

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

Public Meeting held February 9, 2023

Commissioners Present:

Gladys M. Brown Dutrieuille, Chairman  
Stephen M. DeFrank, Vice Chairman  
Ralph V. Yanora  
Kathryn L. Zerfuss, Statement  
John F. Coleman, Jr.

PPL Electric Utilities Corporation Universal  
Service and Energy Conservation Plan for  
2023-2027 Submitted in Compliance with  
52 Pa. Code § 57.74

Docket No. M-2022-3031727

**ORDER**

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**BY THE COMMISSION:**

On April 1, 2022, PPL Electric Utilities Corporation (PPL) filed its proposed 2023-2027 Universal Service and Energy Conservation Plan (Proposed 2023 USECP) in compliance with 52 Pa. Code § 54.74, relating to electric universal service and energy conservation reporting requirements. On July 14, 2022, the Pennsylvania Public Utility Commission (Commission) entered an Order (July 2022 Order), requiring additional information from PPL and inviting stakeholder comments regarding the Proposed 2023 USECP. The July 2022 Order indicated issues that required further attention on the record, directed PPL to provide supplemental information, and set a timeline for stakeholder comments and reply comments on the Proposed 2023 USECP. On August 3, 2022, PPL filed its Supplemental Information. The Office of Consumer Advocate (OCA), the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), the Pennsylvania Coalition of Local Energy Efficiency Contractors, Inc. (PA-CLEEC), the Commission on Economic Opportunity (CEO), the Pennsylvania Weatherization Providers Task Force (PWPTF), and PPL individually or jointly filed comments and/or reply comments.<sup>1</sup> We have considered the supplemental information, comments, and reply comments filed by the parties and now direct PPL to file and serve a Revised 2023 USECP, consistent with this Order, for the reasons described herein. PPL's existing 2017-2022 USECP (2017 USECP) at Docket No. M-2016-2554787 will continue in operation in whole or in part until its 2023 USECP is fully implemented.

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<sup>1</sup> Entries of appearance were filed on behalf of PA-CLEEC, Solaire Energy Inc., and CEO. Notices of intervention were filed by OCA and CAUSE-PA

## I. BACKGROUND

As an electric distribution company (EDC) with more than 60,000 customers,<sup>2</sup> PPL is required to maintain a Commission-approved USECP and to obtain an independent third-party review of its universal service programs periodically.<sup>3</sup>

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

The Commission's CAP Policy Statement was amended effective March 21, 2020, pursuant to an order and annex entered on November 5, 2019, and published in the *Pennsylvania Bulletin* on March 21, 2020. *See 2019 Amendments to Policy Statement on Customer Assistance Program, 52 Pa. Code §§ 69.261-69.267, Final Policy Statement and Order, Docket No. M-2019-3012599 (November 2019 Order and November 2019 Annex). See also 50 Pa.B. 1652.*<sup>4</sup> The November 2019 Order, *inter alia*, strongly urged EDCs and natural gas distribution companies (NGDCs) to incorporate the CAP Policy Statement amendments into their USECPs to allow stakeholders to have a basis for meaningful input in a *Universal Service Rulemaking*.<sup>5</sup> November 2019 Order at 2.

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<sup>2</sup> PPL reported serving an average of 1,251,196 residential customers in 2021. *2021 Report on Universal Service and Collections Performance* at 6.

<sup>3</sup> EDCs are subject to the universal service reporting regulations at 52 Pa. Code §§ 54.71-54.78 and the low-income usage reduction regulations at 52 Pa. Code §§ 58.1-58.18 and are guided by the recommendations in the CAP Policy Statement at 52 Pa. Code §§ 69.261-69.267.

<sup>4</sup> Available at <https://www.pacodeandbulletin.gov/Display/pabull?file=/secure/pabulletin/data/vol50/50-12/409.html>.

<sup>5</sup> On January 2, 2020, the Commission entered an order at Docket No. L-2019-3012600 directing its Bureau of Consumer Services (BCS) and Law Bureau to initiate a comprehensive universal service rulemaking.

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

On October 3, 2019, the Commission entered its order (October 2019 Order) in *Universal Service and Energy Conservation Plan (USECP) Filing Schedule and Independent Evaluation Filing Schedule*, Docket No. M-2019-3012601, to extend the duration of USECPs from the then-prescribed three years to at least five years. The filing schedule for third-party independent evaluations was adjusted to coincide with the revised USECP duration and filing schedule. The Commission extended PPL's 2017 USECP through 2022 and directed PPL to file its next five-year USECP (2023 through 2027) on April 1, 2022.

## **II. HISTORY**

*2017 USECP, Docket No. M-2016-2554787*

PPL's most recent USECP was its 2017 USECP, approved by the Commission at Docket No. M-2016-2554787 by order entered on October 5, 2017. On February 5, 2018, PPL filed a Petition (February 2018 Petition) to add an addendum to its 2017 USECP to include its proposed zero-income policy and form. On April 19, 2018, the Commission entered an Order (April 2018 Order) approving the February 2018 Petition. The 2017 USECP as amended remains in effect.

*Third-Party Universal Service Evaluation, Docket No. M-2020-3018986*

On February 26, 2020, pursuant to 52 Pa. Code § 54.76, PPL filed the independent third-party evaluation of its universal service and energy conservation programs completed by Applied Public Policy Research Institute for Study and Evaluation (2020 APPRISE Evaluation). See <https://www.puc.pa.gov/pcdocs/1656535.pdf>.

In compliance with Commission regulations, PPL filed its Proposed 2023 USECP on April 1, 2022, at Docket No. M-2022-3031727 and served OCA; Pennsylvania Utility Law Project (PULP), Counsel for CAUSE-PA; BCS; the Commission’s Bureau of Investigation and Enforcement; and the Commission’s Law Bureau.

On May 26, 2022, PA-CLEEC filed its initial comments (PA-CLEEC May 2022 Comments) regarding the Proposed 2023 USECP. On June 14, 2022, PPL filed a response (June 2022 Letter) declining to address PA-CLEEC’s May 26 filing. June 2022 Letter at 1.

The July 2022 Order identified issues in the Proposed 2023 USECP requiring further clarification and supplemental information from PPL and set a timeline for stakeholder comments and reply comments. On August 3, 2022, PPL filed its Supplemental Information (PPL Supplemental Information).<sup>6</sup> PA-CLEEC filed comments on September 22, 2022 (PA-CLEEC September 2022 Comments) and included the entirety of its May 2022 Comments as an attachment. CAUSE-PA initially filed comments on September 22, 2022, followed by revised comments on October 3, 2022.<sup>7</sup> OCA, CEO, and PWPTF individually filed comments on September 22, 2022. CAUSE-PA filed reply comments on October 6, 2022. CEO and PWPTF filed joint reply comments on October 7, 2022. PA-CLEEC and PPL separately filed reply comments on October 7, 2022.

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<sup>6</sup> See <https://www.puc.pa.gov/docket/M-2022-3031727>, posted to the Commission website on August 3, 2022, as “Reply to Data Request – PPL Electric Utilities.” PPL did not use page numbers in its Supplemental Information, instead providing a separate section using the format “1-#” to identify each of its answers. References to each section are identified as “Section 1-#” for clarity.

<sup>7</sup> References herein to “CAUSE-PA Comments” specifically refer to its revised comments filed on October 3, 2022.

On October 17, 2022, PPL filed a Petition (October 2022 Petition), which was docketed at Docket Nos. P-2022-3036146 and M-2016-2554787, seeking to maintain its CAP Plus charge at the current amount of \$7.00 until its 2023 USECP is approved and implemented, rather than increase the CAP Plus charge to approximately \$13.74 on November 1, 2022, in accordance with the annual recalculation outlined in the 2017 USECP. OCA and CAUSE-PA filed letters in support of the Petition. On October 27, 2022, the Commission entered an Order approving the October 2022 Petition.

### **III. DISCUSSION**

PPL's 2023 USECP, as proposed, contains four major components that help low-income customers maintain utility service.<sup>8</sup> The four major components are : (1) OnTrack (*i.e.*, PPL's customer assistance program or CAP), which provides discounted bills and/or arrearage forgiveness for low-income residential customers; (2) Winter Relief Assistance Program (WRAP, *i.e.*, PPL's low income usage reduction program or LIURP), which provides weatherization and usage reduction services to help low-income customers reduce their energy usage and utility bills; (3) Customer Assistance and Referral Evaluation Services (CARES) program, which provides referral services and account credits for customers experiencing a temporary hardship; and (4) Operation Help (*i.e.*, PPL's Hardship Fund), which provides financial assistance to income-eligible customers who are unable to pay the full amount of their energy bills due to a temporary hardship. We shall discuss each program in greater detail below.

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<sup>8</sup> PPL is obligated by statute to have these four programs. 66 Pa.C.S. § 2804 (8) & (9).

**A. Summary of Proposed Modifications to the Universal Service Programs in the Proposed 2023 USECP as Compared to the 2017 USECP**

**1. Proposed OnTrack Modifications**

- Replace the current Percentage of Bill (POB) plan with a Percent of Income plan (PIP).
- Increase minimum OnTrack Payment amounts.
- Offer seasonal workers the option of providing proof of income for 30 days or 12 months.
- Adjust the current maximum OnTrack credit limits, based on Federal Poverty Income Guidelines (FPIG) tier and account type (*i.e.*, electric non-heating or ENH and electric heating or EH).
- Adjust OnTrack program and recertification timeframe from 18 months to 12 months. Customers reporting no income will remain on a six-month recertification but will be required to submit additional documentation for participation beyond 12 months. Low-Income Home Energy Assistance Program (LIHEAP) recipients will be on a two-year recertification timeframe.
- Initiate collection activity after one missed payment unless the missed payment is less than \$60, or after two missed payments regardless of the amount, instead of removing customers from OnTrack.
- Implement a system alert to identify participants with an OnTrack bill greater than the average bill. Accounts will be reviewed to determine if bill should be adjusted.
- Prohibit customers enrolled in a Time of Use (TOU) rate from enrolling in OnTrack.
- Update information regarding fraud protocols.

- Require customers with an Electric Generation Supplier (EGS) to return to default service prior to enrolling in OnTrack.
- Eliminate the \$5.00 pre-program arrearage (PPA) co-payment.

Proposed 2023 USECP at 4-7, 12-18.

## **2. Proposed WRAP Modifications**

- Eliminate the acronym WRAP as “Winter Relief Assistance Program.” The program will just be called WRAP.
- Include Ductless Heat Pump systems as a standard part of its full-cost measures.
- Prohibit households from receiving WRAP or Act 129 services if they have previously received these services within the past five years.
- Deny or limit WRAP services offered when inaccurate or fraudulent information is provided in the application.
- Remove the provision that partial weatherization will be provided where the major energy use is attributed to lifestyle choices.
- Amend the provision regarding the selection of WRAP contractors and the work performed by subcontractors.

Proposed 2023 USECP at 23, 25-26, 30, 33.

## **3. Proposed CARES Modifications**

PPL proposes no major changes to its CARES program in its Proposed 2023 USECP.

#### **4. Proposed Hardship Fund Modifications**

- Expand eligibility to customers with incomes at or below 250% of the FPIG in keeping with the March 2020 Petition.
- Limit the use of Operation HELP grants to use on the customer's PPL Electric bill.

Proposed 2023 USECP at 35, 38.

*Resolution:* With the exception of the proposed changes and the other issues that are specifically addressed in this Order, the Commission approves PPL's proposed changes to its universal service programs for its 2023 USECP as listed above.

### **B. Program Descriptions as Proposed for 2023-2027**

#### **1. OnTrack**

OnTrack is a special payment program for low-income customers who are not able to pay their electric service bills in full. PPL funds the OnTrack program through a universal service fund surcharge. In addition to reduced utility bills, OnTrack customers also receive the opportunity to have their PPAs completely forgiven over the course of the program cycle. PPL proposes reducing this program cycle from 18 months to 12 months. Proposed 2023 USECP at 2.

To qualify for OnTrack, PPL customers must have household incomes at or below 150% of the FPIG and be a permanent resident in PPL's Pennsylvania service territory. Currently, customers cannot be enrolled in the OnTrack program if they own multiple

properties or have multiple PPL accounts.<sup>9</sup> As proposed, customers would also not be eligible for OnTrack if they have an electric generation supplier (EGS) or have a TOU rate.<sup>10</sup> Proposed 2023 USECP at 6-7.

OnTrack is administered by seven community-based organizations (CBOs). PPL customers can call or visit these OnTrack agencies to apply for the program. Proposed 2023 USECP at 10, 44.

Customers can claim earned and unearned sources of income to qualify for OnTrack. Unearned income can include some forms of government assistance or money from organizations, friends, or relatives. If OnTrack applicants receive unearned income from an undocumented source(s), they must submit a verification statement, also referred to as a “self-declaration” statement, describing how they are paying for their basic living needs (*e.g.*, food, shelter, etc.). Proposed 2023 USECP at 6-9.

OnTrack applicants reporting no incomes or those who report having an income less than or equal to their mortgage or rent—and are not facing foreclosure or eviction—can temporarily be accepted into PPL’s limited-time OnTrack program called OnTrack Lifestyle (OTLS). Currently, OTLS customers must submit updated income information every nine months. 2017 USECP at 11. PPL proposes reducing this recertification timeframe to six months. For participation in OTLS beyond 12 months, PPL will not allow recertifications by submission of a self-declaration statement indicating zero income or that their rent/mortgage remains higher than household income. OTLS customers will be required to provide additional evidence of eligibility, or they will be removed from the program. Proposed 2023 USECP at 12-13.

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<sup>9</sup> Exceptions can be granted for specific situations such as a property with a separate meter for a garage or a property with multiple meters. Proposed 2023 USECP at 7.

<sup>10</sup> The requirements that an OnTrack participant must not be enrolled with an EGS or a TOU rate are newly proposed in the Proposed 2023 USECP. Proposed 2023 USECP at 6-7, 17.

PPL proposes to continue using three separate payment options to calculate a customer’s OnTrack bill. PPL will evaluate which option will offer the best solution for the customer’s situation. PPL proposes to change the OnTrack payment options in the Proposed 2023 USECP. Proposed 2023 USECP at 3-4.

All OnTrack payment options currently include a \$5 monthly PPA co-payment. 2017 USECP at 5. PPL is proposing to eliminate this monthly PPA co-payment. Proposed 2023 USECP at 18. All OnTrack payment plans also currently include a CAP Plus charge. This additional charge is used to offset program expenses for all residential ratepayers. 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.” Proposed 2023 USECP at 4-5. 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 5.

PPL limits the calculated OnTrack payment to no more than the appropriate percent of income, as shown in Table 1, with the exception of minimum payment requirements. PPL proposes increasing the minimum monthly payment in OnTrack from \$30 to \$40 for heating customers and from \$12 to \$20 for non-heating customers. Proposed 2023 USECP at 5.

**Table 1. Percentage of Income Payments**

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

*Source:* Proposed 2023 USECP at 4.

PPL’s proposed OnTrack payment options are as follows:

- **Option 1 – Percent of Income (PIP):** (Customer’s monthly income) times (Percent of Income Amount in Table 1). The CAP Plus charge is then included in this amount.
- **Option 2 – Agency Selected Payment (ASP):** If the PIP payment exceeds the average bill, the payment amount is determined by PPL’s OnTrack agency (which is a CBO) based on extenuating circumstances caused by the customer’s household, financial situation, or both.
- **Option 3 – Minimum Payment:** PIP or ASP amount cannot be less than the minimum payment of \$20 for ENH or \$40 for EH.

Proposed 2023 USECP at 4-5.

PPL limits the amount of discount (*i.e.*, CAP credit) that a customer can receive during a program cycle based on the household’s income level and account type. Table 2 shows proposed maximum CAP credit limits based on the proposed 12-month program cycle.

**Table 2. Proposed Maximum CAP Credits per 12 Months**

<b>FPIG Tier</b>	<b>ENH</b>	<b>EH</b>
0-50%	\$1,950	\$3,150
51-100%	\$1,500	\$2,500
101-150%	\$1,250	\$2,150

*Source:* 2017 USECP at 17, Proposed 2023 USECP at 13.

Customers are required to provide updated proof of income when requested. Proposed 2023 USECP at 7. Removal from the OnTrack program may occur for one or more of the following reasons:

- Failure to respond to requests for information and/or appointments associated with WRAP. If a customer is removed from OnTrack due to failure to provide this response, the customer will be reinstated after providing such response. Additionally, failure of an OnTrack customer to reduce or maintain electric usage or to fulfill WRAP-related requirements may result in removal from the program.
- Misrepresentation of the customers identity, fraud, theft of service, or other misappropriations of service.

Proposed 2023 USECP at 7, 15, 28.

Based on analysis of PPL's OnTrack in the Proposed 2023 USECP, we directed PPL in the July 2022 Order to provide clarification and/or supplemental information regarding identified issues. The following discussion reflects resolution of those issues.

*a. Proposed OnTrack Payment Changes*

PPL proposed the implementation of a PIP option to replace its previous POB option. The Proposed 2023 USECP explains that a PIP payment will be calculated by multiplying the monthly income by the applicable percent of income factor (see Table 1 above).

The Proposed 2023 USECP does not explain how PPL determined its proposed PIP energy burdens for each account type and FPIG tier, some of which are lower than the recommended maximum energy burdens in the CAP Policy Statement (2020) at 52 Pa. Code § 69.265(2)(i) for ENH and EH accounts. Table 3 below compares the CAP Policy Statement (2020) recommended maximum energy burdens to PPL's proposed PIP energy burdens:

**Table 3. Maximum Energy Burdens  
CAP Policy Statement vs. PPL Proposed PIP**

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

The Proposed 2023 USECP states that the ASP option is available in situations where the PIP payment amount exceeds the OnTrack customer’s average bill. The ASP amount is determined by the OnTrack agency after considering the customer’s household and financial situation. Proposed 2023 USECP at 4-5. No further explanation of the ASP is provided, and it is unclear whether the ASP could be less than or equal to an Ontrack customer’s average bill.

As written in the proposed 2023 USECP, the OnTrack bill would include a CAP Plus charge,<sup>11</sup> but PPL has eliminated the monthly \$5 PPA co-payment. Proposed 2023 USECP at 4, 18.

It is not clear how PPL determined its proposed PIP energy burdens and how ASPs will be calculated and how these proposed changes will impact annual OnTrack costs, collection costs, and LIHEAP grant refunds. The Commission directed PPL to provide additional information for further analysis of this issue. July 2022 Order at 19-20.

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<sup>11</sup> CAP Plus is discussed in further detail below.

*Response to information requested in the July 2022 Order*

The information requested regarding PPL’s proposed PIP addressed several distinct elements. We shall recap PPL’s responses to the Commission’s inquiries as they related to each distinct element.

*An explanation of how the proposed PIP energy burdens were determined and an analysis of projected average monthly PIP bills and the projected annual PIP credit expenditures from 2023-2027 based on charging the recommended maximum CAP Policy Statement (2020) energy burdens.*

PPL states that it determined its proposed PIP energy burdens based on an analysis of what would be the “best fit” for its customers without exceeding the recommended maximum energy burden guidelines in the CAP Policy Statement. PPL indicates that the PIP energy burdens in the Proposed 2023 USECP—which it calls the “Right Size Percent Income”—is defined as “95% customer success rate in the program.” PPL provided a chart comparing costs under its current OnTrack payment plan to costs under the proposed PIP. PPL projects that under its 2017 USECP, annual OnTrack costs for 2023 are projected to be \$85,000,000. Based on its proposed PIP, OnTrack costs for 2023 would be \$86,533,222. PPL estimates that costs will increase due to the proposed change in maximum credit and reduction in program length from 18 to 12 months. However, PPL asserts that costs would decrease based on the proposed introduction of the PIP, the increase in the minimum payment amount, and the removal of the arrearage copay.

The analysis provided by PPL projects that adopting the recommended maximum energy burdens in the CAP Policy Statement would decrease current annual OnTrack costs by approximately \$12.9 million in 2023 and by approximately \$18.5 million by 2027. In contrast, adopting the lower energy burdens proposed in the Proposed 2023 USECP will decrease current annual OnTrack costs by approximately \$6.8 million in

2023 and by approximately \$9.1 million by 2027.<sup>12</sup> PPL Supplemental Information at Section 1-1.

PPL did not provide projections for average monthly OnTrack bills based on charging the recommended maximum energy burdens in the CAP Policy Statement. Instead, PPL reported the projected amount of increases or decreases to current monthly bills based on those energy burdens. PPL’s analysis shows that both its proposed energy burdens and the CAP Policy Statement recommended maximum energy burdens would decrease monthly payments for OnTrack customers with incomes at or below 100% of the FPIG and increase current monthly payments for customers with incomes between 101% and 150% of the FPIG. However, the energy burdens in the Proposed 2023 USECP would provide larger reductions in monthly bills for customers at or below 100% of the FPIG and less significant increases for customers between 101% and 150% of the FPIG. PPL Supplemental Information at Section 1-1.

*An explanation of how the ASP calculated payment may differ from the customer’s average bill, including any instructions given to OnTrack agencies on how to determine an ASP amount based on specific household or financial situations.*

PPL reports that the ASP amount will always be less than the customer’s average bill. PPL states the OnTrack agency is given discretion in setting an “affordable” ASP amount for the customer while taking into account the maximum CAP credit limit. OnTrack caseworkers will determine whether to use the ASP when comparing the average bill to the PIP amount. PPL Supplemental Information at Section 1-2.

*Projected average monthly OnTrack bills from 2023-2027, broken down by FPIG tier, energy type, and payment option (i.e., PIP/POB, ASP, Minimum Payment) based on both PPL’s existing and proposed OnTrack Payment calculations.*

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<sup>12</sup> These estimates do not include the costs of other proposed CAP changes, including increasing the maximum CAP credits or granting full pre-program arrearage forgiveness over 12 months.

Tables 4 and 5 show PPL’s projected average annual bills based on its existing POB calculation vs. its proposed PIP for electric heating and electric non-heating OnTrack customers from 2023 through 2027.

**Table 4. Projected Average Monthly Bills 2023-2027 – Existing POB vs Proposed PIP – Electric Heating Customers**

FPIG	2023		2024		2025		2026		2027	
	Existing	Proposed	Existing	Proposed	Existing	Proposed	Existing	Proposed	Existing	Proposed
0% - 50%	\$73.87	\$43.16	\$70.39	\$43.68	\$67.17	\$44.18	\$65.50	\$44.12	\$69.10	\$44.93
51% - 100%	\$99.12	\$70.70	\$100.88	\$74.63	\$98.97	\$75.30	\$97.42	\$76.23	\$99.99	\$76.70
101% - 150%	\$118.67	\$113.00	\$124.19	\$140.54	\$121.96	\$142.99	\$121.53	\$145.71	\$123.46	\$144.76

*Source: PPL Supplemental Information at Section 1-3.*

**Table 5. Projected Average Monthly Bills 2023-2027 – Existing POB vs Proposed PIP – Non-Electric Heating Customers**

FPIG	2023		2024		2025		2026		2027	
	Existing	Proposed	Existing	Proposed	Existing	Proposed	Existing	Proposed	Existing	Proposed
0% - 50%	\$42.65	\$20.63	\$39.37	\$20.69	\$37.18	\$20.75	\$35.63	\$20.83	\$37.64	\$20.99
51% - 100%	\$64.59	\$42.56	\$64.71	\$44.90	\$64.64	\$45.64	\$62.81	\$45.80	\$65.87	\$46.33
101% - 150%	\$85.84	\$77.06	\$87.87	\$82.32	\$88.95	\$83.68	\$87.69	\$83.90	\$90.82	\$84.33

*Source: PPL Supplemental Information at Section 1-3.*

*Projected annual increase to OnTrack costs from 2023-2027 based on the elimination of the \$5 PPA co-payment.*

PPL did not provide the isolated cost impact analysis based on the removal of the \$5 PPA co-payment.

