

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

Public Meeting held June 15, 2023

Commissioners Present:

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

Columbia Gas of Pennsylvania, Inc. Universal  
Service and Energy Conservation Plan for  
2024-2028 Submitted in Compliance with  
52 Pa. Code § 62.4

Docket No. M-2023-3039487

**ORDER DIRECTING SUPPLEMENTAL INFORMATION AND  
ESTABLISHING COMMENT PERIOD**

**BY THE COMMISSION**

On April 5, 2023, Columbia Gas of Pennsylvania, Inc. (Columbia), a jurisdictional natural gas distribution company (NGDC), filed its proposed 2024-2028 Universal Service and Energy Conservation Plan (Proposed 2024 USECP) in compliance with 52 Pa. Code § 62.4, relating to natural gas universal service and energy conservation reporting requirements, at Docket No. M 2023-3039487.<sup>1</sup> By this Order, we indicate issues that require further attention on the record. Consistent with the schedule established herein, Columbia is directed to provide supplemental information and stakeholders are invited to comment on issues raised in this Order, any aspect of the

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<sup>1</sup> Columbia has filed two Proposed 2024 USECPs with differing page numbers, one on March 31, 2023, and one on April 5, 2023. References herein are to the April 5, 2023 version and reflect the page numbers at the top of each page. In light of the March 31, 2023 initial filing, we accept the April 5, 2023 filing as timely and as the date of filing of the Proposed 2024 USECP.

Proposed 2024 USECP, or issues related to Columbia’s universal service policies or procedures. Columbia’s current 2019-2023 USECP (2019 USECP) at Docket No. M--2018-2645401 remains in effect, in whole or in part, until replaced, in whole or in part, consistent with Commission order or Secretarial letter.

## **I. BACKGROUND**

As a jurisdictional NGDC with more than 100,000 customers, Columbia must administer universal service programs and submit a proposed USECP periodically to the Commission for approval.<sup>2, 3</sup> Columbia administers four universal service programs that help low-income customers maintain utility service. The four programs are as follows: (1) a customer assistance program or CAP which provides discounted bills and/or debt forgiveness for eligible low-income residential customers; (2) a low-income usage reduction program or LIURP to provide weatherization and usage reduction services to help low-income customers reduce their utility bills; (3) a Customer Assistance Referral Evaluation Services program or CARES to provide referral services for low-income, special needs customers; and (4) a hardship fund to provide grants to eligible customers that require assistance to meet basic energy needs.

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<sup>2</sup> In 2021, Columbia served an average of 407,892 residential accounts. *2021 Report on Universal Service and Collection Performance* at 6.

[https://www.puc.pa.gov/media/2188/2021\\_universal\\_service\\_report\\_rev122722.pdf](https://www.puc.pa.gov/media/2188/2021_universal_service_report_rev122722.pdf)

<sup>3</sup> NGDCs are subject to the universal service reporting regulations at 52 Pa. Code §§ 62.1—62.8 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 (2020).

## II. HISTORY

### *2019-2021 USECP (Docket No. M-2018-2645401)*

Columbia filed its proposed 2019-2021 USECP on February 1, 2018, at Docket No. M-2018--2645401 and was ultimately directed to revise its proposed 2019-2021 USECP by Order entered on August 8, 2019 (August 2019 Order). The August 2019 Order directed Columbia to, *inter alia*, (1) implement an online application platform for its CAP that also allows for electronic submission of documentation no later than December 1, 2020,<sup>4,5</sup> and (2) maintain the requirement that customers should apply for the Low-Income Home Energy Assistance Program (LIHEAP)<sup>6</sup> as a condition for CAP eligibility.<sup>7</sup> August 2019 Order at 18, OP #8. As noted in greater detail below, the 2019-2021 USECP was subsequently extended through at least 2023.

### *Petition for Reconsideration, Docket Nos. M-2018-2645401 and P-2019-3007876*

On August 23, 2019, Columbia filed a Petition for Reconsideration of its 2019-2021 USECP (August 2019 Petition). The August 2019 Petition requested, *inter alia*, the Commission reconsider its requirement for Columbia to create an online CAP application and clarify its requirement that CAP customers must apply for LIHEAP. On September 19, 2019, the Commission granted Columbia's petition pending further review on the merits. On September 3, 2019, the Coalition for Affordable Utility Services and Energy

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<sup>4</sup> August 2019 Order at 51.

<sup>5</sup> The Commission also directed Columbia to file and serve quarterly progress reports beginning October 1, 2019, to inform parties of its progress in designing and implementing an online CAP application with electronic documentation submission capabilities. August 2019 Order at 51. Quarterly updates were filed on April 1, 2020, July 1, 2020, October 1, 2020, and January 1, 2021.

<sup>6</sup> LIHEAP issues federally-funded grants to help low-income families pay their energy bills. LIHEAP is administered in the Commonwealth by the Pennsylvania Department of Human Services (DHS).

<sup>7</sup> August 2019 Order at 49.

Efficiency in Pennsylvania (CAUSE-PA) and the Office of Consumer Advocates (OCA) individually filed Answers to the August 2019 Petition.

On November 14, 2019, the Commission entered an Order (November 2019 Order) at Docket Nos. P-2019-3007876 and M-2018-2645401, addressing the 2019 Petition. The Commission directed Columbia to develop an online CAP application no later than December 1, 2020, and maintain the requirement that CAP customers apply for LIHEAP in order to encourage them to apply for the program. Columbia was also directed to file and serve a revised 2019 USECP. November 2019 Order at 8-9. Columbia filed its revised 2019-2021 USECP on November 25, 2019, which was subsequently approved by Commission Order entered on January 16, 2020, at Docket No. M-2018-2645401.

*Policy Statement on Customer Assistance Programs, 52 Pa. Code §§ 69.261-69.267 (2020) (CAP Policy Statement 2020)*, Docket No. M-2019-3012599

The Commission amended its CAP Policy Statement (1999) 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 (March 21, 2020).<sup>8</sup> In the November 2019 Order, the Commission, *inter alia*, strongly urged electric distribution companies (EDCs) and NGDCs to incorporate CAP policy amendments into their USECPs to allow stakeholders

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<sup>8</sup> Available at <https://www.pacodeandbulletin.gov/Display/pabull?file=/secure/pabulletin/data/vol50/50-12/409.html>.

to have a basis for meaningful input in *Universal Service Rulemaking*.<sup>9</sup> November 2019 Order at 2.

*Universal Service and Energy Conservation Plan Filing Schedule (Docket No. M-2019-3012601)*

By Order entered on October 3, 2019, (October 2019 Order) in *Universal Service and Energy Conservation Plan Filing Schedule*, Docket No. M-2019-3012601, the Commission established a new USECP filing schedule and extended the duration of USECPs from 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. With that Order, the Commission extended Columbia's 2019-2021 USECP through 2023 and set the due date for Columbia's next five-year USECP (2024-2028) as April 1, 2023.

*2020 Responses Reflecting 2019-2023 USECP Extension Data*

In response to the October 2019 Order at Docket No. M-2019-3012601, on January 6, 2020, Columbia filed an Addendum (January 2020 Addendum) at its 2019 USECP docket. The January 2020 Addendum reflected the extended duration through 2023 for its 2019 USECP and included, *inter alia*, updated enrollment and budget projections for 2022 and 2023.

In further response, on February 20, 2020, Columbia filed a Letter (February 2020 Letter). The February 2020 Letter outlined areas of compliance and non-compliance with the amendments to the CAP Policy Statement (2020) in Columbia's 2019 USECP.

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<sup>9</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. That matter remains under consideration.

*Petition to Temporarily Expand the Income Limits of the Hardship Fund  
(Docket Nos. M-2018-2645401 and P-2020-3022691)*

On October 26, 2020, Columbia filed and served a Petition (October 2020 Petition) at Docket No. P-2020-3022691 seeking approval to temporarily expand the income limits of its Hardship Fund program from 200% of the federal poverty income guidelines (FPIG) to 300% of the FPIG through September 30, 2021. Columbia asserted that the request was in response to the COVID-19 pandemic emergency. OCA and CAUSE-PA did not oppose the proposed change. October 2020 Petition at 1-23. The Commission approved Columbia's request via a Secretarial Letter issued on November 17, 2020, at Docket Nos. M-2018-2645401 and P-2020-3022691.

