement. LIHEAP crisis grant rules require only that the Company restore service or halt termination based upon the amount of the grant and not based upon the grant resolving the entire balance. The OCA submits that the same policy should apply to a hardship fund grant. PPL's hardship fund grant policy should allow for flexibility and to provide the opportunity for service to be restored or to prevent termination even if the full balance will not be resolved by the grant.

G. Additional OCA Issues:

1. Recertification

PPL has proposed in its Plan the following recertification timelines: (1) for customers with no income less than the rent/mortgage, one-time recertification after 6 months and additional documentation required after 12 months; (2) for LIHEAP recipients, every two years; (3) for customers whose primary source of income is SSI, every two years; and (4) for all other customers, annually. The OCA recommends that PPL extend its recertification for all other customers to 24 months other than those customers reporting zero income. Extension to 24 months would be consistent with the OCA's recommended 24-month period for PPA forgiveness. A 24-month recertification policy would allow customers to earn the full proposed arrearage forgiveness before needing to recertify. As discussed below, the OCA is concerned about the Company's recertification rates, and extension of the recertification timeline from

annually to 24 months would allow customers to earn the full arrearage forgiveness before recertification is required.

The OCA also has a concern regarding PPL's recertification rates. The OCA reviewed information provided by PPL informally in response to the May 18, 2022 stakeholder meeting and to the Commission in its Bureau of Consumer Services Universal Service and Energy Conservation report. *See PPL Informal Data Responses from the May 18, 2022 Stakeholder Meeting (PPL Informal Data Responses); Universal Service and Collections Performance Report for Natural Gas Distribution Companies and Electric Distribution Companies (BCS Report)*⁵. The data provided in the *PPL Informal Data Responses* demonstrates that PPL's recertification rates decreased significantly in 2021, particularly for the lowest income customers. The OCA recommends that PPL examine why the rates of recertification have decreased so significantly and that PPL should develop a plan to improve recertification, particularly for customers with the lowest income.

On June 24, 2022, in the *PPL Informal Data Responses*, PPL identified that OnTrack had 66,178 participants in 2021. *See PPL Informal Data Responses #4*. PPL also identified that in 2021, PPL lost approximately 12,685 participants due to a failure to recertify. *See PPL Informal Data Responses #2*. According to the data, PPL lost almost one in five of its OnTrack participants in just a one-year period due to a failure to recertify. The OCA notes that this 20% rate of failure to recertify is higher than the 2020 rate of "default" number presented in the *2020 BCS Report*. The "default rate" is defined in the *2020 BCS Report* as including as a subset the failure to recertify.⁶ *2020 BCS Report* at 62. While the OCA acknowledges that the 2020 default

⁵ <https://www.puc.pa.gov/media/1709/2020-universal-service-report-final.pdf>

⁶ CAP default rate is calculated as follows:

rate may be attributable, in part, to COVID-19 and the fact that customers were not removed from CAP for failure to certify, however, this does not explain why the 2021 failure to recertify rate is also *higher* than the 2019 default rate.⁷ The 20% failure to recertify rate in 2021 is roughly equivalent to the 2018 “default” rate which includes all CAP participant defaults, not just the failure to recertify.⁸ The OCA recommends that the Commission require PPL to analyze why the failure to recertify has increased so much since 2018.

The OCA also notes that for PPL, in the *2020 BCS Report*, the default rate for customers in the 0-50% FPL range is *higher* than the default rate for the other two poverty ranges. *2020 BCS Report* at 62. In 2019, the default rate for customers from 0-50% of FPL (21.7%) and the *combined* default rates for the 51-100% and 101-150% of FPL population was 24.9% (12.9% + 12.0%). In 2018, the default rate was similarly higher at 26.2% for customers at 0-50% of the FPL. *Id.*

Moreover, in the *Supplemental Information*, PPL provided that 45% of people who are removed from CAP due to a failure to recertify subsequently re-enroll in OnTrack. *Supplemental Information* at Pa PUC 1-30. The fact that customers return to the program means that persons tend not recertify for reasons other than an affirmative decision to leave the program.

The OCA recommends that the Commission require PPL to explore what the barriers to recertification are that would lead someone who is the most likely to benefit from OnTrack and

[t]he CAP default rate is calculated by dividing the average monthly CAP participation at each poverty level, by the total annual number of defaults for each poverty level. CAP customers are considered non-compliant (in default) when they fail to meet program requirements. Actions resulting in CAP defaults include missing payments, making late payments, or failing to recertify. CAP customers who voluntarily leave the program are not counted in the default rate. EDCs and NGDCs may track CAP default occurrences differently.