*Projected impact on annual collection costs from 2023 through 2027 based on implementation of the proposed OnTrack payment changes.*

PPL states that it cannot estimate annual collection costs based on the implementation of the OnTrack PIP. PPL Supplemental Information at Section 1-6.

*Projected impact on unused LIHEAP grants returned to the Department of Human Services (DHS).*

PPL reports that in 2020 it returned grants for 184 customers totaling \$55,467.89. In 2021, PPL returned grants for 288 customers totaling \$96,833.95. These refunds represent less than 1% of LIHEAP dollars received and 90% of dollars refunded are associated with OnTrack customers. However, due to variable program parameters and grant amounts, PPL asserts it cannot project LIHEAP dollars it will receive or return from 2023 through 2027. PPL Supplemental Information at Section 1-7.

### *Comments*

In conjunction with the issues identified in the July 2022 Order, there are multiple components in the stakeholder comments to address when it comes to the PPL's proposal to amend its OnTrack payment calculation. Initially, we shall consider the proposal to convert to a PIP with the proposed energy burdens. Next, we shall address OnTrack cost tracking and the impact the proposed OnTrack payments on LIHEAP grant refunds. Last, we shall address whether an ASP option is still necessary or appropriate if the PIP is implemented.

### *Proposed Conversion to a PIP with the Proposed Energy Burdens*

OCA supports PPL's conversion to the proposed PIP with the proposed energy burdens because of the benefits to OnTrack participants and the relatively low impact on other ratepayers via increased costs. OCA Comments at 3-10.

CAUSE-PA supports the swift approval and implementation of PPL's proposed PIP. CAUSE-PA Comments at 3-9.

*Resolution:* The data provided by PPL suggest that average monthly OnTrack bills through 2027 for ENH and EH customers at or below 100% of the FPIG level could be

approximately \$20 to \$30 dollars lower. The data provided by PPL suggest that monthly OnTrack bills for ENH customers in the 101% to 150% tier could be approximately \$3 to \$9 lower, the monthly OnTrack bills for EH customers in the 101% to 150% tier may increase. Additionally, PPL's proposed PIP energy burdens do not exceed the maximum recommended energy burdens in the CAP Policy Statement (2020) at 52 Pa. Code § 69.265(2)(i)(A-C).<sup>13</sup> PPL projects that adopting the proposed PIP energy burdens may increase projected annual OnTrack costs by approximately \$6-9 million per year.<sup>14</sup> Given its anticipated impact on energy affordability for PPL's lowest income customers, however, we find it reasonable and in the public interest to approve this change.

### *OnTrack Cost Tracking*

OCA recommends that the Commission monitor costs through the duration of the 2023 USECP. Specifically, OCA recommends that PPL should be directed to provide actual cost information to all parties in this proceeding if OnTrack costs exceed the projected budget by more than 20% and schedule a meeting with stakeholders within 30 days of providing the cost data to receive stakeholder input. OCA Comments at 3-10.

PPL agrees with OCA's recommendation that costs be monitored. PPL notes that OnTrack program costs are currently tracked on a monthly basis and reviewed to ensure efficient operations. PPL disagrees with the OCA's recommendation to provide actual cost information if costs are 20% more than the projected budget. PPL avers that parties can already track overall costs through the annual Universal Services and Collections Performance Report. PPL Reply Comments at 3-5.

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<sup>13</sup> We note that the Commission has previously approved energy burden levels below the recommended maximums for UGI Utilities Inc. Gas and Electric (UGI). *See UGI 2020-2025 USECP Order*, Docket No. M-2019-3014966 (order entered on June 16, 2022), at 6.

<sup>14</sup> This estimated cost increase does not include projected OnTrack savings by adopting other program proposals, such as increasing the minimum OnTrack payment amounts.

*Resolution:* The Commission agrees with OCA’s recommendation that PPL should consult with stakeholders if actual annual OnTrack costs are 20% more than the projected budgets. The Commission previously approved similar proposals involving Duquesne Light Company (Duquesne) and Philadelphia Gas Works (PGW).<sup>15</sup> Accordingly, PPL is directed to implement the following steps if its actual annual OnTrack costs exceed the projected budget for that year by more than 20%:

- Notify all parties to the 2023 USECP proceeding and its USAC by or before March 1<sup>st</sup> of the following year and provide actual annual OnTrack cost information for the preceding year.
- Schedule a meeting (virtual or in-person) with all interested stakeholders within 30 days of this notification to discuss the costs and receive input on cost controls.
- File and serve a petition at the 2023 USECP docket proposing additional cost control measures or a letter justifying why no additional cost control measures are needed within 30 days of the stakeholder meeting but no later than April 30<sup>th</sup>.

*Tracking LIHEAP grant refunds for OnTrack Customers*

OCA recommends that PPL track the annual LIHEAP refunds each year and provide the information in the next USECP. OCA Comments at 10.

PPL indicated that it has provided this information previously (PPL Supplemental Information at Section 1-7) and therefore agrees with OCA’s recommendation to track

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<sup>15</sup> See *Duquesne 2020-2025 USECP Order*, Docket No. M-2019-3008227, at 27-28 (Order entered on April 21, 2022); *PGW Petition to Amend 2017-2022 USECP Order*, Docket Nos. M-2016-2542415 and P-2020-3018867, at 1 (Order entered on August 27, 2022).

and report information on LIHEAP refunds in its next USECP proceeding. PPL Reply Comments at 5.

*Resolution:* PPL has provided some clarification on the number of unspent refunds issued to DHS under its current OnTrack payment calculation by providing the number and amount of LIHEAP refunds issued from OnTrack accounts in 2020 and 2021. As PPL was unable to estimate LIHEAP refunds for OnTrack accounts through 2027, it is unclear how the new OnTrack payment calculation may impact LIHEAP refund issuances to DHS. PPL has agreed to track and report this information in its next proposed USECP. We shall accept PPL's proposal to track this information and report it in its next USECP proceeding.

Accordingly, PPL is directed to report in its next proposed USECP the number and amount of LIHEAP refunds issued to DHS for OnTrack accounts. This information should be broken down by calendar year, FPIG tier (*i.e.*, 0%-50%, 51%-100%, and 101%-150%), and energy type. PPL is also directed to share updates on LIHEAP refunds to its USAC at least once per calendar year.

*Proposal to Maintain an ASP Option after Conversion to a PIP*

There were no comments regarding PPL's ASP.

*Resolution:* The Commission has approved PPL's ASP as an OnTrack payment option through multiple USECP proceedings, most recently as part of PPL's 2017 USECP. As described in the 2017 USECP, the ASP option is used to determine a payment less than the POB based on the "extenuating circumstances that may be present within the customer's household and/or the financial situation the customer is facing." 2017 USECP at 6. This description suggests the ASP option is only applied when the OnTrack

agency finds evidence of extenuating household circumstances to justify a payment amount below the POB.

In its Proposed 2023 USECP, PPL has modified its description of ASP to state that agencies may consider extenuating circumstances if the customer's average bill falls below the PIP energy burdens.

The ASP option considers extenuating circumstances that may be present within the customer's household, financial situation, or both. *Specifically, this option will be considered if using the PIP calculation will set the OnTrack installment to an amount greater than the average bill.* The ASP option is determined by the partner organization choosing a payment amount that fits the specific customer needs.

Proposed 2023 USECP at 4-5 (emphasis added).

PPL has clarified this description means that if the average bill is less than the calculated PIP, the OnTrack agency may set a payment lower than the average bill. It also appears there is no set methodology or guidance associated with determining the ASP amount. PPL has clarified that the OnTrack agency is given discretion in determining the ASP amount.

Since the Commission has revised its recommended maximum energy burdens for CAP bills, multiple public utilities have received Commission approval to implement PIPs that establish CAP bills based on the PIP amount or the average/actual bill, whichever is less. This includes Duquesne,<sup>16</sup> PECO Energy Company (PECO),<sup>17</sup> Peoples

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<sup>16</sup> Duquesne charges PIP or average bill, whichever is lower. *See* Duquesne 2020-2025 USECP, Docket No. M-2019-3008227, at 7 (filed on February 28, 2019).

<sup>17</sup> PECO charges PIP or actual charges, whichever is lower. *See* PECO 2019-2024 USECP, Docket No. M-2018-3005795, at 4 (filed on November 10, 2022).

Natural Gas (Peoples),<sup>18</sup> and UGI.<sup>19</sup> These PIP CAPs do not have a mechanism to provide a discount below the average or actual bill if the amount is less than the established PIP energy burdens. Additionally, no other EDC (besides PPL) and no NGDC maintains a CAP without a clearly defined methodology to determine a customer's CAP payment and credit amount, which are subsidized by ratepayers. We do not find it appropriate for PPL to continue to do so through its ASP option.

Accordingly, PPL is directed to discontinue offering an ASP option for OnTrack payments, effective with the implementation of its PIP. All OnTrack payment amounts must be based on the calculated PIP payment or average bill, whichever is less.

*b. CAP Plus Amount*

As described above, PPL charges a CAP Plus amount as part of the customer's OnTrack bill. PPL reports that it will not include the CAP Plus charge if the customer has a credit balance from a LIHEAP grant.

The Commission questioned whether PPL's proposed PIP would still include a CAP Plus charge on all OnTrack bills but not identify this charge if the customer has a LIHEAP credit, noting such a practice may be inconsistent with Section 601.45 of the Fiscal Year 2022 LIHEAP State Plan, which states that a LIHEAP Cash grant cannot be applied to a CAP customer's unbilled usage amounts;<sup>20</sup> and with 52 Pa. Code § 56.15(12), which requires that a public utility bill must clearly state an explanation of the various charges. July 2022 Order at 21-22.

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<sup>18</sup> Peoples charges PIP or average bill, whichever is lower. See Peoples 2019-2024 USECP, Docket No. M-2018-3003177, at 11-12 (filed on June 13, 2022).

<sup>19</sup> UGI charges PIP or average bill, whichever is lower. See UGI 2020-2025 USECP, Docket No. M-2019-3014966, at 16-18 (filed on July 18, 2022).

<sup>20</sup> See FY 2022 LIHEAP State Plan at B-12.

[https://www.dhs.pa.gov/Services/Assistance/Documents/Heating%20Assistance\\_LIHEAP/2022%20LIHEAP%20State%20Plan\\_FINAL%20Approved.pdf](https://www.dhs.pa.gov/Services/Assistance/Documents/Heating%20Assistance_LIHEAP/2022%20LIHEAP%20State%20Plan_FINAL%20Approved.pdf)

In the July 2022 Order, the Commission directed PPL to explain, *inter alia*, (1) whether the CAP Plus charge may result in an OnTrack bill that is greater than the customer's PIP energy burden or average bill amount, whichever is less; (2) how the monthly OnTrack payment amount can remain unchanged if the CAP Plus charge is not included in the bill; and (3) how annual OnTrack costs would increase annually from 2023 through 2027 if the CAP Plus charge were eliminated. July 2022 Order at 22.

*Comments:*

PPL states that the inclusion of CAP Plus charge will not result in an Ontrack bill that is greater than the customer's PIP energy burden or average bill. PPL reports that the customers total bill amount is first calculated by multiplying the monthly household income by the percent determined by the energy burden level, then the CAP plus amount is subtracted to determine the OnTrack installment amount. If a customer has a LIHEAP credit, they will only pay their OnTrack installment amount. PPL Supplemental Information at Section 1-8, 1-9.

PPL explains that it designed the OnTrack payment amount to allow for inclusion of the CAP Plus charge while ensuring that a customer's total bill will never exceed the proposed energy burden limits. PPL indicates that it calculates the Total Energy Burden Payment Amount (TEBPA) and then subtracts the CAP Plus amount to determine the OnTrack Installment Amount. PPL states that if a customer has a LIHEAP credit, the CAP Plus amount will not be subtracted from the TEBPA. PPL Supplemental Information at Section 1-11.

PPL asserts that it cannot project how OnTrack costs would increase annually from 2023 through 2027 if CAP Plus were eliminated because it cannot project the LIHEAP dollars it will receive for OnTrack customers. PPL states that annual program

costs should increase by the amount of LIHEAP dollars its OnTrack customers received in the previous year. PPL Supplemental Information at Section 1-12.

OCA supports the elimination of CAP Plus noting that while the inclusion does not seem to make a difference to the energy burdens, it does seem to add needless complexity to the calculation. OCA Comments at 11-13.

CAUSE-PA notes that the goal of PPL's proposal appears to be helping ensure energy burdens for OnTrack customers remains below Commission recommended maximum energy burden levels. CAUSE-PA states that it appears the CAP Plus mechanism would neither reduce the CAP shortfall nor raise the "asked to pay" amount. CAUSE-PA asserts that the proposal treats OnTrack customers differently based on receipt of a LIHEAP grant, and submits that it is inappropriate to use LIHEAP benefits to cover the cost of operating a CAP. Accordingly, CAUSE-PA strongly opposes the inclusion of CAP Plus charges in any form and requests that the Commission require PPL to eliminate this charge. CAUSE-PA Comments at 9-13.

PPL indicates that it understands the concerns regarding the overall approach in calculating the CAP Plus amount. PPL asserts that the proposal is workable and complies with applicable LIHEAP rules and regulations. However, PPL agrees that the CAP Plus charge may confuse customers and that it would be in their best interest to remove it. PPL proposes to eliminate the CAP Plus charge subject to Commission approval. PPL Reply Comments at 5-6.

*Resolution:* PPL has addressed our initial questions by clarifying, *inter alia*, that the CAP Plus charge will not result in an OnTrack bill that exceeds the OnTrack maximum energy burden levels. However, we share OCA's concerns that PPL's proposed application—or non-application—of the CAP Plus amount on OnTrack PIP bills is unnecessarily

complicated and appears to conflict with 52 Pa. Code § 56.15(12), which requires that all charges on a public utility bill be clearly explained.

The Commission agrees with the parties that elimination of the CAP Plus charge would simplify the billing process for OnTrack PIP customers. Elimination of the charge will also be more likely to result in equitable billing for all OnTrack PIP customers. Accordingly, PPL's proposal to eliminate its CAP Plus charge from OnTrack PIP billing is approved. PPL is directed to include this change in its Revised 2023 USECP.<sup>21</sup>

*c. Alert Process for PIP Bills Exceeding Average Bill*

PPL states that an alert will be generated when an Ontrack household's PIP bill is greater than its average bill. When such an alert is generated, the account will be reviewed, and the OnTrack bill may be adjusted. Proposed 2023 USECP at 6. The Commission directed PPL to provide an explanation, *inter alia*, of how often OnTrack bills are reviewed and whether its alert system will identify whether customers paying either the PIP or ASP amounts may need their bills adjusted, as well as how this determination is made. July 2022 Order at 22.

*Comments*

PPL explains that it runs a monthly report that will alert it to any OnTrack participants, including both customers with the PIP or ASP option, with an installment amount (*i.e.*, OnTrack bill) greater than the average bill based on usage. PPL states that a program specialist reviews the account, primarily usage history, and determines if an adjustment to the installment amount is needed. If the usage history is adequate and the

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<sup>21</sup> Our determination herein does not indicate a reversal of our determinations in other CAP Plus matters, including such dockets as *Pa. Pub. Util. Comm'n, et al. v. Columbia Gas of Pa.*, Docket Nos. R-2010-2201974, *et al.*, which addressed CAP Plus proposals. *See also Pa. Communities Organizing for Change v. Pa. Pub. Util. Comm'n*, 89 A.3d 338 (Pa. Cmwlth. 2014).

average bill has gone down since enrollment, PPL will reduce the installment amount. If the usage history is not adequate, but historical usage suggests that the installment will fall below average, the installment amount may not be reduced. PPL reports it may also adjust installment amounts at a future review as customers continue to build usage history. PPL Supplemental Information at Section 1-13.

CAUSE-PA recommends that PPL conduct a monthly review to ensure customers are receiving the most affordable bill for any given billing cycle, including evaluating whether customers charged the average bill are receiving the most advantageous OnTrack payment amount in any given month. CAUSE-PA asserts that the Commission should not permit PPL to exercise discretion over when to make a billing adjustment. CAUSE-PA Comments at 13-14.

PPL clarifies that it already receives a monthly report of accounts where the OnTrack installment amount is greater than the average bill. PPL notes that there are times when immediately changing a customer's rate for one month may not be in the customer's best interest given how the change could affect future bills. For example, adjusting an OnTrack bill based on an abnormally low usage month could cause the household to exceed their maximum CAP credits before the end of the program cycle. PPL states that if it is apparent that the customer's usage is consistently lower month-to-month, then it will make an adjustment following additional reviews. PPL Reply Comments at 6-7.

*Resolution:* PPL has addressed our initial questions by clarifying the timeframe and circumstances of the OnTrack alert and review process. In the November 2019 Order, the Commission found that evaluating CAP bills at least once per quarter to ensure the customer is paying the appropriate CAP price may help to improve customer payment behavior, reduce debt, and reward energy conservation. November 2019 Order at 72-74. The CAP Policy Statement (2020) also recommends that public utilities evaluate CAP

bills at least quarterly to determine whether the billing method and CAP credit amount is correct. 52 Pa. Code § 69.265(8)(vii). We find PPL’s current billing alert and review process is consistent with this recommendation. Accordingly, we are directing no changes to this aspect of OnTrack. PPL is directed to include the clarifications provided regarding its OnTrack billing alert and review process in its Revised 2023 USECP.

*d. Adopt Amended CAP Recertification Timeframes*

The Proposed 2023 USECP would reduce the amount of time between recertifications for all OnTrack customers as shown in Table 6.

**Table 6. OnTrack Recertification Timelines**

<b>OnTrack Type</b>	<b>Current 2017 USECP</b>	<b>Proposed 2023 USECP</b>
Regular OnTrack (No LIHEAP or SSI)	Every 18 months	Every 12 months
OnTrack with LIHEAP or SSI	Every 36 months	Every 24 months
OTLS (includes zero-income)	Every 9 months	Every 6 months

*Source:* 2017 USECP at 13,16, Proposed 2023 USECP at 12.

PPL’s proposal to establish a six-month OnTrack recertification timeframe for customers reporting zero income is consistent with the recommended timeframe in the CAP Policy Statement (2020). *See* 52 Pa. Code 69.265(8)(viii)(A)(I). However, the Commission raised concerns about shortening other recertification timeframes, particularly for OnTrack customers who receive SSI or LIHEAP, as this may result in the removal of income-eligible customers from OnTrack. PPL was directed to provide, *inter alia*, the annual number of customers removed from Ontrack in 2018 and 2019 for failure to recertify and how many of these customers re-enrolled within six months after program removal. July 2022 Order at 38.

## *Comments*

PPL reported that, in 2018, 6,341 customers were removed from the program for failure to recertify. Of these customers, 45% (2,859) re-enrolled within six months of removal from the program. In 2019, 8,935 customers were removed for failure to recertify and 46% (4,077) were re-enrolled within six months of removal. PPL states that it does not anticipate any significant changes to recertifications as a result of the amended recertification timeframes. PPL Supplemental Information at Section 1-30.

OCA expressed concerns regarding PPL's recertification rates and recommends that PPL develop strategies to address barriers to recertification, as well as conduct a study of what happens to customers removed for failure to recertify. OCA Comments at 19-22.

CAUSE-PA opposes PPL's proposal to shorten OnTrack recertification timeframes noting that PPL offered no justification for it. Given that the most common reason for removal from a CAP is due to failure to recertify, more frequent recertifications will make it more likely that a household will fail to send the required documentation and be removed from the program. CAUSE-PA recommends that PPL establish a 24-month recertification timeframe for customers who do not receive LIHEAP or have a fixed income, a 36-month recertification timeframe for customers who receive LIHEAP annually and/or are on a fixed income, and a six-month recertification timeframe for customers reporting zero income. CAUSE-PA recommends that OTLS customers reporting income, letters of financial support, or other documentation should be moved to the standard recertification timeline. CAUSE-PA Comments at 38-39.

PPL disagrees with CAUSE-PA's proposed recertification timeframes, stating that its proposed 12-month recertification period aligns with the eligibility reverification timeframes used in other programs (*e.g.*, LIHEAP). PPL believes that consistency across

programs will simplify the process and improve customer success. PPL notes that since 2019 it has implemented a call process to remind customers to re-apply. PPL also disagrees with CAUSE-PA's recommendation that only customers with zero income should recertify every six months stating that OTLS customers with income less than their shelter expenses should recertify every six months to confirm how they are meeting this need. PPL agrees to discuss how to prevent removal due to failure to recertify with its USAC. PPL indicates they are willing to evaluate the reasons customers fail to recertify and examine what happens with respect to payments, disconnections, and arrearages. PPL Reply Comments at 19-21.

*Resolution:* The data provided by PPL shows that, in 2018 and 2019, less than half of OnTrack customers removed for failure to recertify returned to the program within six months. It is unclear whether the customers who did not return to the program were still income-ineligible. Nevertheless, we do not find that the data provided by PPL regarding customers who have reenrolled in OnTrack within six months after failing to recertify provides a compelling argument that most OnTrack customers who failed to recertify in 2018 and 2019 remained eligible for the program.

Although most public utilities use a two-year recertification timeframe for CAP customers with income,<sup>22</sup> PPL's proposed timeframes are consistent with the CAP Policy Statement (2020) recommendations at 52 Pa. Code § 69.265(8)(viii)(A), which recommends recertifying households for CAP at least:

- Every 6 months if they report no income;

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<sup>22</sup> For example, Duquesne and NFG use a 24-month recertification timeframe. *See* Duquesne 2020-2025 USECP, Docket No. M-2019-3008227, at 7 (filed on August 18, 2022); NFG 2022-2026 USECP, Docket No. M-2021-3024935, at 55 (filed on June 14, 2022).

- Every three years if they receive LIHEAP annually or have a fixed income (*i.e.*, Social Security, SSI, or pensions); and
- Every two years for all other participants.

Accordingly, the Commission approves PPL’s proposed amended OnTrack recertification timeframes without modification. However, PPL is directed to work with its USAC to evaluate the reasons customers fail to recertify for OnTrack and its impact on customer payments, disconnections, and arrearages.

*e. 12-month PPA Forgiveness*

As part of the proposed change from an 18-month to a 12-month program cycle, PPL proposes to change the time period over which OnTrack customers can earn full PPA forgiveness from 18 months to 12 months. Proposed 2023 USECP at 2. This proposal would allow all OnTrack customers to have their PPA balances forgiven after paying OnTrack bills in-full over a one-year period. The Commission directed PPL to identify the projected annual cost of providing PPA forgiveness over 36 months, 24 months, 18 months, and 12 months from 2023 to 2027, and to explain why the 12-month PPA forgiveness cycle is proposed. July 2022 Order at 32.

*Comments*

As seen in Table 7, compared to projected PPA forgiveness costs based on its current 18-month program cycle, PPL projects that:

- Under a 12-month PPA forgiveness cycle, annual OnTrack costs are projected to increase each year: by \$4,630,230 in 2023 and by \$7,092,340 in 2027.

- Under a 24-month PPA forgiveness cycle, annual OnTrack costs are projected to decrease each year: by \$11,112,506 in 2023 and by \$17,021,544 in 2027.
- Under a 36-month program cycle length, annual OnTrack costs are projected to decrease each year: by \$14,353,657 in 2023 and by \$17,259,005 in 2027.