*2021 Base Rate Case, Docket No. R-2021-3024296*

On March 30, 2021, Columbia filed for a general rate increase at Docket No. R--2021--3024296. On September 7, 2021, a Joint Petition for Partial Settlement (2021 Rate Case Settlement)<sup>10</sup> was filed, which included, *inter alia*, provisions impacting Columbia's universal service programs. On October 12, 2022, Deputy Chief Administrative Law Judge (ALJ) Mark Hoyer issued a Recommended Decision which recommended approval of the 2021 Rate Case Settlement without modification. By Order entered on December 16, 2021, the Commission approved, *inter alia*, the 2021 Rate Case Settlement. December 2021 Order at 50 OP #2.

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<sup>10</sup> The Joint Petitioners in the 2021 Rate Case Settlement were: Columbia, the Bureau of Investigation and Enforcement (BIE), OCA, OSBA, the Pennsylvania State University (PSU), Columbia Industrial Intervenors (CII), CAUSE-PA, Shipley Energy Company, Retail Energy Supply Association, and Pennsylvania Weatherization Providers Task Force.

As part of the universal service provisions in the 2021 Rate Case Settlement, Columbia agreed, *inter alia*, that it would do the following:

- Increase the annual budget for its Emergency Repair Program (ERP) in its LIURP from \$600,000 to \$700,000 for the years 2022 and 2023. 2021 Rate Case Settlement at 9, ¶37.
- Develop policies to reduce the number of CAP customers who fail to recertify by continuing to allow CAP customers to remain enrolled in the program when they transfer service to another address within its service territory. Columbia agreed to report to BCS the affirmative steps it is taking to reduce the percentage of customers removed from CAP for failing to recertify.<sup>11</sup> 2021 Rate Case Settlement at 10, ¶38.
- Develop an outreach campaign targeted for customers with income below 50% of the FPIG through TV, social media, and electronic and written materials to promote its universal service programs. The recoverable cost of this outreach was limited to \$200,000 in 2022. 2021 Rate Case Settlement at 10, ¶39.
- Re-allocate LIURP dollars to increase the annual budget for its Health and Safety Pilot from \$200,000 to \$400,000 in 2022 and extend the pilot until the approval of its next USECP, with a maximum budget of \$600,000 per year if homes are available and modify the approved formula to include savings associated with reduced CAP credits and provide a biannual report of the number of homes completed, in progress and identified along with associated costs. 2021 Rate Case Settlement at 10-11, ¶40.

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<sup>11</sup> Columbia sent this document to the BCS Bureau Director on February 14, 2022, and copied all parties to the rate case.

- Increase its annual LIURP budget by \$200,000 until the effective date of rates in its next base rate proceeding. 2021 Rate Case Settlement at 11, ¶41.
- Continue to partner with community-based organizations (CBOs) to determine if they can complete additional LIURP work and increase the LIURP allocations of the CBOs who are on track to meet their existing allocations. 2021 Rate Case Settlement at 11, ¶42.
- Update its tariff language to indicate that all confirmed low-income customers with income at or below 150% of the FPIG, as reported to the Commission as part of Columbia’s annual universal service and collections data, will not be charged a security deposit. 2021 Rate Case Settlement at 11, ¶43.
- Refund all security deposits being held for confirmed low-income customers within 60 days. 2021 Rate Case Settlement at 12, ¶44.
- Review currently held security deposits on a semi-annual basis and issue a bill credit or refund for any deposit previously collected from a confirmed low-income customer. 2021 Rate Case Settlement at 11, ¶45.

*2022 Base Rate Case, Docket No. R-2022-3031211*

On March 18, 2022, Columbia filed for a general rate increase at Docket No. R-2022-3031211. On September 2, 2022, a Joint Petition for Partial Settlement (2022 Rate Case Settlement)<sup>12</sup> was filed, which included, *inter alia*, provisions impacting Columbia’s universal service programs. On September 30, 2022, Deputy Chief ALJ

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<sup>12</sup> The Joint Petitioners in the 2022 Rate Case Settlement were: Columbia, BIE, OCA, OSBA, PSU, CII, CAUSE-PA, and Pennsylvania Weatherization Providers Task Force.

Christopher Pell and ALJ John Coogan issued a Recommended Decision which recommended approval of the 2022 Rate Case Settlement, without modification. By Order entered on December 8, 2022, the Commission approved, *inter alia*, the 2022 Rate Case Settlement. December 2022 Order at 136 OP #5.

As articulated in the 2022 Rate Case Settlement, Columbia agreed, *inter alia*, that it would do the following:

- Increase the annual budget for its Emergency Repair Program from \$700,000 to \$1,000,000. 2022 Rate Case Settlement at 10, ¶42.
- Spread any unspent LIURP funds from 2022 evenly over the next three calendar years, 2023 through 2025. 2022 Rate Case Settlement at 10, ¶43.
- Increase its annual LIURP budget from \$5,075,000 to \$5,425,000 beginning in January 2024 or sooner if unspent LIURP funds carried over from 2022 do not increase the annual LIURP budget to at least \$5,425,000. 2022 Rate Case Settlement at 10, ¶44.
- Make a one-time donation of \$75,000 to its Hardship Fund. 2022 Rate Case Settlement at 10, ¶45
- By December 31, 2023, automate process to conduct quarterly evaluations of CAP customer bills and adjust the customer's CAP payment plan to ensure that they are getting the lowest CAP price. Upon implementation of the automated process, Columbia will include all CAP customers in its quarterly CAP rate review. Columbia agreed to file progress reports at the 2022 Rate Case (No. R-2022-

3031211) explaining its progress toward implementing the automated process.<sup>13</sup> 2022 Rate Case Settlement at 10-11, ¶46.

- Continue to partner with CBOs including member agencies of Community Action Association of Pennsylvania and Pennsylvania Weatherization providers in the development, implementation, and administration of its LIURP program. 2022 Rate Case Settlement at 11, ¶47.

*Proposed 2024 USECP (Docket No. M-2023-3039487)*

In compliance with Commission regulations and orders, Columbia filed its Proposed 2024 USECP on April 5, 2023, docketed at M-2023-3039487.<sup>14</sup> On May 10, 2023, Commission staff in the BCS convened a telephonic meeting to allow stakeholders an opportunity to provide their informal comments and questions about the Proposed 2024 USECP prior to issuance of a Commission order. Representatives from Columbia, CAUSE-PA, OCA, the Office of Small Business Advocate (OSBA), BIE, and the Pennsylvania Coalition of Local Energy Efficiency Contractors (PA-CLEEC) were invited to participate.

By this Order, we indicate issues regarding the Proposed 2024 USECP that require further attention on the record. Consistent with the schedule established herein, Columbia is directed to provide supplemental information and stakeholders are invited to comment on issues raised in this Order, any aspect of the Proposed 2024 USECP, or issues related to Columbia's universal service policies or procedures. Columbia's current

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<sup>13</sup> As of June 5, 2023, Columbia has not filed any progress reports at the 2022 Rate Case docket regarding quarterly evaluations of CAP customer bills.

<sup>14</sup> As noted above, we are deeming the April 5, 2023 filing to be timely and the filed date for Columbia's Proposed 2024 USECP. All references to page numbers in this Order reflect the numbers at the top of each page.

2019 USECP remains in effect, in whole or in part, until replaced, in whole or in part, consistent with Commission issued orders or Secretarial letters.

### **III. DISCUSSION**

#### **A. Summary of Proposed Modifications to the Universal Service Programs in the Proposed 2024 USECP**

##### **1. Proposed CAP Modifications**

###### *Changes based on the Amended CAP Policy Statement*

As noted above, the November 2019 Order approved 17<sup>15</sup> changes to the CAP Policy Statement (1999) and directed EDCs and NGDCs to indicate their current status relative to any of the policy amendments as well as any plans to implement any of the recommended CAP Policy Statement (2020) amendments. November 2019 Order at 106. Columbia asserts the following regarding its existing practices and voluntarily proposed practices, relative to the amendments to the CAP Policy Statement (2020):

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<sup>15</sup> Sixteen of the CAP Policy Statement (2020) amendments provide guidance relative to operative provisions in a USECP. The seventeenth amendment, while part of the CAP Policy Statement (2020), relates to recommendations regarding allocation of universal service costs that would be addressed, if at all, in utility-specific rate cases.