2020 BCS Report at 61.

⁷ *2020 BCS Report* at 62.

⁸ *Id.*

would receive higher OnTrack benefits to be more likely to default due to a failure to recertify. In particular, PPL should explore whether additional mediums for submission of documentation would help to facilitate the recertification process. The Company should offer the customer the opportunity to recertify via paper, phone, fax, or text to allow the customer the maximum number of options to recertify. The OCA would also suggest that the Company consider implementing text reminders for customers with embedded links to allow the customer to recertify through the message.

The OCA recommends that PPL extend its recertification period from the proposed 12-month period to 24 months for all customers other than those reporting no income. Moreover, overall, PPL should develop strategies to address the reasons and barriers to recertification. Specifically, PPL should discuss with its Universal Service Working Group how to prevent removal due to failure to recertify. PPL should also undertake a study of what happens to people who are removed due to a failure to recertify. PPL should examine what happens with respect to payments, disconnections, and arrearages, including what kind of pre-program arrears that were not yet forgiven remain.

2. Consumer Education and Outreach Plan

In the Commission's Order, the Commission notes that PPL has added a Consumer Education and Outreach Plan (CEOP) to its Universal Services Group agenda, but the Company has not provided a CEOP with its 2023-2027 USECP. *PPL 2023-2027 USECP Order* at 11. In the Commission's *Final CAP Policy Statement Order*, the Commission stated explicitly that:

While utilities have flexibility as to the contents of their plans, the plans should reflect focused consumer education and outreach efforts, tailored to the demographics of their individual service territories, spanning the duration of the universal service plan period. In particular, these plans should identify efforts to educate and enroll eligible and interested customers at or below 50% of the FPIG.

Final CAP Policy Statement Order at 79 (emphasis added). Section 69.265(8)(i) of the CAP Policy Statement recommends that a public utility develop and incorporate a CEOP as a part of its USECP. 52 Pa. Code § 69.265(8)(i). Thus, utilities should be under a continuing obligation to ensure that its customer outreach programs adequately identify and solicit those who may need help the most.

The Commission's Order directed PPL to develop a CEOP identifying all ongoing and all planned universal service and education outreach initiatives. *PPL 2023-2027 USECP Order* at 41. In its *Supplemental Information*, PPL attached a CEOP to educate customers in the future. *Supplemental Information* at PA PUC 1-32. The OCA submits that inclusion of a CEOP is an important first step, but the CEOP should be further developed beyond what has been proposed in the *Supplemental Information*.

The OCA submits that the outreach plan is an important component of the Commission's *Final CAP Policy Statement Order* and CAP Policy Statement. *Final CAP Policy Statement Order* at 79. As the Commission stated in a recent Order, constant attention and development must be provided to these outreach programs:

Upon review, we agree with the recommendation of the ALJ that there is no need to change Columbia's outreach initiatives at this time.

However, we do want to reconfirm that [Columbia Gas of Pennsylvania, Inc. (Columbia)] is developing and implementing all reasonable strategies to both increase its customer outreach efforts and CAP participation levels in order to reduce arrearage levels as recommended in the [Columbia's] most recent Management Audit. We take notice of Columbia's statements in this matter that it has already put into practice all of the OCA's recommendations to increase outreach and expand CAP enrollment and commend [Columbia] for these efforts. But in acknowledging these efforts, consistent with the Management Audit recommendations, we expect [Columbia] to continue working with its USAC on its

Outreach Strategy and Communication Plan going forward. These continuing efforts should include examining current outreach strategies for effectiveness and developing new outreach efforts to improve CAP participation levels even more, which, in turn, will likely reduce future arrearage levels. Further, [Columbia] needs to determine whether it has exhausted all grassroots community-based avenues to identify new low-income customers. For example, besides the community-based organizations Columbia already is working with, are there other local organizations it can partner with, such as food banks, schools, Head Start or other preschool programs to implement more fully its outreach strategies.

Pa. Pub. Util. Comm'n v. Columbia Gas of Pennsylvania, Inc., et al., Docket Nos. R-2020-3018835, et al., Opinion and Order at 172-73 (Order entered Feb. 19, 2021) (*Columbia*).

Likewise, PPL also needs to re-evaluate their current and proposed outreach efforts targeted to those at 50 percent FPL and below to increase the participation rate of this customer group because these customers are most likely to have electricity bills that represent a high percentage of income and, thus, are more likely to have payment troubles.