**Table 7. Projected Annual PPA Forgiveness Costs**

<b>Program Cycle Length</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
12-Month	\$25,630,231	\$26,309,388	\$27,003,361	\$27,760,084	\$28,586,458
18-Month	\$21,000,000	\$21,123,529	\$21,247,059	\$21,370,588	\$21,494,118
24-Month	\$9,887,494	\$8,677,523	\$7,431,992	\$6,035,864	\$4,472,574
36-Month	\$6,646,343	\$6,482,799	\$6,167,107	\$5,536,638	\$4,235,112

*Source:* PPL Supplemental Information at Section 1-25.

PPL states it selected a 12-month PPA forgiveness cycle based on analysis of participant success and the recommendation received in its 2020 APPRISE Evaluation.<sup>23</sup> PPL Supplemental Information at Section 1-25.

Given the substantial impact on annual OnTrack costs, OCA proposes increasing the timeframe for arrearage forgiveness to 24 months. OCA also recommends that PPL adopt a 24-month recertification cycle for all customers other than those reporting zero income. OCA states that this would also allow customers to receive full forgiveness before needing to recertify. OCA Comments at 16, 19-22.

CAUSE-PA states that PPL’s approach is unclear and recommends that all OnTrack customers who have made the requisite number of payments should have their full PPA balances forgiven within 12 months of enrollment. CAUSE-PA states that a “clean slate” approach will ensure no OnTrack customers have their forgiveness delayed.

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<sup>23</sup> The 2020 APPRISE Evaluation states that “moving to a 12-month or 24-month program cycle would reduce confusion.” 2020 APPRISE Evaluation at 114.

CAUSE-PA recommends the Commission approve the proposed 12-month PPA forgiveness timeframe but also require PPL to clarify that all OnTrack customers are eligible for full arrearage within 12 months of enrollment. CAUSE-PA Comments at 15-16. CAUSE-PA expresses concern that increasing the timeframe will reduce the number of OnTrack participants who receive full PPA forgiveness, which in turn may increase termination rates. CAUSE-PA also states that an increase would be punitive to existing OnTrack customers who expected their PPA to be forgiven in the length of time they were originally given (*i.e.*, within 18 months). CAUSE-PA recommends that PPL be allowed to implement the 12-month PPA forgiveness timeframe and track and report data related to the implementation of a 12-month PPA forgiveness timeframe. CAUSE-PA Reply Comments at 2-4.

*Resolution:* In PPL's 2017 USECP proceeding, the Commission raised concerns about the increasing cost of PPL's OnTrack program, which is funded by all residential ratepayers. These concerns included, *inter alia*, that PPL spends more on PPA forgiveness per CAP (*i.e.*, OnTrack) customer than any other EDC. *See* PPL 2017-2019 Order, Docket No. M-2016-2554787, at 56-67 (order entered on October 5, 2017). As of 2021, PPL is still spending more on PPA forgiveness per CAP customer than any other EDC. As seen in Table 8 below, PPL's spending in this category, based on an 18-month PPA forgiveness cycle, far exceeds every other EDC CAP in Pennsylvania. In 2021, PPL's annual arrearage forgiveness (\$344) was 52% higher than West Penn Power, which had the second largest amount of annual arrearage forgiveness per customer at \$227.

**Table 8**  
**Average Annual Electric Arrearage Forgiveness per CAP Customer**

<b>Company</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Duquesne	\$188	\$109	\$227
Met-Ed*	\$101	\$97	\$121
PECO-Electric	\$41	\$31	\$55
Penelec*	\$75	\$72	\$91
Penn Power*	\$80	\$77	\$102
<b>PPL</b>	<b>\$355</b>	<b>\$295</b>	<b>\$344</b>
West Penn Power*	\$125	\$108	\$127

*Source:* 2021 Report on Universal Service Programs & Collections Performance at 67.

\* Metropolitan Edison Company (Met-Ed), Pennsylvania Electric Company (Penelec), Pennsylvania Power Company (Penn Power), and West Penn Power Company (West Penn Power) are subsidiaries of the FirstEnergy Corporation.

The Commission is tasked with ensuring that universal service programs are operated in a cost-effective manner. 66 Pa.C.S §§ 2203(8) and 2804(9).<sup>24</sup> When addressing issues concerning universal service costs, we must balance the impact on program recipients with the cost to residential ratepayers, who must pay for it. The proposed change to a 12-month PPA forgiveness program cycle would benefit OnTrack recipients by eliminating their pre-program debt faster and may allow more customers to achieve full-PPA forgiveness.<sup>25</sup> However, as shown in Table 9, it would also increase PPA costs recovered from residential ratepayer bills by approximately 30 to 40 cents per month through 2027. In contrast, establishing a 24-month PPA forgiveness program cycle, as recommended by OCA, would decrease PPA costs recovered from residential ratepayers by approximately 70 cents to over \$1 per month through 2027 compared to the 18-month program cycle. The cost per residential ratepayer for a 24-month PPA forgiveness program cycle is also less expensive than a 12-month cycle by approximately \$1 to \$1.50 per month through 2027.

<sup>24</sup> See the Natural Gas Choice and Competition Act, 66 Pa.C.S. §§ 2201-2212, and the Electricity Generation Customer Choice and Competition Act, 66 Pa.C.S. 2801-2815.

<sup>25</sup> Assuming that some OnTrack customers may leave the program after 12 months because they fail to recertify or become income ineligible.

**Table 9. Projected Impact of PPA Forgiveness Timeframes on Monthly Ratepayer Bills\***

<b>Program Cycle Length</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
12-Month	\$1.60	\$1.64	\$1.69	\$1.73	\$1.79
18-Month	\$1.31	\$1.32	\$1.33	\$1.33	\$1.34
24-Month	\$0.62	\$0.54	\$0.46	\$0.38	\$0.28
36-Month	\$0.42	\$0.40	\$0.39	\$0.35	\$0.26

\* Based on 1,334,000 residential customers, as reported by PPL. Proposed 2023 USECP at 11.

Under the proposed 12-month plan, PPL’s Projected PPA Forgiveness costs would increase by an average of 27.3% over 5 years. By contrast, under a 24-month plan, Projected PPA Forgiveness costs would decrease by an average of 65.6% over 5 years. Establishing a 24-month timeframe for PPA forgiveness would also be consistent with other public utility CAPs. Currently, only PECO <sup>26</sup> and PPL maintain PPA forgiveness timeframes of less than 24 months.

We also find the reduction in annual OnTrack costs due to establishing a 24-month arrearage forgiveness timeframe will help offset anticipated program cost increases resulting from increased monthly average program credits and the elimination of the PPA co-payment and CAP Plus charge.

Although we are persuaded to adopt OCA’s recommendation that PPL implement a 24-month PPA forgiveness timeframe, we agree with CAUSE-PA that existing OnTrack customers—whose PPA balances are currently forgiven over 18 months—should not be adversely impacted by this change. Therefore, we will require PPL to allow existing OnTrack customers to continue receiving PPA forgiveness based on an 18-month cycle.

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<sup>26</sup> PECO’s 2019 CAP provides PPA forgiveness over 12 months. *See* PECO 2019-2024 USECP at 8.

Accordingly, PPL is directed to implement a 24-month PPA forgiveness timeframe as part of its transition to a PIP and shall include this change in its Revised 2023 USECP. PPL is also directed to allow OnTrack customers who enroll prior to the implementation of the PIP to continue receiving arrearage forgiveness over 18 months.<sup>27</sup>

*f. Proposed Implementation Timeframe for a 12-month OnTrack Program Cycle for Recertification*

The Commission directed PPL to explain its implementation timeframe for its proposed 12-month program cycle and when new and existing OnTrack customers would be transitioned into it. July 2022 Order at 23.

*Comments*

PPL reports that it is planning a tiered approach to implementation, with existing OnTrack customers placed into two categories:

- Customers enrolled for less than 11 months in the program will be sent a letter explaining that their timeline for recertification will be adjusted from 18 to 12 months. The letter also explains the option to reapply early or wait until recertification.

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<sup>27</sup> PPL also addressed how it would transition customers from an 18-month PPA forgiveness timeframe to a 12-month timeframe. For customers who have been in the program less than or equal to 11 months, the arrearage forgiveness would have been calculated based on the remaining months in the program. For customers who have been in the program over 11 months, a new 12-month agreement would have been created with the proposed PIP installment amount, and the arrearage forgiveness would have been calculated by dividing the remaining balance into 12 months. PPL notes that this process would be temporary until existing customers are transferred to agreements compliant with the new plan. PPL Reply Comments at 7-10. As we have directed PPL to establish a 24-month PPA arrearage forgiveness timeframe, issues regarding how the 12-month implementation plan would incorporate a 12-month PPA forgiveness timeframe are moot.

- Customers between 11 and 18 months in the program will be sent a letter explaining that their OnTrack agreement will be updated based on income and will change to a 12-month timeline for recertification. Customers will be given the opportunity to provide updated income.

PPL notes that this process will require IT work that may result in modifications to these implementation plans. Should these implementation plans change, PPL states that it will update the Commission and stakeholders. PPL Supplemental Information at Section 1-14.

*Resolution:* Although we have no objections to PPL's proposed 12-month OnTrack cycle implementation plan, PPL has not provided a timeframe for when it plans to initiate this transition. Accordingly, PPL's proposed implementation plan for its transition to a 12-month cycle for OnTrack is approved. PPL is directed to complete the transition within six months.

*g. Collection Activity for Zero-Income Customers with Pending OnTrack Applications*

On February 5, 2018, PPL filed a Petition (February 2018 Petition) at Docket No. M-2016-2554787 to add an addendum to its 2017 USECP to include its proposed zero-income policy and form. On April 19, 2018, the Commission entered an Order (April 2018 Order) approving the February 2018 Petition. The Commission also directed PPL to track the number of customers whose accounts are placed into collection or termination status or whose service is terminated within 30 days of submitting a paper OnTrack application claiming zero income and include this information in its next USECP filing. April 2018 Order at 7-8, 10, OP#3. The Proposed 2023 USECP does not include this required information.

In the July 2022 Order, the Commission directed PPL to provide the number of customers claiming zero income, from 2019 through 2021, whose accounts were placed into collection or termination status or whose service was terminated within 30 days of submitting a paper OnTrack application. July 2022 Order at 24-25.

### *Comments*

PPL reports that 3,510 customers who claimed zero income from 2019 through 2021 were placed into collection or termination status or had service terminated within 30 days of submitting a paper OnTrack application. Of these customers, 726 were sent a 10-day notice, 372 were sent a 3-day notice, and 142 had service terminated. PPL Supplemental Information at Section 1-15.

CAUSE-PA recommends that PPL be required to (1) identify how many terminations would have been prevented if PPL had implemented a 30-day collections hold; (2) track and report the number of zero income applicants that were enrolled and whether any of those applicants were denied because they did not have active service; and (3) track and report the length of time for processing OnTrack applications, as well as the number of applicants who received notice of termination and/or were terminated while their application was pending. Further, OCA recommends that parties be provided with a chance to comment further. CAUSE-PA Comments at 17-19.

In response to CAUSE-PA's comments, PPL reviewed the 142 accounts and determined that 45 termination orders were voided and service was not terminated. Of the remaining accounts, 86 terminations would have been prevented if PPL placed a 30-day hold on the account. PPL agreed to update the process to provide a 15-day hold on collections to allow customers time to return the zero-income form. PPL opposes the additional tracking and reporting proposed by CAUSE-PA, stating that it would add

significant time and expense while only affecting a small number of customers. PPL Reply Comments at 11-12.

*Resolution:* PPL has provided the information requested by the July 2022 Order, as well as the termination breakdown information requested by CAUSE-PA. As PPL has reported that 86 out of 142 accounts would have avoided service termination if a 30-day collections hold had been in place to allow them to return zero income forms, we find that PPL’s proposal to implement only a 15-day hold on collections activity for OnTrack applicants reporting no income is insufficient, unreasonable, and unjustified; PPL is directed to use a 30-day collections hold for the return of zero-income forms. We are not persuaded to require PPL to establish the additional reporting requirements recommended by CAUSE-PA at this time. However, PPL should continue to track the number of households sent a zero-income form after submitting their OnTrack application who are placed into collections or have service terminated before returning the form. Accordingly, PPL is directed to establish a 30-day hold on collections activity if the OnTrack applicant is sent and asked to return a zero-income form. PPL is directed to add this change to its Revised 2023 USECP.

*h. Income Documentation for the Last 30 Days or 12 Months*

The Proposed 2023 USECP proposes to allow seasonal workers to provide proof of income for the past 30 days or 12 months, whichever is more beneficial to the household. Proposed 2023 USECP at 9. The Proposed 2023 USECP does not identify the acceptable income documentation timeframes for non-seasonal workers. The Commission directed PPL to, *inter alia*, identify the income documentation timeframes requested from all OnTrack applicants and provide a definition and examples of what it considers “seasonal workers.” July 2022 Order at 24-25.

## Comments

PPL proposes to update the 2023 USECP to clarify that all OnTrack applicants will have the option of providing proof of income for 30 days or 12 months, whichever is more beneficial. PPL also proposes to update OnTrack applications and recertification letters based on this change. PPL also clarifies that some examples of what it considers seasonal workers include school employees, landscapers, and those working in snow removal. PPL Supplemental Information at Section 1-16.

CAUSE-PA supports PPL's proposed revisions to its USECP, reflecting that PPL accepts 30 days or 12 months of income documentation, whichever is more beneficial, for all OnTrack applicants. CAUSE-PA recommends PPL share copies of the final revised application and recertification letter and work with its USAC to review and offer feedback on draft revisions. CAUSE-PA Comments at 19-20. PPL states that it is committed to working with the USAC on draft revisions and will hold a discussion during the next stakeholder meeting. PPL Reply Comments at 12.

*Resolution:* PPL has addressed our initial questions by clarifying that it accepts 30 days or 12 months of income from all OnTrack applicants, consistent with the recommendations in the CAP Policy Statement (2020), 52 Pa. Code § 69.265(8)(ii)(B)(I).<sup>28</sup>

However, although the proposal to request the income timeframe (*i.e.*, 30 days or 12 months) “that is most beneficial to the household” is consistent with the language in the CAP Policy Statement, it could be misinterpreted to mean the income documentation does not need to be reflective of actual annual income of the household. In the

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<sup>28</sup> Section 69.265(8)(ii)(B)(I) provides that the “utility should accept income documentation of at least the last 30 days or 12 months, whichever is more beneficial to the household. CAP applications and recertification letters should identify acceptable income timeframes and explain how each may benefit the customer.” 52 Pa. Code § 69.265(8)(ii)(B)(I).

November 2019 Order, the Commission recommended that public utilities use annualized monthly income or annual income, whichever is more representative of their actual annual income, when determining CAP eligibility and benefits:

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. Further, utilities should identify acceptable income documentation timeframes in their CAP applications and recertification letters. These documents should explain how providing income based on different time periods could benefit the customer. We recommend utilities work with their USACs on these CAP document revisions.

November 2019 Order at 41.

Accordingly, we direct PPL to include in its Revised 2023 USECP that all OnTrack applicants may provide 30 days or 12 months of income documentation, whichever is more beneficial and representative of their true annual income. PPL is also directed to work with its USAC to amend its OnTrack applications and letters, consistent with these changes, and file and serve these updated forms at this docket within six months from the date of this Order.

*i. Unearned Income for Minors*

In its Proposed 2023 USECP, PPL asserts it will maintain its current provision of counting government benefits issued for the benefit of the child (such as SSI or Social Security Disability (SSD)) as household income. Proposed 2023 USECP at 9.

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.” 66 Pa.C.S. § 1403. In the November 2019 Order, the Commission adopted this definition

for household income in the CAP Policy Statement (2020) and noted that the Section 1403 statutory definition is already used to establish Commission payment arrangement requests (PAR) and recommended this definition be applied to determining CAP household income as well.

Adopting the Chapter 14<sup>[29]</sup> definition will provide a single definition to be used by both the Commission and the energy utilities and should facilitate greater consistency among utilities in determining and documenting household income. This should work towards eliminating disparate parameters of CAP qualifications among the EDCs and NGDCs with the goal of fostering more uniformity in program implementation.

November 2019 Order at 79.

The Commission directed PPL to provide information showing, *inter alia*, the impact that excluding unearned income for minors would have on OnTrack eligibility and costs and the projected additional enrollment and costs associated with excluding unearned income for minors from 2023 through 2027. July 2022 Order at 27.

### *Comments*

PPL states that it does not separately track income information reported for individual household members and cannot provide the projections requested by the Commission. PPL Supplemental Information at Section 1-17, 1-18.

CAUSE-PA strongly opposes PPL's proposal to continue counting unearned income for minors as household income, which is inconsistent with the provisions in the Public Utility Code and the CAP Policy Statement. CAUSE-PA also notes that PPL does not explicitly address earned child income in its 2017 USECP or its Proposed 2023

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<sup>29</sup> 66 Pa.C.S. §§ 1401–1419 (relating to responsible utility customer protection).

USECP. CAUSE-PA asserts that inclusion of income for a minor, earned or unearned, contradicts the definition in Chapter 14 and the CAP Policy Statement and undermines public policy goals. CAUSE-PA recommends that PPL exclude all income for minors, earned and unearned, from OnTrack eligibility requirements. CAUSE-PA Comments at 20-21.

In response to CAUSE-PA's Comments, PPL proposes to exclude the earned or unearned income of minors when determining household income for OnTrack. PPL proposes to clarify in its Revised 2023 USECP that earned or unearned income for minors is not included in the OnTrack eligibility determination. PPL Reply Comments at 12.

*Resolution:* The Commission supports PPL's proposal to exclude unearned income of minors in its OnTrack eligibility consistent with the definition of household income at 66 Pa.C.S. § 1403. Accordingly, PPL is directed clarify in its Revised 2023 USECP that earned and unearned income for minors (*i.e.*, household members aged 18 or younger) shall be excluded when determining OnTrack eligibility and benefits.

#### *j. Calculating Loss of Income*

In the description of how household income for OnTrack is determined and calculated, the Proposed 2023 USECP states that “[a] loss from one source of income cannot be used to offset another source of income.” Proposed 2023 USECP at 9. It is unclear what situation or source of incomes PPL is referring to or how one source of income could “offset” another. The Commission directed PPL to clarify this provision. July 2022 Order at 28.

#### *Comments*

PPL states that operational losses from self-employment or losses associated with rental properties cannot be used to offset other forms of income. PPL proposes to clarify this provision in its Revised 2023 USECP. PPL Supplemental Information at Section 1-19.

*Resolution:* PPL has addressed our initial questions by providing the requested clarification. Accordingly, PPL is directed to include this clarification in its Revised 2023 USECP.

*k. Maximum Allowable CAP Credits*

PPL is proposing to amend the maximum allowable OnTrack credits a customer can receive during a program cycle. Due to the change in program cycle length from 18 months to 12 months, the average monthly credit has increased for all OnTrack income tiers with the exception of a slight decrease for EH customers in the 101%-150% FPIG tier, as described in Table 10 below.

**Table 10. Average Monthly OnTrack Credits**

FPIG Tier	ENH		EH	
	Current 18-months	Proposed 12 months	Current 18-months	Proposed 12 months
0-50%	\$88.05	\$162.50	\$223.72	\$262.50
51-100%	\$80.06	\$125.00	\$203.39	\$208.33
101-150%	\$72.78	\$104.17	\$184.89	\$179.17

*Source:* 2017 USECP at 17, Proposed 2023 USECP at 13.

The Commission directed PPL to explain how the proposed maximum allowable OnTrack credits for a 12-month program cycle were determined. July 2022 Order at 28.

## Comments

PPL states that it used a linear regression to determine the maximum allowable OnTrack credits which would have exceeded the credit usage of 95% of “previously unsuccessful” accounts based on six years of data. These amounts were then rounded up to the nearest \$50. PPL Supplemental Information at Section 1-20.

CAUSE-PA opposes PPL’s methodology for calculating maximum CAP credits and states that without knowing the number of OnTrack customers that were previously “unsuccessful,” it is impossible to determine how many customers are expected to be unsuccessful under the proposed maximum credits. CAUSE-PA states that including a planned failure rate is unacceptable and sets the most vulnerable households up for failure. CAUSE-PA asserts that the consequences for exceeding maximum credit amounts should be shifted away from punitive action and towards targeted assistance and education. CAUSE-PA recommends that PPL continue tracking data on OnTrack households that exceed maximum credits to determine why they were unable to reduce usage and whether they qualify for an exemption. CAUSE-PA further recommends that PPL clarify in the Proposed 2023 USECP that it will follow the CAP Policy Statement guidelines for exceptions to the maximum credits<sup>30</sup> and conduct targeted outreach to customers who have reached 50% and 80% of the credit limits. CAUSE-PA Comments at 22-24.

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<sup>30</sup> 52 Pa. Code § 69.265(3)(vi): *Exemptions*. A utility may exempt a household from maximum CAP credit or consumption limits if one or more of the following conditions exist:

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

PPL asserts that its methodology to determine the maximum amount of CAP credits in a 12-month period is sound. PPL acknowledges that certain accounts should receive exceptions to their maximum credits and that it currently reviews exceptions on a case-by-case basis consistent with the CAP Policy Statement and is willing to clarify this policy in its 2023 USECP. PPL supports improved OnTrack education efforts and recently created an educational enrollment video for awareness and education, including information regarding maximum credits. PPL indicates that it will also add language to its 50% and 80% letters about contacting PPL regarding possible exceptions to the maximum credits. PPL opposes CAUSE-PA's proposal to track reasons why customers exceed their maximum credits. PPL notes that the reasons why customers may exceed their maximum credits are numerous and customer specific and tracking these instances would be time intensive and cost prohibitive. PPL Reply Comments at 13-14.

*Resolution:* PPL has addressed our initial question by clarifying how its maximum credits over 12 months were determined. PPL has also clarified that it will waive credit maximums if customers meet the exceptions as specified in Section 69.265(3)(vi) of the CAP Policy Statement. We find the methodology used to determine the CAP credit limits and PPL's CAP credit exception policy reasonable. Accordingly, PPL is directed to list the exceptions to its maximum credits, that OnTrack customers can receive waivers to their annual credit limits based on these exceptions, and that customers are sent letters when they reach 50% and 80% of maximum credit limits in its Revised 2023 USECP. PPL is also directed to work with its USAC to amend the letters sent to customers that exceed 50% and 80% of their maximum CAP credits to make them aware of the exceptions and how to notify PPL if they believe they qualify. PPL shall file and serve copies of these amended letters at this docket within three months from the date of this Order.

Although we are not persuaded to require PPL to track the reasons why customers exceed their maximum credit limits, PPL is directed to track and report the number of

customers who exceed their credit limit annually and are placed into OnTrack Budget Billing (OTBB) in the preceding year. Beginning in 2024, PPL shall file and serve the report at this docket by April 1 each year through the duration of its 2023 USECP.

*1. OnTrack Budget Billing*

PPL proposes to make no changes to the OTBB program with the exception that OTBB customers may now re-apply for regular OnTrack 12 months after the original enrollment date. Proposed 2023 USECP at 12-13.

The Commission expressed concern that customers placed into OTBB (1) incur high bills and risk loss of service; and (2) are not aware of their maximum OnTrack credit limit. The Commission directed PPL to provide the following information for customers enrolled in OTBB during 2019, 2020, and 2021:

- Total and average in-program arrears accrued by customer in OTBB.
- Average total bill amount and percent bill increase for customers transitioned to OTBB.
- Number of OTBB customers who were sent termination notices.
- Number of OTBB customers whose service was terminated.

July 2022 Order at 30-31.