<b>CAP Policy Statement (2020) Amendments (summarized)</b>	<b>Columbia’s Proposals and Current Provisions (summarized)</b>
<p>1.a. Maximum CAP energy burdens –</p> <p>FPIG tier 0%-50%: 4% for NGH.<sup>16</sup></p> <p>FPIG tiers 51%-100% and 101%-150%: 6% for NGH.</p>	<p>Columbia proposes to adopt the energy burdens recommended in the CAP Policy Statement (2020). Proposed 2024 USECP at 25.</p>
<p>1.b. Set minimum CAP payment requirements in USECP proceedings; alternatives may be proposed.</p>	<p>Columbia has a \$25 minimum monthly CAP payment amount. 2019 USECP at 24, Proposed 2024 USECP at 25.</p>
<p>2. Allow CAP households to retain CAP enrollment when they transfer service.</p>	<p>This provision is already in place. February 2022 Letter at 1, Proposed 2024 USECP at 28.</p>
<p>3. Accept income documentation of at least the last 30 days or 12 months at application or recertification, whichever is more beneficial.</p>	<p>This provision is already in place. 2019 USECP at 27, February 2022 Letter at 1, Proposed 2024 USECP at 27.</p>
<p>4. Eliminate the provision in the CAP Policy Statement that low-income customers must be “payment troubled” to qualify for CAPs.</p>	<p>Columbia proposes to eliminate this provision in its USECP. Proposed 2024 USECP at 10.</p>
<p>5. Eliminate the provision in the CAP Policy Statement that a customer should direct the LIHEAP grant to the utility sponsoring the CAP (Section 69.265(9)(i)), be penalized for not applying for LIHEAP (Section 69.265(9)(ii) and (iv)), and that a LIHEAP grant should be applied to reduce the amount of CAP credits (Section 69.265(9)(iii)).</p>	<p>Columbia reports this provision is already in place. However, Columbia’s <i>CAP Customer Agreement Form</i> still lists applying for LIHEAP and assigning the grant to Columbia as a program requirement. 2019 USECP at 4, Proposed 2024 USECP at 5 and 50.</p>
<p>6. Exempt CAP customers from late payment charges.</p>	<p>This provision is already in place. February 2022 Letter at 1, Proposed 2024 USECP at 30.</p>

<sup>16</sup> Natural gas heating (NGH).

<p>7. Provide (a) PPA forgiveness for each on-time and in-full monthly CAP payment regardless of in-CAP arrears and (b) retroactive PPA forgiveness for any month(s) missed once the household pays its IPA balance/debt in full.</p>	<p>This provision is already in place. 2019 USECP at 30-31, February 2020 Letter at 2, Proposed 2024 USECP at 32</p>
<p>8. Utilities may request, but not require, SSNs of household members.</p>	<p>This provision is already in place. 2019 USECP at 23. February 2020 Letter at 2, Proposed 2024 USECP at 24.</p>
<p>9. Set maximum CAP credit limits in USECP proceedings using a tiered structure based on the household's FPIG level providing lower income households with higher CAP credit limits. Notify CAP customers when they approach their CAP credit limits, instruct them to contact the utility if they meet any exceptions, and refer them to LIURP (if eligible).</p>	<p>Columbia does not maintain or propose a limit on CAP credits.</p>
<p>10. Establish online CAP applications; accept documentation electronically.</p>	<p>This provision is already in place. 2019 USECP at 24, February 2020 Letter at 2, Proposed 2024 USECP at 5, 6, and 25.</p>
<p>11. Use a standardized zero-income form and develop other industry-wide standardized forms.</p>	<p>Columbia proposes to adopt this provision. Proposed 2024 USECP at 31.</p>
<p>12. Use maximum recertification timeframes for CAP:</p> <ul style="list-style-type: none"> <li>● No income – at least every 6 months regardless of LIHEAP participation;</li> <li>● LIHEAP – at least once every 3 years;</li> <li>● Primary source of income is SS, SSI, or pensions – at least once every 3 years;</li> <li>● Others – at least once every 2 years.</li> </ul>	<p>Columbia proposes to implement the following recertification timeframes:</p> <ul style="list-style-type: none"> <li>● No income – at least every 6 months regardless of LIHEAP participation;</li> <li>● LIHEAP – at least once every 3 years;</li> <li>● Primary source of income is SS, SSI, or pensions – every 3 years;</li> <li>● Others – at least once every 2 years.</li> </ul> <p>Proposed 2024 USECP at 10, 27, and 31.</p>

13. Initiate collection activity for CAP accounts when a customer has no more than two (2) in-program payments in arrears. Customers should not be removed or defaulted from CAP as a precursor to termination for non-payment.	This provision is already in place. Columbia initiates collection activity after two missed payments. 2019 USECP at 27, February 2020 Letter at 2, Proposed 2024 USECP at 28.
14. Evaluate household CAP bills at least quarterly to determine whether the customer’s CAP credit amount or billing method is appropriate.	Columbia reports that this provision is already in place. February 2022 Letter at 2, Proposed 2024 USECP at 25.
15. Work with stakeholders to develop a Consumer Education and Outreach Plan (CEOP).	The Proposed 2024 USECP includes a CEOP that describes Columbia’s universal service education and outreach initiatives. Proposed 2024 USECP at 52-60.
16. Use the definition of “household income” in Chapter 14 of the Public Utility Code.	Columbia is not in compliance with this provision.

*Additional Proposed CAP Changes*

- Update payment plan options. Proposed 2024 USECP at 10, 25.
- Require identity verification for the ratepayer only. Proposed 2024 USECP at 10, 24.
- Eliminate process of aggregate shopping for natural gas supplied to all CAP customers, due to lack of interest by natural gas suppliers. Proposed 2024 USECP at 11.
- Eliminate the Remedial Energy Efficiency Program. Proposed 2024 USECP at 11.

## **2. Proposed LIURP Modifications**

- Increase maximum allowance for Health & Safety spending from \$650 to \$1,200 due to higher costs of materials and labor. Proposed 2024 USECP at 11, 20.
- Eliminate the Inoperable Heating Systems Pilot due to lack of use. Proposed 2024 USECP at 11.

## **3. Proposed CARES Modifications**

Columbia proposes no major changes to its CARES program in its Proposed 2024 USECP.

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

- Allow CAP Customers to receive a Hardship Fund grant beginning mid-May if funding is available. Proposed 2024 USECP at 23.

### **B. Proposed 2024 USECP Descriptions**

#### **1. CAP**

Columbia's CAP will continue to offer discounted pricing and waiver of security deposits to residential heating customers with household income at or below 150% of the FPIGs. Proposed 2024 USECP at 24.

Columbia's CAP helps customers maintain gas service through more affordable payments and the opportunity to eliminate utility debt through monthly pre-program

arrears (PPA) forgiveness over three years. Columbia applies 1/36 PPA forgiveness for each timely and full monthly payment, regardless of existing CAP in-program arrears, as well as retroactive PPA forgiveness if a customer makes up a missed CAP payment. Proposed 2024 USECP at 32.

To qualify for CAP, customers must meet all of the following requirements:

- Have an active residential heating account.
- Have gross household income at or below 150% of FPIG.
- Cannot live in a multi-unit dwelling served by one meter.
- Provide a Social Security number (SSN), driver's license number, or other state identification number for the ratepayer.

Proposed 2024 USECP at 24.

CAP customers must comply with all CAP requirements to remain in the program, including:

- Submitting income verification as specified, including at initial application and during recertification periods.
- Paying monthly CAP payment amount by due date.
- Applying for LIURP.
- Applying for free weatherization services offered through the Department of Community and Economic Development's (DCED) state weatherization agencies.
- Not using non-essential gas appliances (*e.g.*, pool heater).

Proposed 2024 USECP at 27.

Columbia currently calculates a customer’s CAP bill using three separate payment options: (1) a percentage of income payment (PIP), (2) an average payment amount (based on payments received in the 12 months prior to enrolling in CAP), and (3) a percent of budget bill (adjusted annually). Columbia selects the most affordable (lowest) payment plan for the customer. Columbia is proposing to eliminate the average payment option and modify the remaining payment options as follows:

**Option 1.** PIP based on FPIG. Columbia is proposing to reduce its PIP energy burdens as illustrated in Table 1.

**Table 1  
Current and Proposed CAP PIP**

<b>Income</b>	<b>Current PIP</b>	<b>Proposed PIP</b>
0-110% FPIG	7%	4%
110-150% FPIG	9%	6%

*Source:* Proposed 2019 USECP at 23, Proposed 2024 USECP at 25.