In previous rate cases, OCA witness, Roger Colton, has recommended that utilities conduct certain outreach efforts to improve its participation rate, particularly with the 0-50% of the FPL population. For example, Mr. Colton testified in Columbia's recent 2021 base rate case that a utility should (1) use the community as a means of identifying such customers rather than rely on call center contacts; (2) focus on relationship-building; (3) go to where the customers, live, work, shop, play, and pray rather than rely on the customers initiating contacts; and (4) rely on grassroots "trusted messengers" from within the community. *Columbia* at 162-163. Mr. Colton, in that same testimony, recommended that outreach could be built into the Company's collections process by offering customers a chance to enroll in CAP when a confirmed low-income customer seeks to enter into a payment arrangement, is about to be terminated for non-

payment, is disconnected for non-payment, and/or is contacted by the Company and found to either be using a potentially unsafe heating source or is without service. *Id.* at 163.

In UGI Electric's most recent base rate proceeding, Mr. Colton recommended that the Company develop a Public Partnership Outreach Plan (PPOP) that would consist of the following three steps:

- Identification of public assistance programs which have income-eligibility guidelines at or below the income-eligibility guidelines for being deemed a confirmed low-income customer; being income-eligible for CAP; or being income-eligible for winter shutoff protections.
- Contact by UGI Electric with the administrators of each program requesting that enrollment in each program include a specific and explicit request at the time of program application with respect to which a program applicant shall designate whether they wish UGI Electric to be informed of their income eligibility for various customer service protections propounded by the Pennsylvania PUC. Each household answering in the affirmative shall be identified by UGI Electric as either (or both) a Confirmed Low-Income customer and/or a customer eligible for winter shutoff protections;
- Affirmative outreach shall be directed to each customer identified in this fashion informing the customer of the availability of CAP, and explaining both the reduced bill aspects, and arrearage forgiveness aspects, of the CAP, along with corollary program responsibilities.

Pa. Pub. Util. Comm'n v. UGI Utilities Inc. – Electric Division, Docket No. R-2021-3023618, OCA Statement No. 4: Direct Testimony of Roger D. Colton at 60 (Entered Jun. 29, 2021). Such measures are important because improving participation in CAP can improve payment patterns for participating low-income customers and ensure that fewer are disconnected for non-payment. In other words, improving enrollment in CAP will help decrease utility expenses and improve revenues.

For these reasons, PPL should be directed to provide a timeline for development of its CEOP, including a detailed plan addressing how it intends to expand its CAP outreach to increase the CAP participation rate for customers with annual income less than 50% of FPL. Consistent with the Commission's decision in *Columbia*, cited above, such a plan should include not only a discussion of the activities that the Company intends to take, but also include quantitative outcomes by which the success (or lack thereof) can be measured.

3. Final Bill and Late Payment Charges

In its *Supplemental Information*, PPL provided its final billing policy as follows:

When an OnTrack customer requests a discontinuance of service, a final bill is issued. The final bill is issued for the actual usage from the last meter reading to the date of discontinuance, in addition to all unpaid charges on the account. The actual usage is billed at the residential rate. The Company treats the request to discontinue service as the customer voluntarily leaving OnTrack. Therefore, at that time, the only "rate applicable to service rendered to" that "patron" under Section 1303 of the Public Utility Code is the full residential rate. 66 Pa. C.S. § 1303. As such, PPL Electric issues a final bill based on the full residential rate rather than the OnTrack amount. Furthermore, participation in OnTrack is entirely voluntarily [sic], and customers remain in their designated residential rate schedule under PPL Electric's tariff even they enroll in OnTrack. Thus, PPL Electric maintains that its practice complies with the relevant statutes and regulations referenced in the CAP Final Billing Order.

Supplemental Information at PA PUC 1-29.

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

until *30 days after* the final bill is issued and that if they are enrolled in OnTrack at the time of termination they are an OnTrack customer until 30 days after the final bill is issued.

The CAP Policy Statement provides that a CAP applicant is eligible for CAP if their status as a utility ratepayer (i.e., a customer) is verified. 52 Pa. Code § 69.265(4). Section 1403 of the Public Utility Code extends the definition of a customer beyond the date of disconnection.

66 Pa. C.S. § 1403. The Chapter 14 definition of a customer provides:

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

66 Pa. C.S. § 1403 (emphasis added).

Moreover, the *CAP Final Billing Order*⁹ cited by the Commission anticipated that the Company would charge the customer the rate most beneficial to the customer, and PPL's practice in charging the eligible OnTrack participant full residential tariff rates for the final bill – irrespective of whether that bill is more or less than the OnTrack bill – is not the rate most beneficial to the customer. The *CAP Final Billing Order* provided:

[f]urther, Section 1303 provides that public utilities are to compute bills under the rate most beneficial to the customer. Generally speaking, it would appear that the starting point for any specific inquiry regarding the bill for usage in a partial final billing period as a CAP participant should be a comparison between a residential tariff rate calculation for energy consumed and the CAP price prorated for number of days of service in the billing period. The other items on a bill such as true-ups, arrears, arrearage forgiveness, third-party assistance such as LIHEAP, and CAP credits and limits are separate considerations dependent on the customers' payment history and the utility's CAP provisions.