*Comments*

Tables 11 and 12 below summarize the data provided by PPL in response to the Commission's questions regarding OTBB:

**Table 11. OnTrack Budget Billing Amounts**

	<b>Total OTBB In-Program Arrearage</b>	<b>Average OTBB In-Program Arrearage</b>	<b>Average OTBB Installment</b>	<b>Average % Bill Increase</b>
2019	\$1,035,931	\$153	\$215	333.6%
2020	\$2,462,057	\$414	\$221	383.9%
2021	\$1,311,313	\$215	\$216	359.6%
<b>Total</b>	<b>\$4,809,301</b>	<b>\$256</b>	<b>\$217</b>	<b>358.2%</b>

**Table 12. OnTrack Budget Billing Termination Activity**

	<b>Number of OTBB Customers Sent Notice</b>	<b>Percent of OTBB Customers Sent Notice</b>	<b>Number of OTBB Customers Terminated</b>	<b>Percent of OTBB Customers Terminated</b>
2019	3,295	48.8%	859	12.7%
2020	955	16.1%	59	1.0%
2021	732	12.0%	119	2.0%
<b>Total</b>	<b>4,982</b>	<b>26.5%</b>	<b>1,037</b>	<b>5.5%</b>

*Source:* PPL Supplemental Information at Section 1-21.

PPL states that it plans to continue to send letters to customers who exceed 50% and 80% of the CAP credit limits and provided copies of the letters. PPL reports that it grants exceptions to the maximum OnTrack credit limits when warranted. PPL explains, however, that it wants to limit the use of exceptions as it believes the maximum credit amounts to be appropriate. Additionally, PPL notes that high usage OnTrack customers are automatically referred to WRAP. PPL Supplemental Information at Section 1-22.

CAUSE-PA opposes PPL’s continued use of OTBB for customers who have reached the maximum OnTrack credit limits. CAUSE-PA is concerned that PPL refers to OTBB arrears as “in-program” arrears despite being charged a budget billing amount based on the full tariff rate making it unclear whether these households can request a PAR. CAUSE-PA asserts that the documented outcomes for OTBB are unacceptable and undermine the intent and purpose of the OTBB program. CAUSE-PA states that rather than penalize households with rates they cannot afford, PPL should develop an outreach

and education strategy to improve support for households approaching the maximum credit limits. CAUSE-PA recommends that PPL eliminate OTBB or only move OnTrack customers to OTBB if they do not meet the qualifications for an exemption to CAP credit limits and actively refuse to participate in WRAP. CAUSE-PA Comments at 24-27.

PPL disagrees with CAUSE-PA's recommendation to eliminate OTBB claiming that elimination of OTBB would likely increase OnTrack costs substantially. PPL reports that approximately 13% of OTBB customers enrolled in WRAP, and of these, approximately 39% did not follow through with WRAP services. PPL notes that there will still be customers who do not qualify for an exception even with WRAP treatments. PPL notes that the most significant benefit of OTBB is that the customer continues to receive PPA forgiveness. PPL states that OTBB is the only way to keep customers who exceed their maximum credits in a program through which they have an opportunity to receive PPA forgiveness benefits. PPL Reply Comments at 14-16.

*Resolution:* PPL introduced OTBB in response to the Commission's directive that the PPL allow OnTrack participants to remain in the program at budget billing after they exceed their CAP credit limits. This allowed those customers to remain in the program and continue to receive PPA forgiveness for monthly payments. See PPL 2014-2016 USECP Final Order, Docket No. M 2013 2367021 (order entered on September 11, 2014) at 19-23. We share CAUSE-PA's concern that OTBB can result in unaffordable bills for OnTrack participants. As noted above, PPL reports that OnTrack customers have seen monthly bill increases between 300% to 400% when placed into OTBB from 2019 through 2021.

We are not persuaded, however, to eliminate OTBB, which would require either eliminating annual program credit limits entirely or allowing PPL to revert to its pre-OTBB policy of removing these customers from OnTrack and then allowing them to reenroll when the program year has ended. Eliminating credit limits would remove an

essential cost control component for OnTrack and would be unreasonable to the ratepayers who fund OnTrack. Allowing customers to be removed from OnTrack for exceeding their credit limits could increase their financial hardship because any remaining PPA balances could immediately become due, and the customer would not have the other protections of OnTrack, such as a waiver of late fees for missed payments.

Although we are not directing the elimination of OTBB, we note that some of the changes approved and directed in this Order should help to reduce or limit the number of customers enrolled in OTBB due to having exceeded their CAP credit limit. Specifically, with the increase in average monthly CAP credits for most OnTrack customers, we would expect a reduction in the number of customers who reach their maximum credit limits annually. The reduction in the program cycle length from 18 to 12 months should also shorten the period of time a customer would be placed into OTBB if the limit is exceeded. Additionally, as noted above, PPL has also agreed to work with its USAC to amend the letters sent to customers that exceed 50% and 80% of their maximum CAP credits to make them aware of the exceptions to these limits and how they can notify PPL if they believe they qualify for an exception.

Accordingly, due to the changes approved in this proceeding that should help reduce the number of customers who exceed their credit limits annually or obtain exceptions to those limits, we are not directing any change to the OTBB program at this time.

*m. Minimum Payment Amounts*

PPL proposes increasing the OnTrack minimum payment amounts from \$12 to \$20 for ENH customers and from \$30 to \$40 for EH customers. Proposed 2023 USECP at 13. The Commission directed PPL to explain (1) how the proposed OnTrack minimum payment amounts were determined; (2) how many OnTrack customers will see an

increase to their monthly bills as a result of this change and the average amount of this increase; and (3) the annual projected cost difference between maintaining the current minimum payment amounts and the proposed minimum payment amounts from 2023 through 2027. July 2022 Order at 31.

### *Comments*

PPL notes that the CAP Policy Statement allows for the minimum payment amounts to be reviewed and adjusted during a USECP proceeding. PPL also indicates that its minimum payment amounts have remained the same for years despite changes in costs. PPL avers that, if approved, the increase would enable it to offer 12-month arrearage forgiveness to customers and increased maximum bill credits. PPL states that this change will help limit OnTrack costs recovered from ratepayers. PPL reports that there are currently 3,270 EH customers and 2,189 ENH customers paying the minimum payment amount. PPL projects that these 5,459 customers could be affected by the increase. PPL projects the increased minimum payments will decrease OnTrack costs by approximately \$1 million annually.<sup>31</sup> PPL Supplemental Information at Section 1-1, 1-4, and 1-23.

CAUSE-PA opposes PPL's proposal to increase the minimum bill noting that the increase constitutes a 30% bill increase for heating customers and a 66% increase for non-heating customers. CAUSE-PA submits that the cost savings to the program do not justify the financial impact on over 5,000 economically vulnerable consumers. CAUSE-PA states that PPL's justification that it has not increased the minimum bill in many years is an arbitrary basis for an increase. CAUSE-PA recommends that the Commission reject the proposal to increase the minimum bill amounts. However, should

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<sup>31</sup> We question this projection. Based on an increase of minimum payments by \$10 and \$8 per month for 3,270 EH customers and 2,189 ENH customers, respectively; the increase in customer payments (and the decrease in OnTrack costs) should be approximately \$600,000 annually. We could not determine how PPL projects annual OnTrack savings of approximately \$1 million annually based on the data provided.

the Commission approve an increase, CAUSE-PA recommends the increase be limited to 25% for both EH and ENH customers to reduce rate shock. CAUSE-PA Comments at 27-29.

PPL contends that CAUSE-PA does not weigh the increased minimum payment against the other benefits customers are receiving in the proposed Plan, including the shorter program cycle (*i.e.*, 12 months), the elimination of the \$5 PPA co-payment, and the elimination of the CAP Plus charge. PPL Reply Comments at 16-17.

*Resolution:* We agree with PPL that minimum payments are an important cost control measure for OnTrack and all public utility CAPs. The CAP Policy Statement (2020) does not recommend a set amount for minimum CAP payments based on the account energy type (*e.g.*, EH and ENH). Instead, it recommends establishing minimum payment requirements in USECP proceedings. 52 Pa. Code § 69.265(3)(i). The Commission has also recommended that public utilities work with their USACs to determine a minimum payment amount or methodology appropriate for their low-income customers. November 2019 Order at 37. It is not clear whether PPL has consulted with its USAC or other stakeholders on its proposed minimum payment increase prior to filing its proposed 2023 USECP.

Although PPL has not provided a clear explanation of how the specific increase amounts were determined, we find the elimination of the CAP Plus and PPA copay amounts will help to offset the increase to the minimum payment amounts. Additionally, PPL's proposed minimum bill amounts are consistent with the minimum bill amounts the Commission has previously approved for Duquesne.<sup>32</sup> Accordingly, PPL's proposal to increase the minimum OnTrack payment amounts is approved.

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<sup>32</sup> Duquesne proposed and the Commission approved an increase of its minimum payment amount for EHN customers from \$15 to \$20 and the continuation of a \$40 minimum payment amount for EH customers as part of its 2020 USECP proceeding. *See Duquesne 2020-2025 USECP* at 5.

*n. PPA Forgiveness*

The Commission directed PPL to clarify whether it allows OnTrack customers to receive PPA forgiveness for each on-time and in-full monthly payment, regardless of OnTrack arrears (*i.e.*, in-program arrears), and retroactive PPA forgiveness for any months missed once the customer pays the Ontrack balance in full. July 2022 Order at 32.

*Comments*

PPL confirmed that customers will receive PPA forgiveness for each on-time and in-full monthly payment. PPL Supplemental Information at Section 1-24.

OCA recommends that PPL also provide retroactive PPA forgiveness as that will encourage customers to catch up on missed payments. OCA Comments at 13-16. CAUSE-PA also recommends that PPL provide retroactive forgiveness for catch up payments as an incentive to economically vulnerable households to prioritize payment. CAUSE-PA Comments at 29.

PPL clarifies that it does provide arrearage forgiveness for each in-full payment, including when the customer pays to catch-up on missed OnTrack payments. PPL states that it is willing to include this provision in its Revised 2023 USECP. PPL Reply Comments at 8.

*Resolution:* The 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 CAP balance in full. 52 Pa. Code § 69.265(8)(ix)(A-B). PPL has clarified that it

complies with these recommendations and there is no opposition from stakeholders. Accordingly, PPL is directed to clarify in its Revised 2023 USECP that OnTrack customers receive PPA forgiveness with each monthly payment, regardless of existing in-program arrears, and retroactive PPA forgiveness for any months missed once the customer pays the full balance.

*o. Late Payment Charges*

The Commission directed PPL to clarify whether OnTrack customers are exempt from late fees. July 2022 Order at 33.

*Comments*

PPL confirmed that OnTrack customers are exempt from late fees and that this also applies to final bills. PPL Supplemental Information at Section 1-26; PPL Reply Comments at 19.

CAUSE-PA supports PPL's exemption of OnTrack participants from late fees and requests that it amend the 2023 USECP to clearly indicate this exemption. CAUSE-PA Comments at 30-31.

*Resolution:* The CAP Policy Statement (2020) recommends that public utilities exempt CAP customers from late payment charges. 52 Pa. Code § 69.265(6). PPL has clarified that it complies with this recommendation. Further, there is no opposition to this practice. Accordingly, PPL is directed to clarify in its Revised 2023 USECP that it does not charge late payment fees to OnTrack participants, including in their final bills.

*p. Refund of Security Deposits*

The Proposed 2023 USECP does not describe PPL's policy or practices regarding the waiving or refunding of security deposits for OnTrack-eligible customers. The Commission directed PPL to describe its policy and procedures regarding waiving or refunding security deposits for OnTrack-eligible customers. July 2022 Order at 34.

*Comments*

PPL states that if a customer with a security deposit on the account is determined to be eligible for OnTrack, PPL will take one of three actions. If the deposit has not yet been billed, it will be automatically waived. If the deposit has been billed but not yet paid, the billing of the deposit will be automatically credited back to the account. If the deposit has been paid, either partially or in full, the amount paid will be refunded to the customer with interest. PPL Supplemental Information at Section 1-27.

OCA notes that PPL indicated that if a deposit has been paid, either partially or in full, the security deposit will be refunded back to the account along with interest. OCA expressed concerns about how PPL applies this method of refunding the deposits and requested clarification on how the deposit is refunded "back to the account"; OCA questions whether PPL may be applying the deposit to a balance that would be subject to PPA forgiveness with monthly payments. OCA further stated that an income-eligible household should not have been charged a security deposit and should be given the ability to decide how the money is refunded. OCA requests that PPL clarify its policy to

confirm that PPL complies with 66 Pa.C.S. § 1404(a)(1)<sup>33</sup> and 52 Pa. Code § 56.32(e).<sup>34</sup> OCA Comments at 17-18.

CAUSE-PA also expressed concerns that PPL’s response suggests it may be assessing security deposits on low-income households that are not actively seeking OnTrack enrollment but are otherwise known to be low-income. CAUSE-PA recommends that PPL revise security deposit policies to ensure security deposits are not collected from any confirmed low-income household and are timely released upon confirmation of low-income status. CAUSE-PA urges the Commission to direct PPL to amend its Proposed 2023 USECP to include the automatic release and refund of security deposits for confirmed low-income customers, or at minimum, provide the customer with the choice on how to apply the amount to their bill. CAUSE-PA Comments at 31-33.

PPL agrees with OCA and CAUSE-PA’s recommendations. PPL indicates that it will update its process going forward and give customers the option to have the deposit refunded or applied to the account balance. PPL Reply Comments at 17.

*Resolution:* Both the statute and Commission regulations prohibit requiring a cash deposit for utility service from customers who are confirmed to be eligible for a CAP. See 66 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). The regulations do

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<sup>33</sup> 66 Pa.C.S. § 1404(a.1) provides that “no public utility may require a customer or applicant that is confirmed to be eligible for a customer assistance program to provide a cash deposit.”

<sup>34</sup> 52 Pa. Code § 56.32(e) provides that “a public utility may not require a cash deposit from an applicant who is, based upon household income, confirmed to be eligible for a customer assistance program. An applicant is confirmed to be eligible for a customer assistance program by the public utility if the applicant provides income documents or other information attesting to his or her eligibility for state benefits based on household income eligibility requirements that are consistent with those of the public utility’s customer assistance programs.”

not permit the public utility to apply a deposit to a delinquent account balance if it is determined the customer was not responsible to pay the deposit. Therefore, the Commission supports PPL's proposal to refund security deposits collected from customers who are income eligible for OnTrack, with applicable interest. PPL may apply the security deposit to the account balance only with the customer's informed consent. As part of obtaining this informed consent, PPL must explain how applying the security deposit to the account balance will impact the customer's monthly bill. PPL is directed to include the provision in its Revised 2023 USECP.

*q. Voluntary Removal from OnTrack*

PPL proposes that customers requesting to be removed from the OnTrack program before their 12<sup>th</sup> month cannot reenroll until after the original agreement timeline has expired. PPL also proposes that OnTrack customer accounts that are terminated for nonpayment will resume participation through the end of the program cycle upon reconnection. Proposed 2023 USECP at 14-15.

PPL had proposed a similar policy in its 2017 USECP proceeding. PPL claimed that this stay-out provision for customers who voluntarily leave OnTrack was necessary because it would dissuade customers from leaving the program when the OnTrack bill is higher than actual usage. 2017 USECP PPL Reply Comments (filed June 22, 2017) at 10-11. The Commission was unpersuaded by this argument and directed PPL to re-instate customers who voluntarily leave OnTrack or are removed for non-payment if they pay the OnTrack catch-up amount (*i.e.*, total of OnTrack arrears and the amount the customer would have paid if still on OnTrack) at any time during the then-18-month program time period. October 2017 Order at 27-28.

The Commission directed PPL to explain its reasoning for re-proposing this stay-out provision for customers who voluntarily leave OnTrack. If the reasons are

similar to those raised in the 2017 USECP proceeding, PPL was directed to provide supporting data showing how customers are benefiting when they voluntarily leave OnTrack and how they would be harmed if a stay-out provision is imposed. If PPL has new reasons, PPL was directed to provide supporting data for those reasons. July 2022 Order at 35.

### *Comments*

PPL asserts that it is proposing a stay-out provision for customers in OTBB or in collection status. PPL indicates that customers in collection status may return to OnTrack by paying all missed OnTrack payments. PPL notes that while it does not keep statistics for these requests, it is concerned that allowing re-enrollment prior to the program expiration date would effectively eliminate the maximum credit provision of the USECP, which could increase program costs and disincentivize customer management of electric usage. PPL Supplemental Information at Section 1-28.

CAUSE-PA states that it appears that PPL does not intend to impose a stay-out period for OnTrack participants who remove themselves voluntarily. CAUSE-PA does not support a proposal to impose a stay-out provision on any OTBB participants. CAUSE-PA states that it appears PPL is treating OTBB participants as both OnTrack and non-OnTrack customers by imposing the stay-out provision while still classifying arrears in OTBB as “in-program” and potentially disqualifying these households from seeking a PAR. CAUSE-PA recommends that PPL clarify in its Proposed 2023 USECP that any prior OnTrack customer will be re-instated into OnTrack if they pay the catch-up amount at any time during the program period. CAUSE-PA Comments at 33-35.

PPL states that it is not opposed to a customer being reinstated after paying the catch-up amount. PPL clarifies that it is trying to avoid having a customer exceed the maximum credit limit, voluntarily remove themselves from OnTrack, then reapply to get

a new maximum credit limit. PPL asserts that this would effectively eliminate the maximum credit limit and notes that, as articulated throughout its Supplemental Information, Comments, and Reply Comments, maximum credit limits are an important part of program design to help control program costs. PPL Reply Comments at 17-18.

*Resolution:* As discussed in the October 2017 Order, PPL has an unspecified stay-out provision built into the catch-up policy, *i.e.*, that customers removed from OnTrack for non-payment are not permitted to re-enroll unless they pay the catch-up amount. October 2017 Order at 25-28. PPL has not provided a new or compelling argument to establish a stay-out provision for OnTrack customers.

Rather than a stay-out provision for OTBB customers, PPL can address its concerns by informing customers who request voluntary removal from the program after exceeding credit limits that they will be ineligible for any further credits until after the current 12-month program cycle has elapsed regardless of whether they stay in or leave. PPL should also make these customers aware of the exceptions to the credit limits and what actions they should take if they qualify for these exceptions.

Accordingly, PPL is directed to clarify in its Revised 2023 USECP that customers that voluntarily remove themselves from OnTrack can re-enroll within the 12-month period if they pay any in-program arrears.

*r. OnTrack Final Billing*

The Commission issued its CAP Final Billing Order on March 12, 2020, in *Staff Review of Customer Assistance Program Final Billing Methods*, Docket No. M-2019-3010190. The CAP Final Billing Order detailed how the various electric and natural gas public utilities calculate final CAP bills, summarized stakeholder input on the issues, and called attention to existing statutory and regulatory provisions relating to

billing. The CAP Final Billing Order did not recommend a standard CAP final billing policy but indicated these policies must comply with PUC statutes and regulations.

PPL does not describe or list its final OnTrack billing practice in its Proposed 2023 USECP. In the CAP Final Billing proceeding, PPL reported that OnTrack customers are final billed at the residential tariff rate for the billing period and that CAP credits are not applied to the CAP customer's final bill. Any unforgiven PPA balance is included in the final bill amount. CAP Final Billing Order at 7-8.

The Commission directed PPL to describe its current OnTrack final billing policy and explain whether this policy has changed since the Commission's CAP Final Billing proceeding. PPL is also directed to address how its final OnTrack billing practices reflect compliance with the relevant statutes and regulations as discussed in the CAP Final Billing Order. July 2022 Order at 36.

### *Comments*

PPL states that it treats a request to discontinue service as a request to voluntarily leave OnTrack. PPL issues a final bill to OnTrack customers based on the full residential rate, rather than the OnTrack amount, for service rendered between the last meter reading and the date of discontinuance, plus any unpaid charges on the account. PPL asserts that this is in compliance with 66 Pa.C.S. § 1303 of the Public Utility Code. PPL Supplemental Information at Section 1-29.

OCA disagrees with PPL's interpretation stating that PPL appears to argue that customers stop being an OnTrack participant between disconnection and issuance of the final bill. OCA states that there is nothing in the law to support PPL's interpretation. OCA submits that a customer does not stop being a customer until 30 days after issuance of the final bill and should therefore remain enrolled in OnTrack during that period.

OCA further submits that PPL should not assess late fees for the final bill for OnTrack participants. OCA Comments at 26-28.

CAUSE-PA opposes PPL's method for calculating the final bill amount and asserts that PPL's approach is not in alignment with the Commission's guidance in the CAP Final Billing Order and 66 Pa.C.S. § 1303. CAUSE-PA states that the Commission has previously indicated that a CAP customer should not be removed from the program prior to issuance of the final bill. CAUSE-PA states that low-income households tend to relocate more frequently resulting in this policy creating additional and undue financial burdens. CAUSE-PA recommends that PPL apply the following steps to calculate a final bill:

1. Determine the prorated PIP or ASP rate for the final billing month.
2. Determine the bill based on actual usage for the final billing month.
3. For minimum bill customers, determine the prorated daily minimum bill rate for the final billing month.
4. Charge the lesser of the actual bill, the daily prorated OnTrack bill, or the daily prorated minimum bill as applicable.

CAUSE-PA Comments at 35-38.

In response to OCA and CAUSE-PA's Comments, PPL proposes to amend its current process to either charge the established OnTrack installment or actual tariff rate, whichever is more advantageous to the customer. Additionally, PPL states that it will transfer the OnTrack agreement if a customer establishes new service at a new account within 30 days of the prior account's finalization. PPL Reply Comments at 18-19.

*Resolution:* The Commission supports PPL's proposal to amend its current process to charge the OnTrack installment amount or actual tariff rate, whichever is more advantageous to the customer. As noted in the CAP Final Bill Order, the Commission

considers a CAP customer to be enrolled in the program until either the effective date of the customer's requested removal from CAP or until service is terminated or discontinued. CAP Final Billing Order at 20. If a household is enrolled in a CAP until service is terminated or discontinued, then the final usage bill should not exceed the prorated CAP price. PPL's proposed amendment to its OnTrack Final Billing procedure would ensure that a customer is charged no more than the lesser of the prorated OnTrack bill or the prorated tariff rate for customer's final usage period. Therefore, we conclude that this proposal is reasonable and should be implemented.

Additionally, the Commission finds that PPL's proposal to transfer the OnTrack agreement if a customer establishes new service at a new account within 30 days of the prior account's finalization is in line with the CAP Policy Statement (2020) at 52 Pa. Code § 69.265(10).<sup>35</sup> This process is also consistent with CAP transfer policies of other EDCs and NGDCs.<sup>36</sup> Therefore, we conclude that this proposal is reasonable and should be implemented.

Accordingly, PPL is directed to charge OnTrack customers no more than the lesser of the prorated OnTrack bill or the prorated tariff for usage incurred during the customer's final billing period. If the OnTrack final bill includes remaining unforgiven PPA, that amount must be separately identified on the final bill. PPL shall include the revised CAP final bill provision and the revised OnTrack transfer provision in its Revised 2023 USECP.

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<sup>35</sup> 52 Pa. Code § 69.265(10): A CAP household should be able to retain program enrollment status when transferring service within the utility's, or an affiliate's, service territory.

<sup>36</sup> For example, see *Duquesne 2020-2025 USECP* at 19 and *Peoples 2019-2024 USECP* at 10.

*s. OnTrack Lifestyle Recertification*

PPL is proposing to require customers enrolled in OTLS (*i.e.*, customers reporting no income or income less than rent or mortgage) to recertify every six months. PPL also proposes to require OTLS customers to provide additional evidence of eligibility to recertify after the first 12 months in the program, such as receipts, bank statements, or support letters to explain how the household is meeting expenses. PPL will not allow continued recertifications by submitting a self-declaration statement indicating zero income or that mortgage/rent remains higher than income. Proposed 2023 USECP at 13. The Commission directed PPL to explain what documentation or information would be considered sufficient to allow a customer to recertify in OTLS beyond 12 months. July 2022 Order at 39.