**Option 2.** Columbia is proposing a new budget billing option based on the FPIG as illustrated in Table 2.

**Table 2  
Current and Proposed Percent of Budget Billing**

<b>Income</b>	<b>Current Percent of Budget Billing</b>	<b>Proposed Percent of Budget Billing</b>
0-50% FPIG	50%	50%
51-150% FPIG	50%	75%

*Source:* Proposed 2019 USECP at 23, Proposed 2024 USECP at 25.

Regardless of the option, the minimum monthly CAP payment is \$25, and the CAP bill should never exceed the customer’s budget bill amount. Added to Columbia CAP payment options are two additional monthly charges: the \$5 monthly PPA

co-payment<sup>17</sup> (if applicable) and the CAP Plus charge.<sup>18</sup> If the customer's CAP bill is found to be higher than the tariff budget, Columbia will review the account to determine whether the monthly CAP payment can be lowered or if the customer should be removed from CAP. Proposed 2024 USECP at 25.

Columbia reviews all CAP customers with usage that exceeds the annual shortfall limit of \$1,000 for LIURP eligibility, and new CAP customers are reviewed for LIURP throughout the year. Proposed 2024 USECP at 12, 21.

Columbia requires CAP applicants to provide proof of income for each adult household member for the last 30 days or 12 months, excluding earned income for any household member under the age of 19. If a household reports no income, the applicant must complete the zero-income form. Proposed 2024 USECP at 24.

Columbia proposes recertification timelines for CAP based on the customer's source of income and participation in LIHEAP.

- CAP customers with zero income must recertify every six months.
- CAP customers that participate in LIHEAP annually recertify once every three years.

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<sup>17</sup> The \$5 monthly PPA co-pay is a payment toward the PPA balance. Proposed 2024 USECP at 23.

<sup>18</sup> CAP Plus is a monthly charge assessed to every CAP customer. CAP Plus is calculated by dividing the total LIHEAP dollars received on CAP accounts in the previous heating season by the number of current CAP customers. A customer's monthly CAP Plus charge is 1/12 of this total. Proposed 2024 USECP at 24. Columbia recalculates the CAP Plus charge annually, beginning with the November billing cycle. In 2018, the monthly CAP Plus amount was \$3; in 2019-2020, it was \$2; for 2021, it was \$3, and for 2022, it was \$10. Proposed 2024 USECP at 26.

- CAP customers whose primary source of income is Social Security, Supplemental Security Income, or pensions will be required to recertify every three years.
- All other CAP customers must recertify every two years.

Proposed 2024 USECP at 27.

Columbia issues a recertification letter 30 days in advance of the customer's CAP recertification date. CAP participants must mail or fax their income verification to the specified CBO that will process their verification. There is also an online enrollment process. Customers can also recertify in person at a CBO, if they prefer. If income eligibility is not recertified within 30 days after the enrollment anniversary date, the customer is removed from CAP. Proposed 2024 USECP at 24-25.

Columbia initiates termination procedures for CAP customers after two missed payments. If the customer does not make up the missed CAP payments within 10 days of the date of the termination notice, Columbia will attempt to terminate service but will delay termination procedures for "extenuating" circumstances. CAP customers do not pay security deposits or reconnection fees for restoration of service. Proposed 2024 USECP at 28.

Based on our analysis of Columbia's CAP, we have identified areas of concern requiring clarification, as detailed below.

*a. Implementation of PIP*

As discussed above, Columbia proposes to modify its CAP payment calculations, including reducing the energy burdens for its PIP consistent with the CAP Policy Statement (2020) recommendations. It is not clear what impact the proposed CAP

payment changes, as compared to its existing CAP, could have on participant bills, program, and collection costs.

*Clarification Required:* Accordingly, in its response to this Order, Columbia shall provide the following information:

1. Projected average monthly CAP bills from 2024-2028, broken down by FPIG tier, based on both Columbia's existing and proposed CAP payment options.
2. Projected cost impact of the proposed CAP payment changes. Columbia shall provide an estimate of how the proposed CAP payment changes may impact CAP expenditures in 2024-2028, as compared to the existing CAP payment options. The cost projections must be broken down by cost component (*i.e.*, administration, CAP credits, PPA forgiveness, CAP Plus, and PPA co-payment), and FPIG tier (*i.e.*, 0%-50%, 51%-100%, and 101%-150%).
3. Projected impact on annual collection costs, as defined in 52 Pa. Code § 62.5(1)(ii), from 2024-2028 based on implementation of the proposed CAP payment changes, broken down by FPIG tier.

*b. PIP Energy Burdens*

As discussed above, Columbia proposes to revise its PIP maximum energy burdens consistent with the Commission's CAP Policy Statement (2020). However, Columbia does not explain how it will ensure that total CAP bills, with CAP Plus and \$5 PPA co-payment charges included, do not exceed the PIP energy burden. The Commission has recommended that a public utility design its CAP payment plan(s) so that a CAP customer's total CAP bill, including any add-ons such as PPA co-payments or

CAP Plus charges, will not exceed the recommended maximum energy burdens. November 2019 Order at 31.

*Clarification Required:* Accordingly, in its response to this Order, Columbia is directed to identify what safeguards or processes will be in place to ensure that CAP customers' monthly bills will not exceed Columbia's PIP energy burdens as may be approved in this proceeding.

*c. Refund of Security Deposits*

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)<sup>19</sup> and 52 Pa. Code § 56.32(e)<sup>20</sup>. 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).

In the Proposed 2024 USECP, Columbia states that CAP customers are not charged security deposits and that any paid security deposits on an account with an approved CAP application is applied to the pre-program arrears prior to CAP enrollment. Proposed 2024 USECP at 30.

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<sup>19</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>20</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.”

Based on the relevant statutes and regulations, the Commission recently directed Duquesne Light Company (Duquesne) and Philadelphia Gas Works (PGW) to refund security deposits, with applicable interest, collected from customers who become income-eligible for CAP. Duquesne and PGW were also directed to return the security deposit directly to customers unless they agree to have the deposit applied to the account balance.<sup>21</sup>

*Clarification Required:* Accordingly, in its response to this Order, Columbia is directed to describe how its security deposit practices reflect compliance with the relevant statutes and regulations. Columbia is also directed to clarify how customers are notified when they are determined eligible for a security deposit refund and if they are given the choice to receive the refund directly rather than it being applied to preprogram arrears.

*d. LIHEAP*

In the November 2019 Order, the Commission recommended public utilities to instruct CAP customers to apply for LIHEAP annually, if eligible, but not require them to assign the LIHEAP grant to the public utility in order to remain in CAP. The Commission noted that such a requirement could require households to choose between complying with different CAPs (*i.e.*, EDC or NGDC) or between a CAP and a necessary fuel delivery. November 2019 Order at 51.

In the Proposed 2024 USECP Columbia states that it added language to its 2019 USECP specifying that customers do not have to apply for LIHEAP as a condition of CAP eligibility. However, the *CAP Customer Agreement Form* lists applying for

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<sup>21</sup> See Duquesne 2020-2025 USECP Order, Docket No. M-2019-3008227, (Order entered April 14, 2022) at 55-57 and PGW 2023-2027 USECP Order, Docket No. M-2021-3029323 (Order entered January 12, 2023) at 25-28.

LIHEAP and assigning the grant to Columbia as a CAP requirement. Proposed 2024 USECP at 5, 49.

*Clarification Required:* Accordingly, in its response to this Order, Columbia is directed to clarify if it requires CAP customers to apply for LIHEAP annually and to assign the grant to Columbia. To the extent that an amendment is required to the *CAP Customer Agreement Form*, Columbia is directed to submit a revised form.

*e. Household Income*

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 (relating to definitions). In the November 2019 Order, the Commission adopted this definition for household income in the CAP Policy Statement (2020)<sup>22</sup> and noted that the Section 1403 statutory definition is already used to establish Commission payment arrangement requests. The Commission recommended this definition be applied to determining CAP household income as well.

Adopting the Chapter 14 definition will provide a single definition to be used by both the Commission and the energy utilities and should facilitate greater consistency among 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. Although public utilities are not mandated to automatically adopt all provisions of the CAP Policy Statement, they are required to comply with the Public Utility Code.