CAP Final Billing Order at 22; see *PPL 2023-2027 USECP Order* at 35-36.

⁹ *Staff Review of Customer Assistance Program Final Billing Methods*, Docket No. M-2019-3010190, Order (March 12, 2020) (*CAP Final Billing Order*).

The OCA submits that PPL also does not identify whether late fees are assessed to an OnTrack customer when issued a final bill. As the Commission identifies in its Order, the Commission requested that PPL clarify whether OnTrack customers are exempt from late fees. PPL 2023-2027 USECP Order at 33, citing 52 Pa. Code § 69.265(6). In its *Supplemental Information*, PPL confirmed that it does not charge late fees to CAP customers. *Supplemental Information* at PA PUC-1-26. In PPL's response, PPL treats an OnTrack customer for purposes of the final bill as any other residential customer. PPL has not identified whether the Company assesses late fees to customers who were enrolled in OnTrack prior to the issuance of the final bill. The OCA submits that for purposes of the final bill, PPL should treat customers as OnTrack participants and they should not be assessed late fees.

For the reasons set forth above, PPL's issuance of a full tariff rate bill at the time of final bill is inconsistent with the definition of customer as set forth under Chapter 14. The OCA submitted that an OnTrack customer whose service is terminated remains an OnTrack customer until 30 days after their final bill is past due. The customer and the household have been verified as continuing to be eligible for OnTrack at the time of the issuance of the final bill. The Commission should direct PPL to provide the OnTrack discount and arrearage forgiveness due to a CAP participant through the issuance of a final bill, unless charging the tariff rate would result in a lower more favorable bill to the household. PPL OnTrack participants should also not be assessed late fees.

4. LIURP Budget

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

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

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

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

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

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

52 Pa. Code § 58.4(c).

The current LIURP budget is \$10,000,000 per year and is static over the course of the five -year Plan. *See, PPL 2023-2027 USECP Order* at 58. PPL estimates that there are approximately 85,825 currently eligible LIURP participants. *PPL 2023-2027 USECP Order* at 56. The costs to serve all the customers needing LIURP is approximately \$236,735.354. *PPL 2023-2027 USECP Order* at 56. PGW estimates serving approximately 3,500 customers per year. *PPL 2023-2027 USECP Order* at 56. At the rate of spending and households served, it would take PPL 24.5 years to serve all currently eligible households. In addition, the annual budget that is set for the 2023-2027 Plan period does not address issues that arise related to rising costs of inflation, increases in costs of equipment, increases in costs of labor and construction costs, or increases in customer need that may arise over the duration of the plan.

PPL has not set forth a any nexus between the LIURP budget, the needs analysis, and the number of units being served each year. In fact, PPL has maintained the budget that was set forth in the Company's 2017-2019 USECP without modification, explanation, or analysis. *See PPL*

2017-2019 USECP, Docket No. M-2016-2554787, Order at 56 (Oct. 5, 2017). The current LIURP budget is set forth without any direct tie to achieving an objective of addressing the current needs analysis and how that needs analysis may change from Plan to Plan. The Commission has affirmed the need for a nexus between calculating the LIURP budget and the needs analysis. For example, in PGW's 2017-2022 USECP, the Commission affirmed the importance of this link between calculating the LIURP budget and the needs analysis and, in that proceeding, PGW's budget was increased to \$7.9 million based on the needs analysis performed by the Commission. *Philadelphia Gas Works Universal Services and Energy Conservation Plan for 2017-2020 Submitted in Compliance with 52 Pa. Code § 62.4*, Docket No. M-2016-25424515, Order at 81 (Aug. 3, 2017). Moreover, unless the LIURP budget increases over time, due to increasing costs and inflation, the LIURP budget will be able to serve fewer customers at the end of the Plan than it could at the beginning of the Plan.

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

permitted to comment upon and propose adjustments to the LIURP budget during these interim filings that occur between-USECP filings Waiting until 2028 or the interim between base rate proceedings is too long to allow the necessary between USECP approvals of increased LIURP budgets based on increased need or costs to serve households.

III. CONCLUSION

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

Respectfully Submitted,

/s/ Christy M. Appleby
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