*Comments*

PPL states that the goal of requesting additional documentation is to understand how the customer maintains the household's living situation when housing costs still exceed household income after 12 months. PPL indicates that it would accept documentation such as bank statements, current lease, and support letters from alternate sources of income. PPL avers it is not seeking to remove customers but to confirm eligibility at the appropriate participation level. PPL Supplemental Information at Section 1-31.

CAUSE-PA asserts PPL's policy to not accept a zero-income form to recertify a customer in OTLS after 12 months is "unnecessary, punitive, and more stringent." CAUSE-PA notes that while PPL lists the kinds of documentation it is looking for, it does not explain the review process to determine what documentation is sufficient. CAUSE-PA asserts that PPL is requiring proof of a negative (*i.e.*, that the customer does not have additional income) and that without a full audit of a household's finances it is

unclear how a participant can demonstrate their situation. CAUSE-PA believes the OTLS program is flawed and unnecessary and recommends the program be removed. However, if the Commission allows the OTLS program to continue, CAUSE-PA recommends that PPL continue allowing OTLS customers to self-certify their financial situation. CAUSE-PA Comments at 39-42.

PPL reiterated its concerns about OTLS customers who have reported incomes less than their shelter expenses and maintains that those customers need to provide documentation on how these expenses are met without sufficient income. PPL asserts households with zero income or income less than shelter expenses cannot maintain that situation for an extended period of time. PPL contends it is not trying to remove customers from OTLS but wants to verify that these customers are receiving the appropriate level of benefits in Ontrack noting that otherwise program costs would increase, impacting all customers. PPL Reply Comments at 21-22.

*Resolution:* PPL has addressed our initial question by identifying the additional documentation and information it will accept from households who claim zero income or income less than shelter expenses after 12 months. Although the CAP Policy Statement does not address what documentation or information a public utility should request or accept at recertification, it does recommend that public utilities effectively communicate their recertification practices and procedures to minimize disruptions in CAP participation. 52 Pa. Code § 69.265(8)(viii)(B). The Commission has found that the use of a zero-income form does not restrict a public utility's ability to request additional information to verify a household's income situation, if necessary, including requesting additional information about how living expenses are being paid. November 2019 Order at 64, FN 101. Similarly, if a customer reports household income below the household's living expenses over an extended period of time, it is reasonable for PPL to request additional information to verify how those expenses are being met. However, this expectation and what additional information the customer should provide to recertify for

OTLS should be clearly explained to the customer as early as possible. It is not clear whether this requirement for additional information is explained to OTLS customers until they are at risk of program removal.

While PPL's proposal to require households reporting zero income to recertify every six months is consistent with the recommendation in the CAP Policy Statement, 52 Pa. Code § 69.265(8)(viii)(A)(I), and we are not requiring changes to the proposed OTLS recertification timeframe or requirements, we conclude that PPL should work with its USAC to review and enhance its communication on the requirements and expectations for OTLS provided at enrollment and recertification, including that customers who remain income eligible for OTLS after 12 months will need to provide additional information on how they are meeting living expenses. Accordingly, PPL is directed to work with its USAC to ensure communications regarding OTLS clearly explain program requirements, including recertification timeframes and what documentation the household will have to provide.

*t. OnTrack Lifestyle Enrollments*

PPL enrolls customers reporting no income or income less than their rent or mortgage in OTLS. It is unclear how many customers have historically been enrolled in OTLS. The Commission directed PPL to provide the total number and percentage of OnTrack customers enrolled in OTLS annually from 2018 through 2021. This information shall be broken down between OTLS participants enrolled with zero income and OTLS participants with income less than their rent or mortgage. The Commission also directed PPL to identify how many of these customers were later enrolled in regular OnTrack, remained in OTLS for more than one nine-month cycle, had service terminated, or were subsequently determined income-ineligible. July 2022 Order at 39-40.

*Comments*

PPL reported that since 2019, customers reporting zero income represented over 50% of the total customers enrolled in the OTLS program. While the total number of customers enrolled in OTLS has increased from 4,886 in 2018 to 7,543 in 2021, the number of customers enrolled in OTLS reporting no income has also increased from 2,437 in 2018 to 5,179 in 2021. PPL also reported that the percentage of OTLS customers subsequently determined to be income-ineligible for regular OnTrack has decreased each year since 2018. PPL Supplemental Information at Section 1-32.

**Table 13. OnTrack Lifestyle Enrollment**

<b>Year</b>	<b>Total Customers</b>	<b>Customers Reporting Zero Income</b>	<b>Later Enrolled in 18-month OnTrack</b>	<b>Remained in OTLS more than one 9-month cycle</b>	<b>Service Terminated</b>	<b>Determined Income Ineligible</b>
2018	4,886	2,437	2,150	1,972	458	1,877
2019	6,792	4,353	2,502	3,119	530	2,354
2020	6,498	3,892	2,068	4,098	14	2,064
2021	7,543	5,179	321	1,579	157	1,133
<b>Total</b>	<b>25,719</b>	<b>15,861</b>	<b>7,041</b>	<b>10,768</b>	<b>1,159</b>	<b>7,428</b>

CAUSE-PA notes that, while the Commission did not ask PPL to provide the costs to administer the OTLS program, the cost may be significant given the number of customers requiring certification every six months. As mentioned in prior sections, CAUSE-PA states that the OTLS program is unnecessary and posits that the additional administration and implementation costs are also unnecessary. CAUSE-PA Comments at 42.

*Resolution:* PPL has addressed our request by providing the above information. It is important to continue to track this information, especially as OTLS customers will now be required to recertify every six months and potentially provide additional information

on how they are meeting living expenses after the first 12 months in the program. Accordingly, PPL is directed to share updated OTLS statistics with its USAC annually, consistent with the information requested and provided in this proceeding.

*u. Credit Checks and Fraud Investigations*

PPL asserts that, as part of its standard revenue protection practices, it may analyze customer information for potential fraud. This investigation may include a rate check, confirmation of customer's debt location by a credit reporting service, soft credit inquiry, and a probe into how the customer is paying for basic living expenses. If the investigation includes the use of credit report information, PPL reports that it will provide the customer with an adverse action notification in accordance with the Fair Credit Reporting Act. PPL states that findings of fraud, theft of service, and other misappropriations of service may result in back billing, removal from OnTrack, and/or termination of service. Proposed 2023 USECP at 15.

The Proposed 2023 USECP does not describe if or how a customer is given an opportunity to address or refute potential evidence of fraud prior to PPL taking these proposed actions. The Commission directed PPL to provide additional information regarding its fraud investigation process. July 2022 Order at 40-41.

*Comments*

PPL indicates that it gives customers 20 days to refute the findings and provide documentation. If a customer does not submit sufficient documentation, the customer will be removed from OnTrack. To appeal a finding of fraud, a customer may file a dispute with PPL following the normal procedures. PPL notes that there is not an approved fraud procedure in its current USECP. Therefore, the number of fraud investigations and instances of fraud discovered are not tracked. PPL states that these

investigations will be monitored going forward. PPL Supplemental Information at Section 1-33.

CAUSE-PA recommends that the Commission reject PPL's proposed fraud investigation procedure given the lack of documented need for the program and lack of clarity regarding how action will be taken against any low-income customer accused of fraud. CAUSE-PA asserts that PPL should be required to provide evidence supporting the need for such a program, project and justify estimated administrative costs, and allow the Commission and stakeholders to review proposed communications with the accused customers. CAUSE-PA Comments at 42-43.

PPL notes that it currently has no recourse when customers provide false information on their OnTrack applications resulting in PPL not being able to take action when instances have occurred. Regarding CAUSE-PA's concerns regarding communications with customers, notice of findings, and the like, PPL states it will follow normal practices for investigation of fraud, theft, and other misappropriation of service according to its USECP. PPL indicates that customers who disagree with its findings may also file a formal or informal complaint with the Commission. PPL Reply Comments at 22-23.

*Resolution:* PPL has addressed our initial questions about its proposed fraud investigations by clarifying, *inter alia*, that customers will have 20 days to dispute any findings of fraud before adverse action is taken. This process is similar to PGW's Commission-approved CAP fraud investigation process, which provides customers with 30 days to dispute information gathered in a fraud investigation prior to being removed from the CAP. PGW 2017-2020 USECP, Docket No. M-2016-2542415, at 18 (filed on August 31, 2017). Accordingly, PPL is directed to clarify in its Revised 2023 USECP that customers will have 20 days to dispute any findings of fraud before adverse action is taken.

*v. Outreach and Education*

In its February 2020 Letter, PPL reported that it will add consumer education and outreach plans (CEOPs) as a topic to its semi-annual USAC meetings. However, PPL did not include a proposed CEOP as part of its Proposed 2023 USECP. Accordingly, the Commission directed PPL to provide a proposed CEOP identifying, *inter alia*, all ongoing and all planned universal service outreach and education initiatives. July 2022 Order at 41-42.

*Comments*

PPL provided a proposed CEOP with its Supplemental Information. PPL explains that it educates customers on available programs through various marketing and communication efforts intended to increase eligible customer enrollments, the quantity of grant dollars received, and awareness of the assistance available.

PPL indicates that it will continue the education and outreach initiatives outlined in its current 2017 USECP, as well as the initiatives implemented since the 2017 USECP was approved. This includes targeted outreach to customers via print communication, email, website marketing, text, phone, and social media. PPL reports that it has increased the frequency of targeted communications and plans to increase awareness by holding recurring education sessions to maintain and grow program participation. PPL notes that it also plans to incorporate new communication methods, such as short videos and text messages. PPL Supplemental Information at Section 1-34.

PPL reports that it provides information in Spanish, including the website, application, and select outreach material. PPL also uses a language line to allow customers to speak with a representative in their preferred language. PPL indicates that

language offerings are determined based on the needs of its service territory. PPL has identified Spanish as the predominant language for call transactions but notes that it determines language offerings based on the needs of its service territory. PPL provided a list of future communication tactics, including the intended audience and the frequency of communications. PPL also provided a variety of examples of consumer education letters, brochures, marketing materials, etc. PPL Supplemental Information at Section 1-34.

OCA commented that PPL should be directed to provide a timeline for development of its CEOP, including a detailed plan on how it intends to expand outreach to increase CAP participation for customers below 50% of FPIG. OCA recommended the CEOP should include a discussion of activities PPL intends to take as well as quantitative outcomes by which success or failure can be measured. OCA Comments at 22-26.

CAUSE-PA commented that PPL's CEOP lacks critical detail to assess how PPL will target its messaging and outreach. CAUSE-PA recommends that PPL continue to work with parties and stakeholders through its USAC to develop a fully articulated CEOP that provides further details and clearly articulates PPL's plan. CAUSE-PA notes that PPL should include development of a refined language access plan to advance accessibility of universal service programs to customers with limited English proficiency. CAUSE-PA Comments at 44.

In response to OCA's and CAUSE-PA's Comments, PPL states that it has updated its CEOP. The updates included detailing targeted outreach under its existing CEOP, using hold messages and recurring education sessions to increase awareness, and expanding targeted outreach. PPL added that it will conduct analyses to continue to improve customer retention in programs. PPL further states it is willing to meet, review, and consider additional updates. PPL notes that it must retain discretion on how it

conducts its customer outreach and education. PPL Reply Comments at 23-24, Appendix A.

*Resolution:* While noting some concerns and areas for follow-up, the Commission accepts PPL's CEOP as a starting point. Accordingly, PPL's proposed CEOP is approved. PPL is directed to note in its Revised 2023 USECP that the CEOP is an evolving process and will be modified and enhanced as needed within the duration of the 2023 USECP. Also, beginning in 2024 and for the duration of its 2023 USECP, PPL shall file and serve, by March 1<sup>st</sup> at Docket No. M-2022-3031727, annual updates to its CEOP and include outreach and education actions taken.

As part of the process of enhancing its CEOP, we direct PPL to work with its USAC, including the Commission's Office of Communications, to develop ways to incentivize customers to embrace household conservation efforts and ways to increase enrollment in universal service programs. This process includes:

- Developing educational training webinars and workshops using a virtual or hybrid approach to keep community partners and interested stakeholders informed and updated about PPL's universal service programs.
- Enhancing PPL's outreach efforts for households with incomes at or below 50% of the FPIG.
- Improving PPL's efforts to educate and inform customers about the importance of understanding their energy burden to foster customer awareness of how much their household is spending on energy.
- Exploring whether and how the components of its CEOP are provided to each county within its service territory.

- Sharing PPL’s tools, outline approaches, and activities for the energy burden education components in future CEOPs and include the PUC educators as needed.

In conjunction with its annual filings, we further direct PPL to describe:

- The additional educational training webinars and workshops used to keep community partners and interested stakeholders informed and updated about PPL’s universal service programs.
- Its enhanced outreach efforts for households with incomes at or below 50% of the FPIG.
- Its efforts to educate and inform customers about the importance of understanding their energy burden to foster customer awareness of how much their household is spending on energy.
- How the components of its CEOP are provided to each county within its service territory.
- How it has shared its tools, outline approaches, and activities for the energy burden education components in future CEOPs and include the PUC educators as needed.

Additionally, PPL is encouraged to participate with the Commission, other state agencies, consumer advocates, and other stakeholders in the Commission’s Be Utility Wise<sup>37</sup> conferences and other private/public partnership outreach opportunities annually.

## **2. WRAP**

PPL’s WRAP provides weatherization and energy conservation services to OnTrack and other low-income customers. The primary objectives for WRAP are to reduce customer energy usage and electric bills, increase ability to pay, and decrease arrearages. PPL engages contractors to conduct energy surveys (audits) and to provide weatherization measures and energy education. All WRAP customers are eligible for baseload measures, such as installation of LED lightbulbs, refrigerator replacement, water leak repair or water heater replacement and other measures that meet the PUC payback criteria. Customers with electric heat installed in 50% or more of the premises are eligible to receive full-cost WRAP measures. Examples of full-cost WRAP measures include blower door testing and associated air sealing, insulation, weather-stripping, as well as other measures. Proposed 2023 USECP at 20-23.

To be eligible for WRAP, a customer must be at least 18 years old and have income at or below 150% of the FPIG, a primary residence within the PPL service territory, electric service in the name of one of the household occupants, at least nine months of usage history at the premises, annual usage of at least 6,000 kWh, and no history of receiving weatherization services from WRAP and/or PPL’s Act 129<sup>38</sup> program within the past five years. Apartment buildings with at least three units may receive WRAP services if at least 50 percent of tenants are determined to be otherwise eligible but for residency in an apartment building. WRAP services are prioritized based

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<sup>37</sup> Be Utility Wise is a signature PUC Consumer Education program with the goal to educate those on the front line of Health and Human Services.

<sup>38</sup> PPL uses the term “Act 129 WRAP” to describe the weatherization services it provides under its obligations under Act 129.

on customers with the highest electric usage or OnTrack customers in danger of exceeding CAP credit limits. PPL defines “high usage” as households that use more than 18,000 kWh per year. Proposed 2023 USECP at 25-26.

Based on our analysis of PPL’s WRAP in the Proposed 2023 USECP, we directed PPL in the July 2022 Order to provide clarification and/or supplemental information regarding identified issues. The following discussion reflects resolution of those issues.

*a. WRAP Eligibility*

The Proposed 2023 USECP states that PPL “will serve up to 20% of customers that are between 150% and 200% of the FPIG through its WRAP budget.” This includes “special needs” customers as defined by the Commission, 28 multi-unit projects that could best benefit from “whole building” treatments, and customers referred through inter-utility coordination. Proposed 2023 USECP at 25.

The Proposed 2023 USECP does not make a distinction between customers with income at 150% of the FPIG and special needs customers at the 151% through 200% FPIG tier when describing who can be served with up to 20% of PPL’s WRAP budget. The Commission questioned whether PPL’s WRAP is consistent with the LIURP regulations at 52 Pa. Code § 58.10(c).<sup>39</sup> The Commission also directed PPL to clarify if eligible customers with household incomes at 150% of the FPIG are required to be “special needs” and whether funding for services for these customers are included in the 20% of the WRAP budget spent on customers within the 151% and 200% FPIG tier. July 2022 Order at 44.

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<sup>39</sup> Section 58.10(c): A covered utility may spend up to 20% of its annual program budget on eligible special needs customers as defined in § 58.2.

## *Comments*

PPL clarifies that it will spend up to 20% of its annual WRAP budget on special needs customers with income between 151%-200% of the FPIG, including customers living in multi-unit projects who could best benefit from “whole building” treatments as well as customers referred through inter-utility coordination.” PPL states that any customer at or below 200% of the FPIG with an arrearage is considered “special needs,” but a customer at or below 150% of the FPIG with an arrearage would not qualify for 20% WRAP budget spend. Such a customer would receive WRAP services through the remainder of the WRAP budget. PPL Supplemental Information at Section 1-35.

CAUSE-PA supports PPL’s proposal to spend up to 20% of its LIURP budget on special needs customers between 151% and 200% of the FPIG. CAUSE-PA notes that PPL’s proposed update will bring its WRAP eligibility criteria in line with LIURP regulations. CAUSE-PA Comments at 45-46.

*Resolution:* Based on PPL’s clarifications, we find its policy for spending up to 20% of the WRAP budget on “special needs” customers consistent with LIURP regulations at 52 Pa. Code § 58.10(c). Furthermore, PPL has addressed our concerns by clarifying that customers with income at or below 150% of the FPIG with an arrearage are not included in the special needs category. Accordingly, PPL is directed to clarify its policy for spending up to 20% of the WRAP budget on special needs customers in the 151%-200% FPIG tier in its Revised 2023 USECP.

### *b. Post-Installation Inspections*

The Proposed 2023 USECP states that PPL will target a minimum of 30% of all full-cost jobs for a site inspection and will conduct phone inspections for a minimum of

25% of baseload and low-cost jobs.<sup>40</sup> PPL offers remedial energy education or a referral for additional WRAP services and measures when a customer's usage increases or remains high after the twelve-month post WRAP period. Proposed 2023 USECP at 23-24.

The Commission directed PPL to explain the methodology it uses to select 30% of all full-cost WRAP jobs to receive a site inspection and 25% of baseload and low-costs WRAP jobs to receive a phone inspection. Furthermore, PPL was directed to explain what a phone inspection entails and clarify if all recipients of full-cost WRAP jobs receive a phone inspection if they are not selected to receive a site inspection. PPL was also directed to provide its usage threshold for additional education and services if a customer's usage increases within 12 months after post-installation of WRAP measures. July 2022 Order at 44.

### *Comments*

PPL states that it assigns the majority of full-cost WRAP jobs for field inspections and that full-cost WRAP jobs not assigned for field inspection will receive a phone inspection. Low-cost WRAP jobs that are not assigned for field inspection may receive a phone inspection. PPL asserts that baseload jobs are assigned for phone inspection monthly and are contacted until an inspection of 25% of the total baseload jobs are completed. PPL clarifies that an inspection may be waived for all job types if minimal measures are provided. PPL Supplemental Information at Section 1-36.

PPL explains that the objectives of the phone inspection include all of the following:

- Confirm that measures invoiced were installed.

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<sup>40</sup> See Proposed 2023 USECP at 22-23 for a description of full-cost, low-cost, and baseload jobs.

- Assess customer satisfaction.
- Capture demographic data needed for annual LIURP reporting.
- Assess if customer needs follow-up with bill.
- Offer full-cost WRAP recipients follow-up energy education.

PPL Supplemental Information at Section 1-36.

PPL further explains that it runs a monthly report of WRAP recipients, after 11 months from final installation date, to identify usage changes. Customers whose usage increases or decreases by 10% or greater receive a letter recognizing the savings or alerting them of an increase in usage. PPL states that contractors are provided with the list of customers for possible additional measures or remedial energy education. PPL Supplemental Information at Section 1-36.

CAUSE-PA states that PPL's response does not explain how it selects or prioritizes full-cost or low-cost WRAP jobs for inspection. CAUSE-PA recommends that the Commission require PPL to provide further clarification on the methodology it uses to assign post-installation inspections. CAUSE-PA further recommends that PPL issue a follow-up letter to all WRAP participants at six and 12-months post-installation to inform them of their total usage savings from WRAP services. CAUSE-PA Comments at 47-48.

PPL clarifies that all WRAP full-cost and low-cost jobs are offered a post-installation inspection. PPL clarifies that full-cost and low-cost WRAP jobs that received minimal measures (*i.e.*, aerators, thermostats, baseload measures) are generally offered phone inspections and that all other full-cost and low-cost WRAP jobs are assigned for field inspection. PPL agrees with CAUSE-PA's recommendation to send a follow-up letter detailing usage to customers who do not receive a post-installation inspection. PPL also states that it will continue sending 12-month post-installation letters regarding change in usage. PPL Reply Comments at 27-28.

*Resolution:* PPL addressed our questions by clarifying how it selects WRAP jobs for post-installation inspection, explained the objectives of a phone inspection and provided the usage threshold for additional education and services (*i.e.*, if usage increases by 10%) post-installation of measures. PPL has clarified that (1) all full and low-cost WRAP jobs are assigned an onsite or phone post-installation inspection; and (2) full and low-cost WRAP jobs that receive minimal measures are assigned a phone post-installation inspection. Furthermore, we approve PPL's proposal to issue follow up letters to customers within six months post-installation of measures.

Based on the additional information provided, we conclude that PPL's post-installation inspection protocols are reasonable. Accordingly, PPL is directed to clarify its post-installation inspection protocols in its Revised 2023 USECP. Specifically, PPL shall clarify in the Revised 2023:

- All full and low-cost WRAP jobs are assigned a post-installation inspection on-site or by phone. Full and low-cost WRAP jobs that receive minimal measures (*i.e.*, aerators, thermostats, baseload measures only) are assigned a phone post-installation inspection.
- Objectives of phone inspections.
- Customers with a usage increase or decrease of 10% or greater receive a letter recognizing the savings or alerting them to the usage increase. Contractors are provided with the list to review for possible additional measures or remedial energy education.
- Follow-up letters shall be issued to customers, not receiving a post-installation inspection, at six months post-installation of measures. Usage change letters shall be issued to customers at six- and 12-months post installation of measures.

*c. Usage Requirements for Inter-Utility Coordinated Jobs*

The Proposed 2023 USECP states that PPL will continue to encourage coordination with the Department of Community and Economic Development's (DCED's) Weatherization Assistance Program (WAP), gas utility weatherization programs, and county weatherization programs in accordance with the budget and resources of other programs. The Proposed 2023 USECP states that there is no minimum usage requirement for jobs coordinated with PPL's Act 129 program. Proposed 2023 USECP at 26, 31-32. The Commission directed PPL to clarify if the minimum usage requirement is also waived when coordinating WRAP services with DCED's WAP, gas utility LIURP/weatherization programs, or county weatherization programs. July 2022 Order at 46.

*Comments*

PPL clarifies that it waives the minimum usage requirement when coordinating WRAP with other weatherization programs. PPL Supplemental Information at Section 1-37.

CAUSE-PA supports PPL's policy to waive the minimum usage requirements when coordinating WRAP services with other weatherization programs. CAUSE-PA recommends the Commission require PPL to amend its Proposed 2023 USECP to explicitly state when high usage requirements will be waived and how it will coordinate WRAP with other programs, including how costs and savings related to coordination will be tracked and reported. CAUSE-PA asserts that given PPL's reduced number of WRAP contractors, PPL will experience greater challenges advancing coordination policies and procedures. CAUSE-PA recommends that PPL reinstitute contractual relationships with CBO contractors to ensure better coordination of WRAP, WAP, and other local weatherization programs. CAUSE-PA Comments at 48-50.