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<sup>22</sup> See 52 Pa. Code § 69.262 (relating to definitions).

In the Proposed 2024 USECP, Columbia states that it does not count wages for household members under the age of 19. Proposed 2024 USECP at 24. This provision is not consistent with the Chapter 14 definition of household income, as it does not appear to count earned income for adult household members who are age 18 and does not appear to exclude unearned income for minors.

*Clarification Required:* Accordingly, in its response to this Order, Columbia is directed to clarify how it will calculate household income for CAP. Specifically, whether it will count all earned and unearned income for all adult household members (*i.e.*, age 18 and over) and whether it will exclude the earned and unearned income for minors (*i.e.*, under age 18). If Columbia is proposing to change how it defines or calculates “household income,” it should identify the intended effective date of that change.

*f. Income Documentation*

Columbia states on page 27 of the Proposed 2024 USECP that a customer can apply for CAP by submitting a completed application and providing documentation of household income. However, the Proposed 2024 USECP does not specify what types of documentation Columbia accepts when verifying a household’s income eligibility for CAP.

*Clarification Required:* Accordingly, in its response to this Order, Columbia is directed to clarify what forms of income documentation it will accept for verification of earned and unearned income.

*g. Identification Documentation*

Columbia states on page 24 of the Proposed 2024 USECP that it will accept a SSN, driver’s license number, or another state identification number for the ratepayer

applying for CAP. Based on this description, it would appear Columbia only verifies the identity of the customer/ratepayer who applies for CAP, not each individual member of the household. The CAP Policy Statement (2020) recommends public utilities verify the identities of CAP applicants and household members and accept alternative identification in lieu of requiring SSNs. 52 Pa. Code 69.265(8)(ii)(A). If Columbia is proposing to waive verification of the identities of household members, it should explain how it will otherwise verify that the household composition information listed on a CAP application is accurate. Further, Columbia does not specify what alternative state identification it will accept or if there are circumstances for which it would accept a passport, Visa, or other forms of non-state identification.

*Clarification Required:* Accordingly, in its response to this Order, Columbia is directed to clarify (1) if only the customer/ratepayer or all household members must provide verification of identity when applying for CAP and, if so, how it will verify the ratepayer's reported household composition; (2) what forms of state identification numbers, beyond a driver's license, it will accept as proof of identity; and (3) what other forms of non-state identification it will accept, if any.

#### *h. Budget Billing True-Up Charge*

As described above, one of its payment options for Columbia's CAP is charging the customer a percentage of the household's budget bill. The Proposed 2024 USECP does not clarify, however, whether CAP customers charged based on their budget bills are later billed a "true-up" charge if they use more energy than budgeted for the year.

*Clarification Required:* Accordingly, in its response to this Order, Columbia is directed to clarify if it charges CAP customers a true-up charge if their CAP bill is calculated based on budget billing. If so, Columbia should explain how and when this charge is

determined and how CAP customers are notified that this charge will be added to their monthly CAP bill.

*i. CAP Final Billing*

The Commission issued the Staff Review of Customer Assistance Program Final Billing Methods Order (CAP Final Billing Order) on March 12, 2020, at Docket No. M-2019-3010190. The CAP Final Billing Order details how electric and natural gas public utilities calculate final CAP bills, summarizes stakeholder input on the issues, and calls attention to existing statutory and regulatory provisions relating to billing.

In the CAP Final Billing proceeding, Columbia reported that it does not issue final bills to its CAP customers unless the customer's balance includes remaining PPA, and in that situation, the final bill reflects only the CAP customer's PPA balance. Additionally, Columbia explained that since the CAP final bill reflects only the customer's PPA balance, this increases CAP write-offs by the total amount of the customer's usage and customer charges for the final billing cycle. CAP Final Billing Order at 8,11.

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

Section 1303, 66 Pa. C.S. § 1303, provides that public utilities must bill their customers for service rendered. Section 56.11(a) of Commission regulations, 52 Pa. Code § 56.11(a), require that a public utility render bills every billing period. Utilities are henceforth on notice that these statutory and regulatory provisions will be applied to the facts in all matters wherein we are called upon to review specific final CAP bills or recovery of universal service costs. Further, Section 1303 provides that public utilities are to compute bills under the rate most beneficial to the customer. *Generally speaking, it would appear that the starting point for any specific inquiry regarding the bill for usage in a partial final billing period as a CAP participant should be a comparison between a residential tariff rate*

*calculation for energy consumed and the CAP price prorated for the number of days of service in the billing period.* The other items on a bill such as true-ups, arrears, arrearage forgiveness, third-party assistance such as LIHEAP, and CAP credits and limits are separate considerations dependent on the customer's payment history and the utility's CAP provisions. We shall address how the energy utilities describe their final billing practices for CAP customers in utility-specific proceedings.

CAP Final Billing Order at 22 (emphasis added).

The Commission also noted that “[f]ailing to bill a customer for usage could render an unreasonable preference to that customer and an unreasonable disadvantage to other customers who would bear the cost of the service not billed.” CAP Final Billing Order at 19.

Columbia does not describe its final billing practices for CAP participants in its Proposed 2024 USECP. Consistent with the CAP Final Billing Order, we are concerned that Columbia is currently not charging CAP customers for usage incurred during their final billing periods and instead recovering those unbilled costs from other ratepayers.

*Clarification Required:* Accordingly, in its response to this Order, Columbia is directed to describe its CAP final billing policy and explain whether this policy has changed since the Commission's CAP Final Billing proceeding. Columbia is also directed to address how its final CAP billing practices reflect compliance with the relevant statutes and regulations as discussed in the CAP Final Billing Order.

*j. CAP vs. Budget Billing*

On page 25 of its Proposed 2024 USECP, Columbia states that if a CAP customer's monthly payment exceeds the tariff budget (*i.e.*, budget bill), it will review the account to determine if the CAP bill should be reduced or if the customer should be

removed from the program. It is not clear how a CAP customer's bill would exceed a budget bill if their payment amount is based on a PIP or percent of budget billing, whichever is lower. The CAP customer should always have a CAP payment lower than the monthly budget bill unless the budget bill exceeds the minimum CAP payment amount.

*Clarification Required:* Accordingly, in its response to this Order, Columbia is directed to explain in what circumstances a customer's CAP bill could exceed their budget bill. Columbia is also directed to explain how it determines if CAP is beneficial to a customer in situations when the CAP bill exceeds a customer's budget bill but the customer has a remaining PPA balance.

*k. CAP Customer Responsibilities*

As discussed above, Columbia's Proposed 2024 USECP includes requirements for customers enrolled in its CAP. However, Columbia's *CAP Customer Agreement Form*, which is included as an attachment, lists additional customer requirements not listed in or are not consistent with the Proposed USECP, including:

- Verify gross monthly income at time of application;
- Recertify gross monthly income once a year; unless you apply and receive LIHEAP and it is directed to Columbia Gas;
- Apply for LIHEAP and direct the payment to Columbia;
- Call Columbia if you are no longer able to afford your CAP bill;
- Allow Columbia Gas to purchase gas on my behalf from a supplier; and
- Accept any program change resulting from modifications to the program made by Columbia., with the approval of BCS.

Proposed 2024 USECP at 27, 50.

The *CAP Agreement Form* also states that CAP customers must:

Agree to release Columbia Gas of Pennsylvania, Inc. and Dollar Energy Fund, Inc. from any liability while a participant in the CAP program. In addition, I authorize Columbia Gas of Pennsylvania, Inc., to publish, disseminate, reproduce, use and dispose of any data including account information furnished by or regarding eligible CAP customers in such a manner as Columbia deem appropriate.

Proposed 2024 USECP at 50. These provisions are inconsistent with previous Commission directives relative to Columbia’s 2015-2018 USECP (2015 USECP).<sup>23</sup> In Columbia’s 2015 USECP proceeding, the Commission directed Columbia to (1) limit disclosure of customer information only to those entities on which Columbia relies for eligibility verification; (2) disclose only that information which is necessary to verify program eligibility; and (3) remove the language “publish, ... ,-in-any [sic] manner as Columbia deems appropriate” and “release-from-any-liability [sic]” from its customer release forms. July 8, 2015 Order at 31. Columbia has yet to remove these provisions from its CAP Agreement Form and any other communications to customers.

*Clarification Required:* Accordingly, in its response to this Order, Columbia is directed to clarify all CAP customer requirements and to submit a revised *CAP Customer Agreement Form* consistent with its Proposed 2024 USECP and directives from the July 2015 Order.

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<sup>23</sup> Columbia 2015-2018 USECP Final Order, Docket No. M-2014-2424462 (Order entered on July 8, 2015) (July 8, 2015 Order).

*l. Applying for Weatherization Services*

In its Proposed 2024 USECP, Columbia states that CAP customers are required to apply for any free weatherization services offered through DCED. Proposed 2024 USECP at 27. It is not clear, however, how Columbia enforces this requirement.

*Clarification Required:* Accordingly, in its response to this Order, Columbia is directed to clarify how it enforces the requirement that CAP customers must apply for any free weatherization services offered through DCED.

*m. Coordination with CAP and LIURP*

Columbia states it prioritizes CAP customers for LIURP and that only one application is needed to apply for both programs and screens CAP customers for LIURP if they have more than \$1,000 in annual shortfall at the beginning of each year and also screens newly enrolled CAP customers. Furthermore, Columbia reports that a customer refusing weatherization without a “legitimate exemption” will be reviewed by a Customer/Community Outreach coordinator and that customers who do not respond to “multiple attempts for weatherization” will be removed from CAP. Proposed 2024 USECP at 11-12, 29.

It is not clear whether CAP customers determined eligible for LIURP are automatically enrolled in the program, what constitutes a “legitimate exemption” for refusal of LIURP services, what qualifies as “multiple attempts” to contact the customer, or how these contact attempts are made before removing the customer from CAP.

*Clarification Required:* Accordingly, in its response to this Order, Columbia is directed to (1) clarify whether CAP customers who exceed the \$1,000 shortfall threshold are automatically enrolled in LIURP, if eligible; (2) describe what Columbia will accept as a

“legitimate exemption” for a CAP customer to refuse LIURP services and how customers are made aware of these exemptions; and (3) explain the process and methods used to contact a CAP customer about participating in LIURP and how the customer is notified they may or will be removed from CAP. Columbia is directed to include any letters and call scripts related to this communication.

*n. Coordination with Electric Utilities for CAP Recertification*

Columbia states on page 54 of its Proposed 2024 USECP that it coordinates with EDCs “to solicit CAP customers for [recertification].” However, it does not explain how it works with EDCs to recertify its CAP customers.

*Clarification Required:* Accordingly, in its response to this Order, Columbia is directed to explain how it works with EDCs to recertify CAP customers and to identify the EDCs that it works with.

*o. Outreach and Education Plan<sup>24</sup>*

The Proposed 2024 USECP includes a CEOP that describes, *inter alia*, Columbia’s external, internal, and educational outreach initiatives for each of its universal service programs. Columbia’s external outreach includes participation at community events, posting program information on its website, holding universal service advisory committee meetings, issuing press releases, training agencies, and making customer referrals. Columbia’s internal outreach to promote its programs include call aid

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<sup>24</sup> The CAP Policy Statement (2020) recommends that a public utility develop and incorporate a CEOP as part of its USECP which identifies, *inter alia*, (1) information on benefits and responsibilities of CAP participation and the importance of energy conservation; (2) efforts to educate and enroll eligible and interested customers with incomes at or below 50% of the FPIG; and (3) resources, services, and translated materials available to those customers who are of Limited English Proficiency (LEP). 52 Pa. Code §§ 69.265(8)(i) and 69.265(8)(vi).

scripting, staff trainings and meetings, company distributed articles, and contests to encourage program referrals. Proposed 2024 USECP at 52-60.

Columbia’s educational outreach includes providing customers with a LIURP welcome packet and a *CAP Agreement Form*, having Customer Care Center representatives explain programs to customers, and assisting customers with applying for programs through CARES. Columbia also has targeted outreach for Spanish speakers, victims of abuse, landlords, seniors, veterans, people with disabilities, and customers with income at or below 50% of the FPIG. Proposed 2024 USECP at 58.

*Clarification Required:* It is unclear which of Columbia’s CEOP initiatives are existing and which are new proposals. Therefore, we request additional information about Columbia’s CEOP initiatives.

Accordingly, in its response to this Order, Columbia is directed to provide the following clarifications and information related to its CEOP initiatives:

- Indicate which CEOP initiatives are new (*i.e.*, implemented in 2019 or later) and which initiatives represent existing practices to help its most vulnerable customers (*e.g.*, at or below 50% of the FPIG, LEP, impacted by COVID-19).
- Explain how it educates customers on how to determine their own “household energy burden” to help encourage interest and participation in CAP and stimulate actions for energy conservation in the household.
- Explain whether and how the components of its CEOP are provided to each community within its service territory.

- Explain whether its targeted outreach to landlords is tracked and if it has resulted in increased participation of rental properties in LIURP.
- Provide copies of its CAP brochures and customer bill inserts that outline the program guidelines and customer responsibilities.
- Identify what languages Columbia provides for program applications, brochures, and consumer education materials. Also explain how Columbia determines what languages are needed for its service territories.

## **2. LIURP**

Columbia’s LIURP provides weatherization and conservation services to low--income customers. The primary objectives for LIURP include reducing customer energy usage, bill amounts, arrearages, and CAP shortfalls. To be eligible for LIURP, a residential heating customer must be low-income<sup>25</sup> and have an average winter consumption greater than 170 therms. Further, the dwelling must not have received weatherization services within the past seven years. Services provided through Columbia’s LIURP include home energy audits, energy education, heating system inspections, gas furnace/boiler upgrades, and other weatherization measures, as needed (*e.g.*, sidewall/attic insulation, sealing, caulking, and window stripping). Proposed 2024 USECP at 19-20.

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<sup>25</sup> 52 Pa. Code § 58.2 (relating to definitions) including non-CAP, low-income customers who otherwise meet the LIURP eligibility requirements. Proposed 2024 USECP at 19.

*a. Health and Safety Pilot Program*

Columbia proposes to continue the Health and Safety Pilot Program (H&S Pilot), which began in 2021. The H&S Pilot is for CAP customers whose dwelling cannot be weatherized without first correcting existing health and safety issues. Such issues include, but are not limited to, knob-and-tube wiring, moisture in the basement, and other minor structural issues. Proposed 2024 USECP at 20-21.

To qualify for the H&S Pilot, customers must:

- Be enrolled in CAP with average annual shortfall (*i.e.*, CAP credits) exceeding \$1,000.
- Own and reside in a dwelling for a minimum of six months.
- Have prior annual usage exceeding 1600 therms or 250 average therms per winter months.
- Have a present health and safety issue that is preventing weatherization.

Additionally, the elimination of the health and safety issue must allow for comprehensive weatherization and the expected usage reductions must exceed 18%. Proposed 2024 USECP at 20-21.

As noted previously, the H&S Pilot's annual budget was increased from \$200,000 to \$400,000 beginning in 2022, with a maximum budget of \$600,000 per year if dwellings are available and in need of the services, in Columbia's 2021 Base Rate Case. Columbia also agreed to modify the funding formula to include savings associated with CAP credits. Proposed 2024 USECP at 6. In the Proposed 2024 USECP, Columbia proposes to set the H&S Pilot's annual budget at \$400,000 and estimates serving 30 dwellings per year. The Proposed 2024 USECP indicates that Columbia will measure the H&S Pilot's success and cost-effectiveness similarly to LIURP. Proposed 2024 USECP

at 21-22. Columbia does not propose to spend up to \$600,000 annually on the H&S Pilot. It is not clear if Columbia has modified its cost formula to include savings associated with reduced CAP credits. It is also not clear what LIURP measures Columbia is using to evaluate the H&S Pilot's success and cost-effectiveness.

Additionally, in its timeline showing program changes from 2020-2023, Columbia indicates that it expanded the H&S Pilot on January 1, 2022, to expand the H&S Pilot to increase eligible pool of customers. Proposed 2024 USECP at 9. Columbia does not indicate how it increased the eligible pool of customers for its H&S Pilot.