PPL states that it recognizes the benefits and efficiencies gained from coordination and would support efforts to further enhance coordination between entities. PPL notes that coordination should not be the sole factor in selecting WRAP contractors and that coordination should not be the sole responsibility of PPL. PPL states all interested parties should work collectively to improve weatherization. PPL Reply Comments at 28-29.

*Resolution:* PPL has addressed our initial question by clarifying that it waives the minimum usage requirement when coordinating WRAP with other weatherization programs. The Commission encourages public utilities to work with CBOs in WRAP and other universal service programs. We also support public utilities working and collaborating with CBOs and other entities and programs to enhance coordination of weatherization services. Accordingly, PPL is directed to clarify that it waives the minimum usage requirement when coordinating WRAP with its Act 129 program and other weatherization programs in its Revised 2023 USECP.

*d. Quality Control and Contractor Requirements*

PPL's 2017 USECP states that auditors, inspectors, and at least one member of each installation agency that performs full-cost work must have an active Building Performance Institute (BPI) - Analyst I Certification or PA weatherization certification equivalent. 2017 USECP at 52-53. However, the Proposed 2023 USECP proposes to remove this provision and does not include any details regarding contractor certification requirements or clarify if certifications for quality control are required for PPL or other staff conducting field observations. The Commission directed PPL to provide details of its certification requirements for contractors and PPL or other staff conducting field observations. July 2022 Order at 46.

## *Comments*

PPL states that it requires WRAP contractors to assure that all workers that perform audits, installations, and/or inspections have the appropriate BPI or equivalent certification as determined by PPL. WRAP jobs may require an installer that is certified in lead renovation to oversee safe lead practices as applicable. Furthermore, additional certification may be required during the contract period based on federal, state, and industry standards and requirements. PPL states that contractors are required to provide proof of certifications upon request. PPL reports that its staff conduct field observations to ensure adherence to procedures, customer interactions, OnTrack education, and soft skills. PPL Supplemental Information at Section 1-38.

CAUSE-PA states that it is unclear whether PPL's policy that WRAP contractors must meet BPI certification requirements is aligned with the training and certification requirements for WAP. CAUSE-PA comments at 50.

PPL clarifies that it will require WRAP contractors to meet BPI certification requirements or PA weatherization certification equivalent, consistent with its 2017 USECP. PPL Reply Comments at 29-30.

*Resolution:* Based on the additional information that PPL provided, we find its certification requirements for WRAP contractors satisfactory. Although we encourage public utilities to establish contractor certification and training requirements consistent with WAP, we are not persuaded to mandate that PPL do so. The LIURP regulations do not currently specify certification credentials for participating contractors. Nevertheless, we recognize the potential to bring a level of standardization and work quality to all jobs

performed if all contractors obtained the same training and certifications. This issue may be addressed in the pending LIURP rulemaking.<sup>41</sup>

Accordingly, we direct PPL to clarify its certification requirements for WRAP contractors, including the additional certification required for installers and its field observation procedures, in its Revised 2023 USECP.

*e. Customer Consent*

The Proposed 2023 USECP states that customers must consent prior to the start of any WRAP work. In addition, the customer must agree to participate in the energy audit and energy education session(s). Proposed 2023 USECP at 26. The Commission directed PPL to, *inter alia*, clarify how customer consent for WRAP services is obtained. July 2022 Order at 47.

*Comments*

PPL states that customers completing an application give their consent on the online or paper application. Customers applying over the phone sign a consent form at the time of the WRAP audit, either via a paper form or electronically. PPL Supplemental Information at Section 1-39.

CAUSE-PA expressed concerns that the liability provision on PPL's consent form requiring an applicant to waive all claims for damages to property, including harm caused by negligence for work done to the property, is unduly harsh and may dissuade participation in the program. Additionally, CAUSE-PA expressed concern over language requiring participants to affirm that they may "be penalized for making false or

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<sup>41</sup> The Commission is currently reviewing its LIURP regulations at *Initiative to Review and Revise the Existing LIURP Regulations at 52 Pa. Code §§ 58.1–58.18*, Docket No. L-2016-2557886.

incomplete statements” including removal from WRAP and repayment of all costs for services and measures provided by WRAP. CAUSE-PA asserts that it does not oppose denial of WRAP if fraudulent information is provided by the customer, however; the scope of “incomplete statements” by building owners could result in unfair outcomes and liability for tenants. CAUSE-PA recommends the Commission require PPL to revise the penalty clause in the consent form that requires tenants to agree to repayment terms. CAUSE-PA Comments at 51-52.

CAUSE-PA also asserts that the WRAP application and consent form that PPL provided in its Supplemental Information is inadequate for obtaining written consent from landlords. CAUSE-PA requests that the Commission require PPL to provide additional information on how landlords are contacted and provide a copy of the landlord consent form to ensure it complies with LIURP regulations at 52 Pa. Code § 58.8(a).<sup>42</sup> CAUSE-PA further recommends that PPL provide tenants with a copy of the signed landlord consent form. CAUSE-PA Comments at 52-53.

PPL reports that it uses a standard damage waiver provision that specifies that the customer is not releasing the contractor from any liability. PPL states that if the damage waiver provision is shown to have an adverse impact on customers’ willingness to participate, PPL may reevaluate this language in the future. PPL asserts that the “incomplete statements” language is intended to address situations when a customer knowingly omits critical information that would affect their eligibility for WRAP services. In response to CAUSE-PA’s comments, PPL proposes to amend the language in the customer consent form to indicate that customers “may be penalized for making

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<sup>42</sup> 52 Pa. Code § 58.8(a): *Program measures*. An eligible customer who is a tenant shall have an equal opportunity to secure program services if the landlord has granted written permission to the tenant for the installation of program measures, and the landlord agrees, in writing, that rents will not be raised unless the increase is related to matters other than the installation of the usage reduction measures, and the tenant not evicted for a stated period of time at least 12 months after the installation of the program measures, if the tenant complies with ongoing obligations and responsibilities owed the landlord.

false statements or knowingly making incomplete statements.” PPL Reply Comments at 34-36.

PPL states that, if directed by the Commission, it will update the consent form for landlords to include the provisions in 52 Pa. Code § 58.8(a). Specifically, that the landlord must agree that: (1) rents will not be raised unless the increase is related to matters other than the installation of the usage reduction measures; and (2) the tenant will not be evicted for a stated period of time at least 12 months after the installation of the program measures if the tenant complies with ongoing obligations and responsibilities owed the landlord. PPL opines that these provisions may have a chilling effect on landlord participation and may result in WRAP work not moving forward. PPL further states that it would be willing to provide renters with a copy of the signed landlord consent form upon tenant request. PPL Reply Comments at 34-36.

*Resolution:* PPL has addressed our initial questions by clarifying that written consent to perform WRAP services is obtained from customers via paper or electronically and provided a copy of its consent form. The LIURP Regulations at Section 58.8(a), 52 Pa. Code § 58.8(a), requires a public utility to obtain landlord consent, in writing, for the installation of program measures. We agree with CAUSE-PA that PPL’s landlord consent form should include the provisions required in Section 58.8(a) and that a copy of the signed landlord consent form should be provided to the tenant. Furthermore, we are not opposed of PPL’s proposed amended language in the customer consent form to clarify that customers “may be penalized for making false statements or knowingly making incomplete statements.” However, we find that PPL should consult with its USAC to determine if additional clarifications should be added to the landlord and tenant consent forms.

Accordingly, we direct PPL to work with its USAC to revise its landlord and tenant consent forms. At a minimum, the landlord consent form should include language

consistent with the provisions of Section 58.8(a) and the tenant consent form should include PPL's proposed clarification that the tenant may be penalized for making false or knowingly incomplete statements. PPL shall file a copy of the forms at this docket within three months from the entry date of this Order. PPL is also directed to provide a copy of the signed landlord consent form to tenants and to include this procedure in its Revised 2023 USECP.

*f. Re-Weatherization Eligibility*

PPL proposes to expand the timeframe between when a premises may receive WRAP services again from three years to five years. The Proposed 2023 USECP states that WRAP will be available to eligible customers whose premises did not receive WRAP or services related to its Act 129 program within the past five years and has the potential to receive energy-reduction measures and services. It further states that PPL staff will consider services for applicants who received WRAP or Act 129 program services within the past five years on a case-by-case basis. Proposed 2023 USECP at 25, 33.

The Commission directed PPL to explain what criteria or situations would initiate a case-by-case review of applicants who have received WRAP or Act 129 program services within the five-year timeframe and what circumstances would qualify them for additional WRAP services. The Commission also directed PPL to clarify its reason for proposing to expand WRAP's re-weatherization timeframe from three years to five years. July 2022 Order at 47.

## *Comments*

PPL states that it reviews all requests for additional WRAP services if they are outside of the re-weatherization timeframe. Exceptions can be made if PPL determines any of the following are applicable:

- Services provided were previously limited due to no landlord consent and there is an opportunity to install additional measures.
- The customer was previously not able to fully participate in WRAP.
- The customer is now eligible for new measures.
- Other extenuating circumstances which warrant an exception, decided on a case-by-case basis.

PPL Supplemental Information at Section 1-40.

PPL clarifies that it is proposing changing the re-weatherization timeframe from three to five years to align with its Act 129 program timeframe, helping it better coordinate both programs and avoid customer confusion. PPL Supplemental Information at Section 1-40.

CAUSE-PA does not oppose PPL extending its re-weatherization timeline from three to five years. However, CAUSE-PA recommends that PPL monitor the effect of the increased timeframe to determine if there is a need to return to three-years between WRAP services. CAUSE-PA Comments at 53-54. PPL states that it will continue monitoring the effect of the increased WRAP re-weatherization timeframe on low-income customers. PPL Reply Comments at 36.

*Resolution:* PPL has addressed our questions by explaining the reason for proposing to increase WRAP's re-weatherization timeframe to five years and identifying the

exceptions for performing additional WRAP services in less than five years. We conclude that PPL's proposal to increase its re-weatherization timeframe from three years to five years and PPL's proposal to monitor the impact of this change on low-income customers are reasonable. Accordingly, PPL's proposal to increase the WRAP's re-weatherization timeframe from three to five years is approved. We direct PPL to include the exceptions to the five-year re-weatherization timeframe in its Revised 2023 USECP. PPL is also directed to share its assessment with its USAC annually on how the change from three to five years between WRAP service has impacted its low-income customers.

*g. Automated WRAP Applications for OnTrack Customers*

In June 2018, PPL implemented an automated process to create a WRAP application for every approved OnTrack customer with an annual kWh use of 18,000 or greater, regardless of heating source. Proposed 2023 USECP at 28. The Commission directed PPL to explain whether there are issues or concerns with automatically enrolling OnTrack customers into WRAP if they have annual usage of 6,000 kWh or higher.

*Comments*

PPL states that auto-enrolling every OnTrack customer with annual usage over 6,000 kWh in WRAP will result in a large backlog. PPL explains that in 2021 it enrolled over 40,000 customers into OnTrack and that lowering the auto-enrollment threshold would not benefit OnTrack or WRAP. PPL contends that auto-enrolling customers with usage of 18,000 kWh or greater will help customers most likely to exhaust their OnTrack credits. PPL notes that it encourages all OnTrack customers to enroll in WRAP and will continue to conduct targeted outreach year-round. PPL Supplemental Information at Section 1-41.

CAUSE-PA questions whether 18,000 kWh is the appropriate threshold for automatic enrollment of OnTrack customers. CAUSE-PA asserts that there is insufficient information to assess the reasonableness of PPL's 18,000 kWh usage threshold for automatic enrollment. CAUSE-PA recommends that the Commission, at minimum, require PPL to monitor collections and termination rates for OnTrack customers with annual usage between 6,000 kWh and 18,000 kWh to determine if there is a need to lower the usage threshold for automatic enrollment. CAUSE-PA Comments at 54-56. PPL states that it will monitor collection and termination rates for OnTrack customers with annual usage between 6,000 kWh and 18,000 kWh. PPL Reply Comments at 36-37.

*Resolution:* PPL has addressed our initial question by explaining its concerns with auto-enrolling in WRAP every OnTrack customer with usage greater than 6,000 kWh. Accordingly, we direct PPL to monitor collection and termination rates for OnTrack customers with annual usage between 6,000 kWh and 18,000 kWh and share this information annually with its USAC.

#### *h. WRAP Contractor Selection*

The Proposed 2023 USECP makes modifications to the description of how PPL contracts with weatherization agencies and local private contractors, including removing provisions limiting subcontractor work to specialized jobs (*e.g.*, electrical, plumbing, and heating equipment repair) and limiting contracts with WRAP agencies to three years. PPL also reports a reduction in the number of WRAP contractors. PPL contracted with 24 organizations for WRAP services at the time the 2017 USECP was approved. The Proposed 2023 USECP states PPL currently contracts with seven WRAP contractors, only one of which is a CBO. 2017 USECP at 52, Proposed 2023 USECP at 30,45, October 2017 Order at 67.

The Commission directed PPL to clarify how it will ensure that communities receive the same level of WRAP services for the next five years with fewer WRAP contractors and CBOs. Further, PPL was directed to provide the number of full-cost, low-cost, and baseload WRAP jobs completed annually from 2018 through 2021 for each county that PPL serves. PPL was also directed to provide the annual number of full-cost, low-cost, and baseload WRAP jobs it projects to complete for the same counties from 2023 through 2027. July 2022 Order at 49.

### *Comments*

PPL states that its process of selecting contractors that provide WRAP services across its service territory has not changed despite the reduction in contractors. PPL further states that its current WRAP contractor partners have demonstrated the expertise to perform the work and can handle the jobs assigned across its service territory. PPL provided the number of WRAP job completions by job type and county for 2018-2021 and the projected number of job completions for 2023-2027 but did not break out the data by job-type. PPL notes that projections are based on historical data and may fluctuate based on contractor pricing adjustments that reflect changes in material pricing. PPL Supplemental Information at Section 1-42.

CAUSE-PA expressed concerns that PPL's reliance on seven contractors, only one of which is a CBO, will negatively impact its delivery of WRAP services. CAUSE-PA notes that PPL's current WRAP contractors are based out of five counties, which leaves many of the 29 counties across its service territory without a local provider. CAUSE-PA asserts that the use of only one CBO will detract from efforts to streamline and coordinate energy assistance and other needs-based programming pursuant to

66 Pa.C.S. § 2804(9)<sup>43</sup> and 52 Pa. Code § 58.7(a).<sup>44</sup> CAUSE-PA avers that CBOs are often better able to reach those in need as they are based in those communities. Furthermore, CAUSE-PA states that it is unclear what criteria PPL used to select its contractors, noting that further investigation into the contractor selection process may be warranted. CAUSE-PA recommends that the Commission direct PPL to amend its contractor selection process to appropriately prioritize the use of local CBOs and track jobs by county to ensure contractors are equitably serving all counties based on each county's percentage of WRAP-eligible households. CAUSE-PA Comments at 56-59.

CEO and PWPTF separately contend that the use of CBOs can make programs work more efficiently, prevent duplication of services, provide appropriate referrals to other agencies, and improve coordination across other assistance sources while providing customers with a single interaction that will reduce confusion among customers and increase a willingness to participate. CEO and PWPTF separately recommend that PPL contract with the CBOs it has traditionally used to administer and deliver its universal service programs. CEO Comments at 3-6; PWPTF Comments at 3-5.

PA-CLEEC states that PPL's contractor procurement and request for proposal (RFP) processes have been unclear in its USECPs. PA-CLEEC questions whether PPL comports with best practices in the design, structure, and implementation of an RFP process. PA-CLEEC recommends that PPL be required to clearly specify the metrics and factors it uses in its RFP process and how each was weighted in determining its selection of contractors. PA-CLEEC asserts that the RFP process should be modified to include an opportunity for bidders to submit questions on the results of the bidding and selection

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<sup>43</sup> 66 Pa.C.S. § 2804(9), *inter alia*, mandates the Commission to encourage the use of community-based organizations that have the necessary technical and administrative experience to be the direct providers of services or programs which reduce energy consumption or otherwise assist low-income customers to afford electric service.

<sup>44</sup> 52 Pa. Code § 58.7(a) requires a public utility to coordinate LIURP service with existing resources in the community.

process. PA-CLEEC further asserts that the RFP process should include a formal dispute resolution protocol to resolve disputes similar to the process the Commission's Office of Competitive Market Oversight (OCMO) uses for EDC and electric generation supplier disagreements. PA-CLEEC September 2022 Comments at 3, 9-11.

CEO and PWPTF support PA-CLEEC's comments and recommendations regarding PPL's contractor procurement and RFP process. Additionally, CEO and PWPTF share the concern of CAUSE-PA in the reduction of CBO utilization. CEO and PWPTF recommend the issues surrounding PPL's contracting process and the reduction in use of CBOs be referred to the Commission's Office of Administrative Law Judge (OALJ). CEO and PWPTF Joint Reply Comments at 2-3.

PPL asserts there is no mandate requiring the use of CBOs to provide universal services. PPL notes that 66 Pa.C.S. § 2804(9) mandates the Commission to "encourage the use of CBOs that have the necessary technical and administrative experience..." PPL states that if CBOs are underperforming or failing to meet their duties in a cost-effective manner, it is reasonable to select non-CBOs to perform WRAP jobs. PPL reports that it found deficiencies with both CBOs and non-CBOs that resulted in the rejection of some contractor bids. PPL states that it has used the same RFP process since 2016 and that CBOs not being awarded bids during the last RFP does not reflect a modification of PPL's RFP process. PPL Reply Comments at 30-33.

PPL asserts that PA-CLEEC's recommendations to amend its RFP process are unprecedented and unnecessary. PPL states that it employs a reasonable and adequate RFP process, and that the process is confidential so that bidders know their bids will not result in undue competitive harm. PPL notes that neither Chapter 14 nor Commission regulations address RFP processes for selecting LIURP contractors nor establish a procedure for the Commission to review and evaluate LIURP contractors. PPL further

notes that 66 Pa.C.S. §2806.1(a)(7)-(8)<sup>45</sup> requires the Commission to review and approve major EDCs bid evaluation criteria when selecting Conservation Service Providers and that the evaluations of such bids are confidential and only viewable by the Commission. Further, PPL contends that it should not be subject to different RFP requirements than other EDCs and states if the Commission imposes bidding requirements, it should be done through a statewide proceeding. PPL asserts that RFP review, evaluation, and awarding of bids should be left to its discretion. PPL notes that its next WRAP RFP will be issued in 2024 and encourages previous bidders to report resolved issues that may have negatively impacted their bids so PPL can weigh these factors in its review and evaluation. PPL Reply Comments at 33-34.

*Resolution:* PPL has addressed our initial questions by clarifying how it will ensure the same level of WRAP services for the next five years with fewer WRAP contractors and CBOs. PPL has reported the number of WRAP jobs completed for 2018-2021 and projected to complete for 2023-2027 for each county within its service territory. As PPL’s projections for 2023-2027 were not broken down by job type, our analysis of how the number of WRAP jobs provided in each county may change through 2027 was limited. However, based on the total annual jobs completed in previous years and projected through 2027, we remain concerned that some counties in PPL’s service territory will see significant decreases in WRAP services.

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<sup>45</sup> 66 Pa.C.S. §2806.1(a): *Program*. The commission shall, by January 15, 2009, adopt an energy efficiency and conservation program to require electric distribution companies to adopt and implement cost-effective energy efficiency and conservation plans to reduce energy demand and consumption within the service territory of each electric distribution company in this Commonwealth. The program shall include:

\* \* \* \* \*

(7) Procedures to require that electric distribution companies competitively bid all contracts with conservation service providers.

(8) Procedures to review all proposed contracts prior to the execution of the contract with conservation service providers to implement the plan. The commission may order the modification of a proposed contract to ensure that the plan meets the requirements for reduction in demand and consumption under subsections (c) and (d).

As seen in Table 14 below, 18 out of 29 counties are projected to receive fewer annual WRAP services from 2023 through 2027 when compared to pre-pandemic annual averages (*i.e.*, 2018-2019). Based on this comparison, three counties are projected to see decreases of over 20% and Berks County is projected to see a decrease in annual WRAP services of over 30%. Conversely, Clinton and Wyoming counties are projected to see increases of annual WRAP services of approximately 25% and 82%, respectively.

**Table 14. Annual WRAP Jobs by County**

<b>County</b>	<b>2018-2019 Average (Actual)</b>	<b>2023-2027 (Projected)</b>	<b>% Change</b>
Berks	45	30	-33.3%
Bucks	52	45	-13.5%
Carbon	131	100	-23.7%
Chester	9	10	17.6%
Clinton	48	60	25.0%
Columbia	121	131	8.3%
Cumberland	170	180	5.9%
Dauphin	318	300	-5.7%
Juniata	22	19	-13.6%
Lackawanna	169	180	6.5%
Lancaster	471	390	-17.1%
Lebanon	6	5	-9.1%
Lehigh	454	424	-6.6%
Luzerne	315	315	0.2%
Lycoming	115	120	4.8%
Monroe	352	360	2.3%
Montgomery	29	25	-12.3%
Montour	11	10	-4.8%
Northampton	137	120	-12.1%
Northumberland	146	160	10.0%
Perry	54	50	-6.5%
Pike	41	30	-26.8%
Schuylkill	246	215	-12.6%
Snyder	53	50	-4.8%
Susquehanna	10	10	5.3%
Union	28	25	-10.7%
Wayne	121	110	-9.1%
Wyoming	6	10	81.8%
York	14	15	11.1%
<b>Total</b>	<b>3687</b>	<b>3499</b>	<b>-5.1%</b>

Source: PPL Supplemental Information at Section 1-42

We are mindful that costs of weatherization measures and labor services have increased significantly in recent years, and this undoubtedly impacts the number of annual WRAP jobs that can be performed. Further, given that the 2023-2027 projections were not broken down by job type, it is unclear whether a projected increase or decrease

in PPL's total WRAP job numbers for a county could be a result of additional higher cost jobs (which would decrease the total amount of jobs that could be performed) or lower cost jobs (which could increase the total number of jobs that could be performed) projected for that territory. Finally, we recognize the number of jobs provided in each county can change based on the number of eligible households who meet usage thresholds in that territory.

The LIURP Regulations at Section 58.7(c), 52 Pa. Code § 58.7(c),<sup>46</sup> require public utilities to use qualified contractors that have demonstrated experience and effectiveness in the administration and provision of LIURP services. The regulation further requires a public utility to solicit competitive bids for LIURP services by providers of related services in the absence of qualified contractors. As stated above, the Electricity Generation Customer Choice and Competition Act directs the Commission to encourage electric utilities to use CBOs to assist in the operation of universal service programs. *See* 66 Pa.C.S. § 2804(9). Each public utility is responsible for establishing the criterion to evaluate and select qualified LIURP contractors, as PPL has done. Although we acknowledge the concerns raised by the parties about the lack of transparency in the RFP selection process, we are not persuaded to require PPL to modify its RFP process at this time. We agree with PPL that proposed changes to the process used by public utilities to evaluate and select LIURP contractors are more appropriately addressed in a statewide proceeding, such as the Commission's ongoing proceeding to review and revise the LIURP regulations.<sup>47</sup> However, consistent with our analysis above, we agree with CAUSE-PA that PPL should continue to track jobs by county to ensure contractors are

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<sup>46</sup> 52 Pa. Code § 58.7(c) requires that "mandatory usage reduction programs be designed, whenever possible, to provide program services through independent agencies which have demonstrated experience and effectiveness in the administration and provision of program services. In the absence of qualified independent agencies, a covered utility electing not to provide program services directly shall solicit competitive bids for the provision of services by providers of related services, such as construction, architectural or engineering services."