*Clarification Required:* Accordingly, in response to this Order, Columbia is directed to clarify if the H&S Pilot cost formula includes projected savings associated with reduced CAP credits. If so, Columbia is directed to provide those projections and how they are factored into the cost formula. Columbia is also directed to clarify how it increased the eligible pool of customers for its H&S Pilot beginning in January 2022. Further, Columbia is directed to identify how it measures success and cost-effectiveness for the H&S Pilot and provide results based on 2021 and 2022 data.

*b. Termination of Inoperable Heating Systems Pilot (IHS Pilot)*

In the August 2019 Order, the Commission approved Columbia's proposal to implement an IHS Pilot for the duration of its 2019 USECP. August 2019 Order at 30-31. This IHS Pilot serves low-income homeowners that do not meet LIURP usage requirements because of an inoperable heating system needing repair or replacement. The IHS Pilot serves up to 10 dwellings per year that are in proper condition for LIURP and have pre-usage lower than 170 therms if gas heating system has not been operating for the full pre usage period. The IHS Pilot is evaluated using the average weather-normalized savings for the pre-treatment period compared to the participant's weather-

normalized post-treatment savings to estimate the savings impact of the installed measures. 2019 USECP at 19.

In the Proposed 2024 USECP, Columbia proposes to terminate the IHS Pilot due to lack of use. Proposed 2024 USECP at 11. Columbia did not provide any information about the Pilot's impact since its implementation or explain why it was under-used.

*Clarification Required:* Accordingly, in response to this Order, Columbia is directed to clarify the reason why the IHS Pilot was not used. Columbia is directed to provide IHS Pilot data results for 2019, 2020, and 2021, including the number of dwellings that received heating system repairs or replacement and the estimated savings impact post-treatment.

*c. Termination of Remedial Energy Efficiency Program (REEP)*

REEP currently provides energy efficiency education, usage monitoring, and feedback to CAP customers who have received LIURP services but whose annual usage continues to exceed Columbia's annual shortfall limit of \$1,000. CAP customers who continue to exceed the shortfall limit after receiving REEP may be removed from CAP or receive an increase in their payment option, based on the recommendation of the contractor. 2019 USECP at 26.

In the Proposed 2024 USECP, Columbia proposes to eliminate REEP and address high usage in CAP by providing CAP customers with annual shortfall exceeding \$1,500 with energy efficiency tips and a survey to determine the reason for the high usage. Proposed 2024 USECP at 11. It is not clear what steps, if any, are taken to address the CAP customer's high usage after this survey is completed.

*Clarification Required:* Accordingly, in its response to this Order, Columbia is directed to clarify what steps, if any, are taken when CAP customers fail to reduce energy usage after energy efficiency tips are provided and a survey is completed. Further, Columbia is directed to clarify what steps, if any, are taken for all customers who fail to reduce energy usage after LIURP measures are installed and what energy usage threshold determines the need for follow up steps.

*d. Emergency Repair Program (ERP)*

As noted previously, the Commission approved increasing the ERP annual budget from \$600,000 to \$700,000 for the years 2022 and 2023 in Columbia's 2021 Base Rate Case. Columbia's ERP appears to be similar to other Commission approved public utility LIURP pilot programs which provide repair and replacement of heating systems for low-income homeowners. For example, the Commission approved an Emergency Furnace Repair & Replace Program as a LIURP pilot program for Peoples Natural Gas Company (PNGC), which assists low-income customers in making repairs to their furnace or service line. LIURP pilot programs are subject to annual evaluations and LIURP reporting requirements.<sup>26</sup>

Columbia currently recovers the costs of the ERP through its universal service rider. Further, Columbia identified the ERP as a universal service and conservation component in the provisions of its 2021 Rate Case Settlement. It is not clear why Columbia has not included the ERP as a universal service component in its Proposed 2024 USECP.

*Clarification Required:* Accordingly, in its response to this Order, Columbia is directed to provide more details about the ERP, including: (1) program description; (2) application

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<sup>26</sup> See PNGC 2015-2018 USECP Final Order, Docket No. M-2014-2432515 (order entered on December 15, 2015), at 39-44.

process; (3) eligibility criteria; and (4) projected budget and enrollment levels for 2024 through 2028.

*e. LIURP Eligibility: Special Needs Customers*

LIURP regulations allow a public utility to use up to 20% of the LIURP budget for special needs<sup>27</sup> customers with incomes in the 151%-200% tier of the FPIG. The Commission has also permitted the term “special needs” to apply to seniors, customers with medical needs or disabilities, and/or customers with young children in the dwelling.<sup>28</sup>

In the Proposed 2024 USECP, Columbia states that its LIURP is available to customers as defined in 52 Pa. Code § 58.2 (relating to definitions), including non-CAP customers who otherwise meet the LIURP eligibility requirements. Proposed 2024 USECP at 19. It is not clear if special needs customers with incomes between 151%-200% of the FPIG are eligible for LIURP or how Columbia defines “special needs.”

*Clarification Required:* We recognize that LIURP regulations do not mandate a public utility to serve special needs customers with incomes between 151%-200% of the FPIG. It is unclear whether Columbia is proposing to do so in its Proposed 2024 USECP. Accordingly, in its response to this Order, Columbia is directed to provide its guidelines, if any, for using up to 20% of the LIURP budget on special needs customers with incomes between 151%-200% of the FPIG and clarify its definition for the term “special needs” in regard to LIURP eligibility.

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<sup>27</sup> The LIURP regulations define a special needs customer as: “A customer having an arrearage with the covered utility and whose household income is at or below 200% of the [FPIG].” *See* 52 Pa. Code § 58.2 (relating to definitions).

<sup>28</sup> *See* NFG 2017-2020 USECP Order, Docket No. M-2016-2573847 (order entered on March 1, 2018), at 40.

*f. Landlord Permission*

In the Proposed 2024 USECP, Columbia states that renters must have property owner permission to receive LIURP. Proposed 2024 USECP at 19. The Proposed 2024 USECP is not clear how such permission is obtained from property owners or how it is documented.

Under LIURP regulations at 52 Pa. Code § 58.8 (relating to tenant eligibility), prior to the installation of usage reduction measures in rental property, written landlord permission is required for the installation of the program measures. Additionally, the landlord must agree, 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 will not be evicted for at least 12 months after the installation of the program measures if the tenant complies with ongoing obligations and responsibilities.

*Clarification Required:* Accordingly, in its response to this Order, Columbia is directed to clarify the method by which it receives property owner permission and provide a copy of the form used to verify permission.

*g. Contractor Training and Certification Requirements*

Columbia reports in its Proposed 2024 USECP that it contracts with 11 weatherization contractors to provide LIURP services. Proposed 2024 USECP at 14. However, the Proposed 2024 USECP does not include any details regarding LIURP contractor training and certification requirements.

While LIURP regulations do not currently specify training requirements or certification credentials for participating contractors, public utilities are required to use qualified contractors that have demonstrated experience and effectiveness in the

administration and provision of LIURP services. 52 Pa. Code § 58.7I(c).<sup>29</sup> In recent universal service proceedings, the Commission has directed public utilities to include its contractor training and certification requirements in its USECP.<sup>30</sup>

*Clarification Required:* Accordingly, in its response to this Order, Columbia is directed to provide details of its contractor training and certification requirements.

#### *h. Re-Weatherization Eligibility*

In the Proposed 2024 USECP, Columbia states that LIURP is available to eligible customers that have not received “full” weatherization services in the past seven years at their current dwelling. Proposed 2024 USECP at 19. However, the Proposed 2024 USECP does not specify what encompasses “full” weatherization services or if Columbia allows for any exceptions to the seven-year limit. The Commission has approved plans allowing for exceptions to time limits, if warranted, to re-weatherize a dwelling.<sup>31</sup>

*Clarification Required:* Accordingly, in its response to this Order, Columbia is directed to clarify what encompasses “full” weatherization services and if it allows for any exceptions, if warranted, to its seven-year limit between LIURP services on a dwelling.

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<sup>29</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>30</sup> See PGW 2023-2027 USECP Order, Docket No. M-2021-3029323 (order entered on January 12, 2023), at 58-61. See also PPL 2023-2027 USECP Order, Docket No. M-2022-3031727 (order entered on February 9, 2023), at 79-81.

<sup>31</sup> See PGW 2023-2027 USECP Order, Docket No. M-2021-3029323 (order entered on January 12, 2023), at 72-73. See also PPL 2023-2027 USECP Order, Docket No. M-2022-3031727 (order entered on February 9, 2023), at 84-86.