<sup>47</sup> The Commission is currently reviewing its LIURP regulations at *Initiative to Review and Revise the Existing LIURP Regulations at 52 Pa. Code §§ 58.1–58.18*, Docket No. L-2016-2557886.

equitably serving all territories based on customer eligibility and priority for WRAP. Accordingly, PPL is directed to file and serve a report on WRAP jobs provided to each county in its service territory, broken down by job type, and the number and percentage of WRAP-eligible households in each county. PPL shall file and serve this report annually by April 1 at this docket, beginning in 2023, through the duration of the 2023 USECP. PPL is also directed to review this information annually with its USAC.

*i. Proposed New WRAP Measure – Ductless Heat Pump*

PPL proposes to adopt the Ductless Heat Pump (aka Mini-split system or DHP) as a standard WRAP measure. Proposed 2023 USECP at 33. A DHP Pilot was previously approved as part of the 2017 USECP proceeding, allowing PPL to install up to 25 DHP systems at a total maximum cost of \$250,000. October 2017 Order at 5-6, 2017 USECP at 56. The Commission directed PPL to provide an impact analysis of the DHP Pilot since its inception, including its impact on residential electric usage and heating. July 2022 Order at 50.

*Comments*

PPL notes that the DHP Final Report was previously submitted to the Commission in April 2020 with its annual LIURP reporting. PPL also provided a copy of the DHP Final Report in its Supplemental Information. PPL Supplemental Information at Section 1-43.

CAUSE-PA states that the savings outcomes are promising and supports the proposal to add the DHP as a standard WRAP measure. CAUSE-PA recommends increasing the overall LIURP to accommodate the cost of this measure. CAUSE-PA Comments at 59-60. PPL states that a funding increase of \$2 million is already reflected

in the proposed WRAP budget of \$12 million annually.<sup>48</sup> PPL estimates 30 installations at \$11,000 per job and notes that the \$2 million increase will more than accommodate this measure. PPL Reply Comments at 37.

*Resolution:* PPL has addressed our initial questions by providing the DHP Final Report, which includes a twelve-month impact analysis on DHPs. The DHP Final Report showed that out of the 25 DHP systems installed in homes, 23 households saw a reduction in their energy consumption post-installation. Furthermore, the report showed that 18 of those households reduced their overall energy consumption by more than 15%. Based on our analysis of this report and the additional information that PPL provided—as well as the support or non-opposition of stakeholders—we conclude that PPL’s proposal to add the DHP as a standard WRAP measure is reasonable and in the public interest. Accordingly, PPL is directed to include the DHP as a standard WRAP measure in its Revised 2023 USECP.

*j. Installation of Measures: Municipal Requirements*

The 2017 USECP states that PPL expects contractors to acquire a permit as part of the WRAP job when a municipality requires a permit for the installation of WRAP measures, such as water heater replacement. The 2017 USECP further requires WRAP Contractors to include a copy of the permit as part of the invoicing process. 2017 USECP at 47. These provisions were removed in the Proposed 2023 USECP. The Commission directed PPL to explain the basis for omitting these provisions and to clarify if it is still following the process specified in its 2017 USECP for WRAP work performed in a municipality. July 2022 Order at 51.

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<sup>48</sup> PPL’s proposal to increase the WRAP Budget from \$10 million to \$12 million is discussed in further detail below at E. Program Budget under *c. WRAP Budget*.

## *Comments*

PPL asserts that there is no change to this process. PPL reports that it moved this requirement to the WRAP contract terms rather than make it an obligation in the USECP. PPL Supplemental Information at Section 1-44.

CAUSE-PA states that they do not currently take a position on this issue. However, CAUSE-PA does recommend that the Commission require PPL to provide a copy of its contract terms with contractors to ensure satisfactory completion and invoicing. CAUSE-PA Comments at 60. In response, PPL provided a copy of the Professional Services Agreement executed by all WRAP contractors. PPL notes that the Agreement requires contractors to comply with all codes and municipal requirements. PPL Reply Comments at 38, Appendix B.

*Resolution:* PPL has addressed our initial question by clarifying that it has not changed its process regarding WRAP contractors complying with municipality requirements. Based on the additional clarification that PPL provided, we are not directing any changes to this aspect of the Proposed 2023 USECP.

### **3. CARES**

PPL's CARES assists customers who are experiencing temporary hardships (*i.e.*, expected to last three months or less) that may lead to a loss of electric service. Temporary hardships can include injury, illness, loss of employment, or high medical bills. PPL's CARES program has no income eligibility requirement. The primary features of the CARES program include protection against shutoff, referrals to other programs and services, and possible financial assistance. PPL representatives make referrals to social service agencies and provide information regarding available programs. In situations where other assistance may not be available, CARES customers may also

receive a credit on their PPL account (CARES Credits) to help them maintain electric service through the temporary hardship. PPL sets an annual budget of \$54,000 for CARES Credits, which is taken from PPL's annual donation to Operation HELP. In 2021, 73 customers received CARES Credits with an average credited amount of \$538 per account. Proposed 2023 USECP at 39-40.

The Commission did not require any clarifications or propose any changes to this aspect of the Proposed 2023 USECP.

*Resolution:* PPL's CARES program appears to provide the outreach and casework approach necessary to help customers secure energy assistance funds and other needed services as described in 52 Pa. Code § 54.72. Accordingly, the Commission approves PPL's CARES program as proposed without modification.

#### **4. Operation HELP**

Operation HELP is PPL's hardship fund and provides grants to residential income-eligible customers with hardships and an inability to pay the full amount of their energy bills. The primary features of Operation HELP include direct financial assistance for overdue energy bills, protection against shutoff, and referrals to other programs and services. Currently, Operation HELP grants may be issued to other energy vendors (*e.g.*, natural gas, oil) for credit to the accounts of PPL customers. 2017 USECP at 68. The Proposed 2023 USECP proposes to limit the use of Operation Help grants to PPL electric bills. Proposed 2023 USECP at 34, 38. Operation HELP is administered by 7 CBOs and operates year-round (funding-permitted) with ongoing donations from PPL Corporation, its employees, retirees, and customers. Proposed 2023 USECP at 34, 44.

Customers are eligible for Operation HELP if they have: (1) household incomes at or below 250% of the FPIG; (2) a current hardship; and (3) an inability to pay the full

amount of energy bills. Hardships may include the death or serious illness of a primary wage earner and life-threatening situations. CBOs generally consider the following factors when determining eligibility:

- Eligibility to receive other programs and services with larger available funding, such as LIHEAP or OnTrack.
- Extenuating circumstances such as serious illness, injury, loss of life, or loss of employment.
- Household composition.
- Collection status and payment history.

A customer may not receive more than one Operation HELP grant per year. PPL projects that it can assist about 2,500 customers each year in Operation HELP if the annual budget remains constant at \$1.3 million. Proposed 2023 USECP at 34-37.

Based on our analysis of PPL's Operation HELP in the Proposed 2023 USECP, we directed PPL in the July 2022 Order to provide clarification and/or supplemental information regarding identified issues. The following discussion reflects resolution of those issues.

*a. Operation HELP Grant Amount*

The Commission directed PPL to explain how it determines the amount of Operation HELP grants issued to eligible customers and whether there is an established minimum or maximum threshold for assistance. July 2022 Order at 54.

## *Comments*

PPL indicates that partner organizations review the applications and make grant determinations based on the account information. PPL states that since Operation HELP is not a “one size fits all” program, grants are unique to the customer and are intended to help resolve an immediate need. PPL notes that there is no minimum or maximum threshold for assistance, so a customer can apply regardless of their balance. However, customers may be asked to make additional payments or seek additional sources of assistance if a grant is insufficient to cover the amount needed. PPL Supplemental Information at Section 1-46.

OCA notes that in its Supplemental Information, PPL indicates that if a grant does not cover the full amount needed, the customer may be asked to make a payment or seek additional sources of assistance. OCA is concerned that PPL does not clearly indicate under what circumstances a customer would be required to make a payment or seek additional assistance. OCA further disagrees that a hardship fund grant should be required to reduce the balance to \$0. OCA states that PPL's hardship fund grant policy should allow for greater flexibility. OCA Comments at 18-19.

CAUSE-PA supports maintaining flexibility in establishing Operation HELP grant amounts. CAUSE-PA states that PPL's policy recognizes that each customer has unique circumstances and needs. CAUSE-PA Comments at 65-66.

PPL clarifies that it does not require the grant to reduce a balance to zero before a grant is issued. However, the amount of a grant and customer payment need to be sufficient to catch up on a payment agreement. PPL Reply Comments at 38-39.

*Resolution:* PPL has addressed our initial questions by clarifying that it determines the Operation HELP grant amount based on the application and account information. PPL

has also clarified that there are no minimum or maximum grant amounts. We support maintaining PPL's flexibility in determining Operation HELP grant amounts.

Accordingly, PPL is directed to add these clarifications to its Revised 2023 USECP. PPL shall also clarify in its Revised 2023 USECP that the grant amount does not need to pay off an existing balance and that a customer payment may be required in addition to the grant amount to catch up on a payment agreement.

*b. Collection and Payment Requirements*

The Commission directed PPL to explain how specifically collection status and payment history factor into an eligibility determination for Operation HELP. July 2022 Order at 55.

*Comments*

PPL states that the only requirement regarding collection status is that the account be past due. The customer does not need to be in collections but must need assistance to avoid new or continued collection activity. Because of the funding limit, partner organizations prioritize customers with collection activity imminent or whose service has been terminated. Operation HELP grants are intended as a short-term solution. PPL explores other options for customers in need of long-term assistance. PPL Supplemental Information at Section 1-47.

CAUSE-PA supports PPL's intention to assist with a short-term need regardless of recent payment history and recommends that PPL clarify in its USECP that the only requirement regarding collection status is that the account is past due. CAUSE-PA Comments at 66.

*Resolution:* PPL has addressed our initial question by clarifying that the only collection status requirement for Operation HELP is that a customer must have a past-due balance. PPL is directed to include this clarification in its Revised 2023 USECP.

*c. Use of Grants for PPL Service*

The Commission directed PPL to, *inter alia*, explain why it is proposing to (1) limit the use of Operation HELP grants for only PPL electric bills rather than continue to provide financial assistance for other energy sources; and (2) expand income eligibility to 250% of FPIG. July 2022 Order at 55.

*Comments*

PPL asserts that it is proposing limiting use of Operation HELP grants to PPL electric bills because every public utility has CAP and Hardship funds to provide assistance and other public utilities limit use of hardship funds to paying only toward their bills. Additionally, PPL argues that customers have other programs available to help cover heating costs. PPL Supplemental Information at Section 1-48.

PPL states that it is proposing expanding income eligibility from 200% to 250% of the FPIG because customers and partner organizations provided positive feedback when PPL made this temporary change with Commission approval during the COVID-19 pandemic. PPL notes that there were no funding issues following the income limit increase. Additionally, PPL indicates that it has one of the largest fuel funds and that increasing the income guidelines will better enable PPL to support its customers. PPL Supplemental Information at Section 1-48.

CAUSE-PA does not support limiting the use of Operation HELP funds to PPL electric bills only. Given that Operation HELP has not previously exhausted its funding,

CAUSE-PA states that there does not appear to be a reason for this change. CAUSE-PA also notes that electric service is often used in tandem with deliverable fuel. If a customer cannot afford deliverable fuel, they will often use space heaters, which are expensive to operate and put customers at risk of exhausting the maximum credit limits. Accordingly, CAUSE-PA recommends that PPL continue issuing hardship funds to non-electric heating customers. CAUSE-PA Comments at 66-68.

CAUSE-PA supports raising the income eligibility threshold for Operation HELP to 250% FPIG. CAUSE-PA recommends that PPL (1) increase outreach to these households and work with its USAC to develop policies and procedures to provide information about the availability of funds; (2) develop a screening process to identify low-income customers having difficulty experiencing financial hardship; and (3) work with its USAC to work on a plan for fundraising for Operation HELP to ensure adequate funds continue to be available. CAUSE-PA Comments at 68-69.

PPL asserts that additional measures to increase Operation HELP eligibility are unnecessary, noting that its proposed CEOP includes additional outreach for customers at the lower end of poverty guidelines. PPL states that it is willing to continue discussion at stakeholder meetings regarding outreach efforts. PPL avers that it uses one application for OnTrack and Operation HELP and that the application and other brochures are available in English and Spanish. PPL asserts that donations have increased due to its current fundraising efforts, but it will continue to evaluate funding for Operation HELP. PPL requests the Commission approve the proposed Operation HELP program without conditions. PPL Reply Comments at 39-41.

*Resolution:* The electric and natural gas regulations define a Hardship Fund as “A fund that provides cash assistance to utility customers to help them pay their utility bills.” 52 Pa. Code §§ 54.72 and 62.2. There is no regulatory requirement that public utilities must issue Hardship Fund grants for the benefit of customers using other types or sources

of energy. With the exception of NFG's Hardship Fund program (*i.e.*, Neighbor for Neighbor),<sup>49</sup> we are not aware of any EDC or NGDC hardship fund program that issues grants for accounts with other public utilities or energy vendors. Although we agree with CAUSE-PA that Operation HELP could continue to issue grants to other energy vendors given that it has not previously exhausted its annual funding, we are not persuaded to mandate that PPL do so.

There is no opposition to PPL's proposal to increase its income limits for Operation HELP from 200% to 250% of the FPIG. We find that this change would allow more PPL customers to receive help with paying electric bills and would further assist PPL in using more of its Operation HELP funding while being responsive to the entities that donate to Operation HELP. Accordingly, the Commission approves PPL's proposals to limit the use of Operation HELP grants to PPL accounts and to increase its income eligibility limit to 250% of the FPIG. PPL is also directed to work with its USAC to identify opportunities to enhance outreach and fundraising for Operation HELP.

### **C. Projected Needs Assessments**

In compliance with Section 54.74(b)(3), 52 Pa. Code § 54.74(b)(3), the Proposed 2023 USECP includes a needs assessment for PPL's universal service programs, which is depicted in Table 15 below.

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<sup>49</sup> NFG's Neighbor for Neighbor program will issue grants to purchase any type of heating fuel. NFG 2022-2026 USECP at 40.

**Table 15. Needs Assessment**

1. Estimated number of low-income households between 0%-150% of the FPIG	337,091
2. Confirmed number of low-income households between 0%-150% of the FPIG	228,117
3. Identified number of payment troubled, low-income households between 0%-150% of the FPIG	140,220
4. Estimated Payment Troubled households between 151%-250% of the FPIG	81,568
5. Confirmed Payment Troubled households between 151%-250% of the FPIG	27,697
6. Estimated number of currently eligible WRAP participants	85,825
7. Cost to serve customers needing WRAP	\$236,735,254

*Source:* Proposed 2023 USECP at 11, 29, and 37.

*a. OnTrack, CARES, and Operation HELP Needs Assessments*

*Resolution:* Consistent with the July 2022 Order, we do not have any questions or concerns about how the above needs assessment reflects potential income-eligible customers for OnTrack, CARES, or Operation HELP.

*b. WRAP Needs Assessment*

The Commission directed PPL to, *inter alia*, provide the factors and numbers it used to determine that 85,825 customers are potentially eligible to receive WRAP. July 2022 Order at 51-52.

*Comments*

PPL reports that there are a total of 191,203 customers at or below 150% FPIG with annual usage over 6,000 kWh. PPL reports it deducted 57,920 customers who had received WRAP services within the past five years, an estimated 31,540 customers served

through its Act 129 program, and a drop-out rate of 17%, or 15,918 customers, resulting in the final total of 85,825 customers. PPL Supplemental Information at Section 1-45.

PPL states that customers who received WRAP services in the previous five years includes customers served through its Act 129 program. The number of estimated customers to be served through the Act 129 program from 2023 through 2027 includes customers with less than nine months of usage history. PPL notes that its projections are based on prior year average cost per job, by job type. PPL Supplemental Information at Section 1-45.

CAUSE-PA expressed concerns with the appropriateness of the factors PPL is using in its needs assessment. CAUSE-PA notes that PPL used a 17% drop-out rate as a factor when it was not one of the factors the Commission directed PPL to use to calculate potentially eligible customers. CAUSE-PA states that the Commission should more closely assess whether the drop-out rate data is appropriately excluded from the calculated needs assessment. CAUSE-PA Comments at 60-65.

*Resolution:* PPL has addressed our initial questions regarding the WRAP needs assessment by providing the factors and numbers it used to calculate the number of customers potentially eligible for WRAP services. We have considered the concerns raised by CAUSE-PA regarding the appropriateness of PPL's 17% drop-out rate factor. The Commission has permitted other public utilities to include other factors that may impact participation in LIURP in a needs assessment, including refusal of landlords to participate.<sup>50</sup> Although we accept PPL's estimated WRAP refusal rate as part of its needs assessment at this time, we find that PPL should consult with stakeholders to explore the reasons for program refusal and what can be done to address it. Accordingly, we are requiring no changes to this aspect of the Proposed 2023 USECP. PPL is directed to

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<sup>50</sup> For example, see *Columbia 2019-2021 USECP Order*, Docket No. M-2018-2645401 (order entered on August 8, 2019), at 38-39.

work with its USAC to assess reasons for its 17% WRAP drop-out rate and ways PPL could address it.

**D. Projected Enrollment Levels**

PPL’s projected enrollment levels from 2023 through 2027 are as shown in Table 16 below.

**Table 16. Projected Enrollment Levels**

<b>Program</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
OnTrack	71,000	73,250	75,500	77,700	79,800
WRAP	3,500	3,500	3,500	3,500	3,500
CARES	400	400	400	400	400
Operation HELP	2,500	2,500	2,500	2,500	2,500

*Source:* Proposed 2023 USECP at 11, 29, 37, and 41.

*a. OnTrack, CARES, and Operation HELP Projected Enrollment Levels*

*Resolution:* Consistent with the July 2022 Order, we do not have any questions or concerns about the projected enrollment levels for OnTrack, CARES, or Operation HELP. However, in the July 2022 Order, we did question how the WRAP enrollment levels reflect the distribution of energy saving kits.

*b. WRAP Energy Saving Kits*

The Proposed 2023 USECP states that in addition to the estimated enrollment levels, PPL may use its WRAP budget to provide energy-saving kits and/or energy education for income-eligible customers not eligible for WRAP measures. Proposed 2023 USECP at 29. The Commission directed PPL to provide the projected annual number of customers that may receive energy-savings kits and/or energy education from 2023 through 2027. July 2022 Order at 56-57.

*Comments*

PPL estimates an average of 50 customers per year may receive an energy saving kit and/or energy education through 2027. PPL Supplemental Information at Section 1-49.

*Resolution:* PPL has addressed our question by providing the average number of income-eligible customers projected to receive energy saving kits and/or energy education per year. Accordingly, PPL is directed to include the number of customers it projects to provide energy savings kits and/or energy education in the “Projected Participation and Budget” section of its Revised 2023 USECP.

**E. Program Budgets**

As indicated in Table 17 below, PPL provided the following budget projections for its universal service programs in its Proposed 2023 USECP.

**Table 17. Original Proposed Budget Projections**

<b>Year</b>	<b>OnTrack</b>	<b>WRAP</b>	<b>CARES*</b>	<b>Operation HELP*</b>
2023	87,130,105	10,000,000	114,000	1,300,000
2024	84,581,575	10,000,000	117,420	1,300,000
2025	82,276,307	10,000,000	120,943	1,300,000
2026	86,171,777	10,000,000	124,570	1,300,000
2027	87,168,578	10,000,000	128,308	1,300,000

*Source:* Proposed 2023 USEP at 11, 29, 37, and 40-41.

\* PPL states that \$54,000 of the CARES budget that is used to provide CARES Credits comes from PPL’s annual donation to Operation HELP and that the remainder is salary expense. No funds for CARES are recovered through the USR. The \$54,000 is a donation, and the salary costs are recovered in rates. Proposed 2023 USECP at 40.

Based on our analysis of PPL’s projected program budgets in the Proposed 2023 USECP, we directed PPL in the July 2022 Order to provide clarification and/or supplemental information regarding identified issues. The following discussion reflects resolution of program budget issues.

*a. OnTrack Internal Costs*

The Proposed 2023 USECP states that the projected OnTrack expenditures (*i.e.*, budget) from 2023 through 2027 do not include PPL’s “internal costs.” Proposed 2023 USECP at 11. The Commission directed PPL to clarify what internal OnTrack costs are incurred and whether these costs are recovered through its universal service rider.

*Comments*

PPL asserts that it recovers costs, except internal administrative costs, associated with universal service programs through its universal service rider. PPL also recovers other internal OnTrack costs, such as employee expense items and IT system changes, through the universal service rider. Because these costs are small, PPL does not budget internal administration costs separately. PPL states that it recovers wage and salary expenses through base rates. PPL Supplemental Information at Section 1-50.

*Resolution:* PPL has addressed our question by clarifying that the “internal” OnTrack costs referenced in the Proposed 2023 USECP refer to IT changes and employee expenses related to OnTrack. We have received no comments or concerns regarding this aspect of the projected OnTrack budgets. Accordingly, we direct PPL to clarify its internal OnTrack costs in its Revised 2023 USECP.

*b. Projected OnTrack Enrollment and Budget*

PPL projects that the number of customers enrolled in OnTrack will increase by approximately 2,200 or more annually from 2023 through 2027. However, PPL also projects that annual program expenditures will decrease by approximately \$5 million from 2023 through 2025 and then increase by approximately \$5 million by 2027. Proposed 2023 USECP at 11. The Commission directed PPL to provide an explanation and any analysis related the cost of serving OnTrack customers from 2023 through 2027 and how its annual program expenditure amounts were determined.

*Comments*

PPL did not address how the OnTrack spending projections in its Proposed 2023 USECP were determined, and PPL did not revise its projected OnTrack budgets in the draft 2023 USECP attached to the Supplemental Information. PPL did, however, provide revised annual OnTrack spending projections for 2023 through 2027, as reflected in Table 18 below. PPL Supplemental Information at Section 1-1, 1-4, and 1-51.

**Table 18. Projected Annual OnTrack Budget Amounts 2023-2027:  
Proposed 2023 USECP vs. PPL Supplemental Information**

<b>Year</b>	<b>Proposed 2023 USECP</b>	<b>Supplemental Information</b>	<b>Difference</b>
2023	\$87,130,105	\$86,533,222	- \$596,883
2024	\$84,581,575	\$87,754,099	+ \$3,172,524
2025	\$82,276,307	\$89,060,043	+ \$6,783,736
2026	\$86,171,777	\$90,756,377	+ \$4,584,600
2027	\$87,168,578	\$92,536,684	+ \$5,368,106

*Source:* Proposed 2023 USECP at 11 and PPL Supplemental Information at Section 1-1.

*Resolution:* While PPL did not explain how it projected the OnTrack spending in its Proposed 2023 USECP, PPL has provided revised annual OnTrack spending projections

for 2023 through 2027.<sup>51</sup> We find PPL's revised OnTrack spending projections, which reflect annual spending increases after 2023, are more consistent with a program that anticipates enrollment increasing by approximately 2,200 annually. Further, we have received no comments or concerns regarding the Projected OnTrack enrollment budget. Accordingly, we direct PPL to include the revised annual OnTrack budget projections in its Revised 2023 USECP, which should reflect the elimination of the ASP option and the adoption establishing 24-month PPA forgiveness cycle.

*c. WRAP Budget*

PPL initially proposed to maintain its current WRAP budget of \$10 million annually through 2027. Proposed 2023 USECP at 29. This issue was not addressed in the July 2022 Order.

*Comments*

OCA expressed concerns about PPL's proposed WRAP budget and how it was established. OCA notes that PPL estimates that there are approximately 85,825 currently eligible WRAP participants and that the cost to serve all customers in need of WRAP is approximately \$236,735,354. OCA contends that at PPL's current rate of spending and households served, it would take over 24 years to serve all currently eligible households. OCA recommends the Commission require PPL to determine a WRAP budget appropriate to meet the needs of its service territory using the guidelines at

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<sup>51</sup> We note, however, that PPL did not revise its projected OnTrack budgets in the draft 2023 USECP attached to the Supplemental Information.

52 Pa. Code §58.4(c),<sup>52</sup> and that the annual WRAP budget should be re-evaluated by PPL throughout the duration of its USECP to account for increased needs and costs.

Moreover, OCA submits that there should be a process developed for PPL to provide information at least every two-years showing that its WRAP budget is sufficient. OCA Comments at 28-31.

CAUSE-PA contends that based on PPL's current annual WRAP budget, it would take at least 27 years to serve all customers identified as potentially eligible for WRAP services. CAUSE-PA is concerned that the proposed budget has not adequately considered inflated costs or contractor capacity. CAUSE-PA also notes that PPL is silent on whether it will continue to roll over and add unspent WRAP funds to the following year's budget. CAUSE-PA recommends PPL increase funding for WRAP services. CAUSE-PA Comments at 60-65.

CEO asserts that it appears PPL has not considered the impact of inflation on how many WRAP jobs it can complete. CEO states that given the number of customers who can benefit from WRAP services and an estimated \$236,735,254 to serve those customers, additional funding is clearly needed. CEO Comments at 2-3.

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<sup>52</sup> Section 58.4(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.

CEO and PWPTF separately note that PPL's WRAP funding has remained at \$10 million since its 2015 rate case and recommend that PPL increase WRAP funding to \$14 million annually. CEO Comments at 2-3, PWPTF Comments at 2.

PA-CLEEC notes that the Northeast Consumer Price Index (CPI) has increased 18% from 2015 through April 2022. PA-CLEEC states that PPL's WRAP budget would need to be \$11.8 million for 2022 to provide the same level of service that it provided in 2015. PA-CLEEC May 2022 Comments at 2-3. PA-CLEEC supports the comments made by OCA, CAUSE-PA, CEO, and PWPTF regarding the insufficiency of current WRAP funding levels. PA CLEEC recommends that the Commission open a rate investigation to clarify the true effects of the proposed funding model for both OnTrack and WRAP to ensure proper funding for participation levels. PA-CLEEC states that PPL's current Rider could be trued up to make PPL whole for expenditures above \$10 million per year. PA-CLEEC September 2022 Comments at 11-13.

CAUSE-PA recommends that WRAP funding issues be referred to OALJ for a proceeding and in-depth investigation. CAUSE-PA states that an "on-the-record" proceeding would also allow PPL to assess funding needs more expediently. CAUSE-PA Reply Comments at 4-5. CEO and PWPTF support CAUSE-PA's recommendation to refer the matter to the OALJ. CEO and PWPTF Joint Reply Comments at 1-2.

PA-CLEEC states it strongly supports the recommendations for PPL to increase the annual WRAP budget. PA-CLEEC recommends that PPL increase the WRAP budget, establish the ongoing budget review process recommended by OCA, and increase health and safety allowances, field inspections, and use of DHP. PA-CLEEC Reply Comments at 2-3.

In response to the parties' comments, PPL proposes to increase its annual WRAP budget by 20%, from \$10 million to \$12 million. PPL asserts that increasing its WRAP

budget by 20% will not unduly impact residential customers rates and will address the impact of inflation and its proposal to add DHP as a standard WRAP measure. PPL does not support establishing a Commission review of its WRAP budget every two years. PPL argues such a process would not align with the five-year period covering the 2023 USECP or account for fluctuations in spending that can occur due a variety of factors. PPL contends that if such a process is adopted, it should be adopted in the Commission's LIURP rulemaking proceeding. Further, PPL does not support PA-CLEEC's proposal for the Commission to open a rate investigation and modify the Universal Service Rider (USR). PPL contends that its tariff already accounts for situations where actual experience may result in a material under-collection of costs and notes that charges and costs remain subject to Commission review and audit. PPL Reply Comments at 24-27, 37.

*Resolution:* We note that PPL's current and proposed annual WRAP budget was established in the 2015 Rate Case Settlement proceeding.<sup>53</sup> We have considered the concerns raised by the parties regarding the adequacy of maintaining the current WRAP funding level for the duration of the 2023 USECP and support PPL's proposal to increase its annual WRAP budget to from \$10 million to \$12 million through 2027 to address higher costs due to inflation and additional measures. We also find merit in OCA's recommendation that PPL provide updated needs assessment information within two years to determine whether the annual \$12 million WRAP budget is appropriately serving PPL's service territory for the duration of the 2023 USECP.

As noted by CAUSE-PA, the Proposed 2023 USECP does not indicate whether PPL plans to continue rolling-over unspent WRAP funds into the next program year until expended. While LIURP regulations in 52 Pa. Code §§ 5801–58.18 do not expressly

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<sup>53</sup> See *Pa. Pub. Util. Comm'n, et al. v. PPL*, Docket No. R-2015-2469275 (order entered on November 19, 2015) that approved and adopted the September 3, 2015 Settlement to increase PPL's annual WRAP budget by \$500,000, from \$9,500,000 to \$10,000,000.

require a public utility to roll-over unspent LIURP funds from one program year to the next, we have directed public utilities to do so in previous USECP proceedings.<sup>54</sup> We have also approved rolling-over unspent LIURP funds into the next program year in rate case settlements.<sup>55</sup> We also find it appropriate for PPL to maximize the use of its WRAP budget by continuing to rollover unspent WRAP funds into the program budget for the following year.

Accordingly, we direct PPL to file and serve an updated needs assessment on April 30, 2025. PPL is directed to include the following information in the updated needs assessment:

- The number of estimated low-income customers, including a reference to the source of this information and a copy of the methodology used.
- The number of Confirmed Low-Income (CLI) customers.
- The number of CLI customers with annual usage at or above 6,000 kWh.
  - Number of these customers that:
    - Received WRAP in last five years;
    - Less than 9 months of usage history;
    - Have been deferred due to health and safety issues;
    - Are renters.
- The number of OnTrack customers with annual usage at or above 18,000 kWh.
  - Number of these customers that:
    - Received WRAP in last five years;
    - Less than 9 months of usage history;
    - Have been deferred due to health and safety issues;

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<sup>54</sup> For example, see *PGW 2023-2027 USECP Order*, Docket No. M-2021-3029323 (order entered on January 12, 2023), at 91-92.

<sup>55</sup> See *Pa Pub. Util. Comm'n, et al. v. UGI Utilities, Inc. Gas Division*, Docket No. R 2018 3006814 (order entered on October 4, 2019), and *Pa Pub. Util. Comm'n, et al. v. FirstEnergy Companies*, Docket No. R 2016 2537349 (order entered on January 19, 2017).

- Are renters.
- The percentage of renters projected to be ineligible due to landlord refusal to participate in WRAP.
- The percentage of customers projected to drop-out, including the factors used to determine the drop-out rate.

PPL is also directed to continue to rollover unspent WRAP funds into the next program year, until expended, for the duration of the 2023 USECP.

*d. Revised Proposed 2023-2027 Program Budgets*

Table 19 below shows the revised proposed 2023-2027 budget levels for PPL's universal service programs, including its revised annual spending projections for OnTrack and WRAP. However, the OnTrack spending projections below do not reflect the elimination of the ASP option or establishing PPA forgiveness over 24 months, as directed in this Order.

**Table 19. Proposed Universal Service Program Budgets**

<b>Universal Service Component</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
OnTrack	\$86,533,222	\$87,754,099	\$89,060,043	\$90,756,377	\$92,536,684
WRAP	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000
CARES*	\$114,000	\$117,420	\$120,943	\$124,570	\$128,308
Operation HELP**	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000
<b>Total</b>	<b>\$99,947,222</b>	<b>\$101,171,519</b>	<b>\$102,480,986</b>	<b>\$104,180,947</b>	<b>\$105,964,992</b>
<b>Costs Recovered from Ratepayers</b>	<b>\$98,593,222</b>	<b>\$99,817,519</b>	<b>\$101,126,986</b>	<b>\$102,826,947</b>	<b>\$104,610,992</b>
Average Monthly Cost per Residential Customer***	\$6.16	\$6.24	\$6.32	\$6.42	\$6.53

*Source:* Proposed 2023 USECP at 11,29,37, and 41-42; PPL Supplemental Information at Section 1-1, 1-4.

\* PPL states that \$54,000 of the CARES budget that is used for CARES Credits comes from PPL’s annual donation to Operation HELP and that the remainder is salary expense. No funds for CARES are recovered through the USR. The \$54,000 is a donation, and the salary costs are recovered in rates. Proposed 2023 USECP at 40.

\*\* No funds for Operation HELP are recovered through base rates or the USR,<sup>56</sup> and \$54,000 of the CARES budget is a donation from PPL. Therefore, these amounts are not counted as part of the “Costs Recovered from Ratepayers” and “Average Monthly Spending per Residential Customer.”

\*\*\* Based on 1,334,000 residential customers, as reported by PPL. Proposed 2023 USECP at 11.

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

The Competition Act directs the Commission to encourage public utility to use CBOs to assist in the operation of universal service programs. 66 Pa.C.S. § 2804(9). PPL uses CBOs to administer the OnTrack, WRAP, CARES, and Operation Help programs.<sup>57</sup> Proposed 2023 USECP at 42.

<sup>56</sup> PPL reports it provides funding to support program administration. Proposed 2023 USECP at 35.

<sup>57</sup> A full listing of community-based organizations can be found in Appendix B of the Proposed 2023 USECP. Proposed 2023 USECP at 44-45.

*Resolution:* Having previously addressed issues raised related to PPL’s use of CBOs in WRAP, we are not requiring any changes to this aspect of the Proposed 2023 USECP.

**G. Organizational Structure**

The internal organizational structure for PPL’s universal service programs includes one Vice President of Regulatory Compliance and Consumer Programs, one Director of Regulatory Compliance and one Manager of Customer Programs, one Manager of Universal Services and one Manager of Energy Efficiency and Emerging Customer Programs. One Supervisor of Universal Services, one Analyst of Energy Efficiency and Emerging Customer Programs, as well as Universal Service Representatives and Customer Service Representatives. Proposed 2023 USECP at 31.

*Resolution:* Consistent with the July 2022 Order, we are not requiring any changes to this aspect of the Proposed 2023 USECP.

**IV. CONCLUSION**

Consistent with the ordering paragraphs below, we shall direct PPL to file a Revised 2023 USECP reflecting the changes directed herein within 30 days of the date of entry of this Order. We invite PPL to submit its Revised 2023 USECP to BCS for a compliance review prior to filing. With these changes, PPL’s 2023 USECP is approved. Changes approved or directed shall take effect, unless otherwise indicated, within six months from the entry date of this Order. The Commission’s approval of the 2023 USECP does not limit the Commission’s authority to order future changes to the 2023 USECP based on evaluation findings, universal service data, or ratemaking considerations.

PPL's existing 2017 USECP will continue in operation in whole or in part until replacement provisions of the Revised 2023 USECP are implemented. A third-party independent evaluation of PPL's universal service programs shall be due on April 1, 2028.

PPL's 2023 USECP shall be in effect until its next USECP is approved. PPL's next proposed USECP shall be due on or before April 1, 2029, and shall cover five years starting January 1, 2030.

Having addressed PPL's Proposed 2023 USECP and the comments and reply comments in the record, we note that any issue, comment, or reply comment requesting a further deviation from the Proposed 2023 USECP, that we may not have specifically delineated herein, shall be deemed to have been duly considered and denied without further discussion. The Commission is not required to consider expressly or at length each contention or argument raised by the parties. *Consolidated Rail Corp. v. Pa. Pub. Util. Comm'n*, 625 A.2d 741 (Pa. Cmwlth. 1993); *see also, generally, U. of PA v. Pa. Pub. Util. Comm'n*, 485 A.2d 1217 (Pa. Cmwlth. 1984); **THEREFORE,**

**IT IS ORDERED:**

1. That PPL Electric Utilities Corporation's Universal Service and Energy Conservation Plan for 2023-2027 is approved, subject to the conditions established in this Order, consistent with Title 66 of the Pennsylvania Consolidated Statutes, Title 52 of the Pennsylvania Code, and Commission practice.

2. That PPL Electric Utilities Corporation shall file a Revised 2023-2027 Universal Service and Energy Conservation Plan conforming to the conditions established in this Order within thirty (30) days of the entry date of this Order.

3. That the Revised 2023-2027 Universal Service and Energy Conservation Plan shall be filed in both clean and redline copies and served on the parties to this docket.

4. That the Revised 2023-2027 Universal Service and Energy Conservation Plan shall be provided electronically in Word<sup>®</sup>-compatible format to Nathan Froehlich, Bureau of Consumer Services, [nfroehlich@pa.gov](mailto:nfroehlich@pa.gov); Christina Chase-Pettis, Office of Communications, [cchasepett@pa.gov](mailto:cchasepett@pa.gov); and Louise Fink Smith, Law Bureau, [finksmith@pa.gov](mailto:finksmith@pa.gov).

5. That PPL Electric Utilities Corporation shall incorporate the changes, as directed or identified herein, to its Revised 2023-2027 Universal Service and Energy Conservation Plan, including:

- a. Removal of the Agency Selected Plan option for OnTrack payments effective with the implementation of its percent of income plan.
- b. Removal of the CAP Plus charge from its OnTrack billing.
- c. Clarification of its OnTrack billing alert and review process.
- d. Modification from a 12-month to a 24-month pre-program arrearage forgiveness timeline to be effective after the conversion to Percent of Income Payment in OnTrack, including an updated explanation regarding implementation of a 12-month program recertification cycle.
- e. Clarify implementation timeframes for existing and new customers.
- f. Establishing a 30-day hold on collections activity for OnTrack applicants who are sent and asked to return a zero-income form.
- g. Clarification that customers applying for OnTrack can provide the last 30 days or 12 months of income, whichever is more beneficial and representative of actual income, to verify eligibility.

- h. Clarification that earned and unearned income for a minor shall be excluded when determining OnTrack eligibility and benefits.
- i. Clarification that operational losses from self-employment or losses associated with rental properties cannot be used to offset other forms of income.
- j. Listing exceptions to maximum allowable credits and clarification that OnTrack customers can receive waivers based on these exceptions.
- k. Clarification that customers are sent letters when reaching 50% and 80% of the maximum allowable credit limits.
- l. Clarification that OnTrack Customers receive pre-program arrearage forgiveness with each monthly payment, regardless of existing in-program arrears, and retroactive pre-program arrearage forgiveness for any months missed once the customer pays the full balance.
- m. Clarification that PPL Electric Utilities Corporation does not charge late payment fees to OnTrack participants, including in final bills.
- n. Clarification that PPL Electric Utilities Corporation will only apply a security deposit to the account balance with the customer's informed consent.
- o. Explanation of how applying a security deposit to the account balance will impact the customer's monthly bill.
- p. Clarification that customers who voluntarily remove themselves from OnTrack can re-enroll within the 12-month period if they pay any in-program arrears.
- q. Clarification that new discounts will not be available until the remainder of the 12-month period elapses.
- r. Clarification that PPL Electric Utilities Corporation will not charge customers more than their prorated OnTrack billing or prorated full tariff amount, whichever is less, for usage incurred during the final billing period.

- s. Clarification that unforgiven pre-program arrearage amounts will be separately identified on a final bill.
- t. Clarification the OnTrack agreement can be transferred if a customer establishes service at a new account within 30 days of the prior account's finalization.
- u. Clarification that customers will have 20 days to dispute any findings of fraud before adverse action is taken.
- v. Attach the current Consumer Education and Outreach Plan, noting that this plan may be modified and enhanced within the duration of the 2023-2027 Universal Service and Energy Conservation Plan.
- w. Clarification of PPL Electric Utilities Corporation's policy to spend up to 20% of its WRAP budget on special needs customers within 151% to 200% of the Federal Poverty Income Guidelines.
- x. Clarification of WRAP post-installation protocols.
- y. Clarification that minimum usage requirements are waived when coordinating its universal service WRAP with its Act 129 program or with other weatherization programs.
- z. Clarification of certification requirements for WRAP contractors.
- aa. Clarification that PPL Electric Utilities Corporation will provide a copy of the signed landlord consent form to tenants.
- bb. Clarification of exceptions to PPL Electric Utilities Corporation's five-year WRAP re-weatherization timeframe.
- cc. Clarification that there are no minimum or maximum amounts for Operation HELP grants.
- dd. Clarification that an additional customer payment may be required in addition to an Operation HELP grant to catch up on a payment agreement.
- ee. Clarification that the only collection status requirement for an Operation HELP grant is that a customer have a past due balance.

- ff. Clarification of the projected number of customers to whom it projects it will provide energy saving kits and/or energy education in the “Projected Participation and Budget” section.
- gg. Clarification of internal OnTrack costs.
- hh. Revised annual OnTrack budget projections reflecting the elimination of the Agency Selected Payment option and the adoption of a 24-month pre-program arrearage forgiveness cycle.

6. That PPL Electric Utilities Corporation shall consult with its Universal Service Advisory Committee on the following issues:

- a. Evaluate annually Low Income Home Energy Assistance Program refunds for OnTrack customers.
- b. Evaluate the reasons customers fail to recertify for OnTrack and its impact on customer payments, disconnections, and arrearages.
- c. Amend its OnTrack applications and letters to indicate that all OnTrack applicants may provide 30 days or 12 months of income documentation.
- d. Amend letters sent to customers that exceed 50% and 80% of their maximum credits to make them aware of exceptions and how to notify PPL if they think they qualify.
- e. Ensure communications regarding OnTrack Lifestyle clearly explain the program requirements.
- f. Provide updated annual OnTrack Lifestyle statistics.
- g. Develop strategies to incentivize customer conservation efforts and universal service program enrollment.
- h. Develop strategies to provide energy saving kits and/or energy education to a greater number of customers.
- i. Revise landlord and tenant consent forms.

- j. Share an assessment annually on how the change from three to five years between WRAP service has impacted low-income customers.
- k. Share annually information collected regarding termination rates for OnTrack customers with annual usage between 6,000 kWh and 18,000 kWh.
- l. Review annual report on counties served by WRAP.
- m. Identify opportunities to enhance outreach and fundraising for Operation HELP.
- n. Assess reasons for the 17% WRAP drop-out rate and ways to address the issue.

7. That PPL Electric Utilities Corporation shall allow current OnTrack Customers and OnTrack customers who enroll prior to the implementation of the Percent of Income Plan to continue receiving arrearage forgiveness over 18 months.

8. That PPL Electric Utilities Corporation shall track the number and amount of Low Income Home Energy Assistance Program refunds for OnTrack customers and report this information in its next Universal Service and Energy Conservation Plan filing.

9. That PPL Electric Utilities Corporation shall track and report the number of OnTrack customers who exceed their credit limit and are transitioned to the OnTrack Budget Billing program in the preceding year. Beginning in 2024, PPL Electric Utilities Corporation shall file and serve the report annually at Docket No. M-2022-3031727 by April 1 through the duration of its 2023-2027 Universal Service and Energy Conservation Plan.

10. That PPL Electric Utilities Corporation shall file and serve its revised OnTrack application, educational materials, and letters sent to customers who reach

50% and 80% of their maximum CAP Credit limits at Docket No. M-2022-3031727, within six months from the date of this Order.

11. That PPL Electric Utilities Corporation shall file and serve annual updates to its Consumer Education and Outreach Plan, including outreach and education actions taken, by April 1 each year at Docket No. M-2022-3031727, beginning in 2024, for the duration of its 2023-2027 Universal Service and Energy Conservation Plan, consistent with this Order.

12. That PPL Electric Utilities Corporation shall implement the following steps if its actual annual OnTrack costs exceed the projected budget for that year by greater than 20%:

- a. Notify all parties to the 2023 Universal Service and Energy Conservation Plan proceeding and its Universal Service Advisory Committee by or before March 1<sup>st</sup> of the following year and provide actual annual OnTrack cost information for the preceding year.
- b. Schedule a meeting (virtual or in-person) with all interested stakeholders within 30 days of this notification to discuss the costs and receive input on cost controls.
- c. File and serve a petition at the 2023 USECP docket proposing additional cost control measures or a letter justifying why no additional cost control measures are needed within 30 days of the stakeholder meeting but no later than April 30<sup>th</sup>.

13. That PPL Electric Utilities Corporation shall file and serve a report at this docket on WRAP jobs provided to each county in its service territory annually by April 1, beginning in 2023, consistent with this Order.

14. That PPL Electric Utilities Corporation shall file and serve an updated needs assessment on April 30, 2025, at Docket No. M-2022-3031727, consistent with this Order.

15. That exceptions to the Revised 2023-2027 Universal Service and Energy Conservation Plan may be filed within ten (10) days of the date of its filing and service relative to whether the Revised Plan complies with this Order. Reply exceptions may be filed within five (5) days of the due date for the filing of exceptions.

16. That exceptions and reply exceptions shall be served on the parties of record and provided electronically in Word<sup>®</sup>-compatible format to Nathan Froehlich, Bureau of Consumer Services, [nfroehlich@pa.gov](mailto:nfroehlich@pa.gov); Christina Chase-Pettis, Office of Communications, [cchasepett@pa.gov](mailto:cchasepett@pa.gov); and Louise Fink Smith, Law Bureau, [finksmith@pa.gov](mailto:finksmith@pa.gov).

17. That the Commission's Bureau of Consumer Services, with the assistance of the Commission's Law Bureau, will evaluate PPL Electric's Revised 2023-2027 Universal Service and Energy Conservation Plan as filed and served pursuant to this Order and prepare a Secretarial Letter confirming whether or not the changes in the filing comply with this Order.

18. That changes approved or directed in PPL Electric Utilities Corporation's 2023-2027 Universal Service and Energy Conservation Plan shall take effect, unless otherwise indicated, within six months from the entry date of this Order.

19. That PPL Electric Utilities Corporation shall file and serve status updates at Docket No. M-2022-3031727 when changes approved or directed in this Order are implemented.

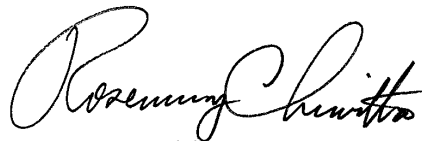
20. That PPL Electric Utilities Corporation's 2023-2027 Universal Service and Energy Conservation Plan shall remain in effect until a new Universal Service and Energy Conservation Plan is approved and implemented.

21. That PPL Electric Utilities Corporation shall file its next third-party independent evaluation of its universal service programs on April 1, 2028. This filing shall also be served on the parties to Docket No. M-2022-3031727.

22. That PPL Electric Utilities Corporation shall file its next Universal Service and Energy Conservation Plan on or before April 1, 2029, which shall cover the five-year period starting January 1, 2030. This filing must also be served on the parties to Docket No. M-2022-3031727.

23. That PPL Electric Utilities Corporation's 2017-2022 Universal Service and Energy Conservation Plan shall remain in operation in whole or in part until replacement provisions of its 2023-2027 Universal Service and Energy Conservation Plan are approved and implemented.

**BY THE COMMISSION,**



Rosemary Chiavetta

Secretary

(SEAL)

ORDER ADOPTED: February 9, 2023

ORDER ENTERED: February 9, 2023