*i. Health and Safety Measures and Incidental Repairs*

Columbia proposes to increase the maximum health and safety spending amount per dwelling from \$650 to \$1,200 due to higher costs of materials and labor. Columbia states that carbon monoxide detectors are installed on each floor level of all completed dwellings. Proposed 2024 USECP at 20. The Proposed 2024 USECP does not specify the types of routine health and safety measures beyond carbon monoxide detectors that weatherization providers are permitted to install. Further, it is not clear if Columbia allows LIURP contractors to exceed the health and safety spending limit with or without prior approval. It is also not clear if weatherization providers are provided an allowance for performing incidental repairs (*i.e.*, repairs that would allow LIURP measures to function properly or more efficiently).<sup>32</sup>

*Clarification Required:* Accordingly, in response to this Order, Columbia is directed to explain its parameters for performing routine health and safety measures, including examples of the health and safety measures that may be installed by weatherization providers. Columbia is also directed to explain if there are circumstances where a LIURP contractor would be permitted to exceed the health and safety spending limit, with or without prior approval. Further, Columbia is directed to indicate whether it performs incidental repairs prior to the installation of LIURP measures and, if so, to explain its parameters and allowance threshold for performing those repairs.

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<sup>32</sup> 52 Pa. Code § 58.12 (relating to incidental repairs) provides that expenditures “on program measures may include incidental repairs to the dwelling necessary to permit proper installation of the program measures or repairs to existing weatherization measures which are needed to make those measures operate effectively.”

*j. Deferral Tracking*

Columbia states that a dwelling may be disqualified for LIURP if it determines that providing weatherization services would not be cost-effective. It further states that each dwelling is audited to determine if the dwelling is in proper condition for weatherization and, if so, what measures are recommended. Referrals are made to other housing development agencies for repair work and public utility weatherization programs, as necessary. Proposed 2024 USECP at 20. Columbia does not, however, explain its process for determining whether weatherizing a dwelling would be cost-effective. Columbia also does not identify if it tracks the number of dwellings disqualified/deferred for LIURP due to health and safety issues that cannot be addressed within the scope of LIURP.

*Clarification Required:* Accordingly, in its response to this Order, Columbia is directed to clarify its process for determining whether weatherizing a dwelling would be cost-effective. Columbia is also directed to identify (1) its process for disqualifying dwellings for LIURP; (2) how customers are notified of the reasons for disqualification; (3) the number of dwellings disqualified per year for the last three years, including the reasons for disqualification; (4) what housing development agencies and public utility weatherization programs it refers deferred dwellings to; and (5) how long it maintains the list of LIURP deferrals.

*k. Post-Installation Inspection*

Columbia states that it will conduct a post-installation inspection of 25% of dwellings weatherized for quality and safety each year. Proposed 2024 USECP at 20. However, the Proposed 2024 USECP does not explain Columbia's quality control protocols for LIURP or how Columbia selects 25% of weatherized dwellings for a post--installation inspection. LIURP regulations require public utilities to establish

effective quality control guidelines and procedures for the installation of program measures. It further requires public utilities to schedule post-installation inspections and require a warranty covering workmanship.<sup>33</sup> The Commission has requested public utilities to explain the methodology used to select the LIURP jobs that receive a post-installation inspection.<sup>34</sup>

*Clarification Required:* Accordingly, in its response to this Order, Columbia is directed to explain its quality control guidelines and procedures and the methodology it uses to select 25% of weatherized dwellings to receive a post-installation inspection each year.

### **3. CARES**

Columbia's CARES program provides temporary assistance to first-time payment-troubled residential heating customers who are experiencing a temporary financial hardship, regardless of household income. The program also serves customers who meet any of the following criteria:

- Special needs (e.g., sudden loss of income, divorce, death of wage earner, life-threatening illness),
- Vulnerable (e.g., have a mental or physical disability or chronic financial mismanagement),
- Victims of domestic abuse, and
- Age 62 or older without natural gas service.

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<sup>33</sup> 52 Pa. Code § 58.14(b): *Quality control*. A covered utility shall establish effective quality control guidelines and procedures for the installation of program measures. When a contractor is utilized, the covered utility shall schedule post-installation inspections and require a warranty covering workmanship.

<sup>34</sup> See PGW 2023-2027 USECP Order, Docket No. M-2021-3029323 (order entered on January 12, 2023), at 58-61, and PPL 2023-2027 USECP Order, Docket No. M-2022-3031727 (order entered on February 9, 2023), at 74-77. See also NFG 2022-2026 USECP Order, Docket No. M-2021-3024935 (order entered on May 3, 2022), at 46-48.

Proposed 2024 USECP at 17-18.

CARES customers are temporarily protected from service termination while Customer Service Representatives at Columbia's Customer Contact Center use a case management approach to resolve payment problems and try to find financial assistance or establish customer payment arrangements. CARES Coordinators will also attempt to contact customers aged 62 and over who are known to be without heat to offer assistance during the heating season. Columbia representatives assist these customers by making referrals to other social service agencies and providing information regarding available programs. Proposed 2024 USECP at 17-19.

*a. CARES Program Costs*

On page 16 of its Proposed 2024 USECP, Columbia includes a chart for its universal service programs budgets and identifies costs recovered through its universal service rider or base rates. Columbia does not identify the CARES budget as a recoverable cost. It is not clear whether Columbia funds its CARES program through shareholder funds or recovers those costs from ratepayers.

*Clarification Required:* Accordingly, in its response to this Order, Columbia is directed to clarify how it funds its CARES program.

*b. Domestic Abuse*

In its Proposed 2024 USECP Columbia states that a customer reporting domestic abuse must have an active protection from abuse court order to be eligible for CARES. Proposed 2024 USECP at 18. It is also not clear what additional steps Columbia takes to protect customer information when domestic violence is reported.

*Clarification Required:* Accordingly, in its response to this Order, Columbia is directed to clarify if it accepts any other verification from a customer reporting domestic abuse and, if so, identify all forms of verification it accepts. Columbia should also explain what steps it takes to protect the customer's information when domestic violence is reported.

#### **4. Hardship Fund**

Columbia uses the Dollar Energy Fund (DEF) to administer its Hardship Fund. The Hardship Fund provides financial help to residential heating customers who need temporary help in paying a gas bill. Company shareholders, employees, and customers are the primary contributors to the fund. Columbia contributes a dollar-for-dollar match for any ratepayer contributions. Columbia also conducts fundraising activities to increase ratepayer contributions up to \$150,000.

A customer may receive one Hardship Fund grant, up to \$500, per program year. To be eligible, Columbia proposes a customer must meet the following criteria:

- Have a residential gas heating account;
- Total gross household income must be at or below 200% of the FPIG;
- Minimum arrearage balance, as required by DEF;
- Demonstrated sincere payment effort, as required by DEF;
- Must provide income verification; and
- Must first apply for all other available energy assistance resources.

Columbia reports it may make exceptions to the above eligibility criteria based on a customer's special circumstances. Proposed 2024 USECP at 22.

Hardship Fund grants will not be issued to customers who are or have been enrolled in CAP, unless one of the following applies:

- The account is without natural gas service for non-payment during the months of October, November, or December.
- The customer has been out of CAP for more than one year.
- The program has sufficient funding to issue grants by mid-May.

Proposed 2024 USECP at 23.

*a. Hardship Fund Eligibility*

Columbia is proposing to allow DEF to establish minimum payment and balance requirements for Hardship Fund eligibility. Proposed 2024 USECP at 22. The Commission has previously addressed the issue of allowing DEF or another contracted CBO to establish the eligibility criteria for a universal service program. For example, in Duquesne’s 2017 USECP proceeding, the Commission concluded that deferring to DEF’s policies when establishing Hardship Fund requirements was inconsistent with the public utility’s responsibilities under the Electricity Generation Customer Choice and Competition Act (Electric Competition Act):

Section 2804(9) of Title 66<sup>[35]</sup> encourages the use of CBOs “that have the necessary technical and administrative experience to be the *direct providers of services or programs*” (emphasis added). While contracted CBOs may be used to administer universal service programs, the utilities are responsible for setting eligibility requirements, establishing program parameters, and drafting a triennial USECP for Commission approval. A contracted CBO should not dictate the eligibility requirements of a utility’s universal service program.

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<sup>35</sup> The corresponding provision is 66 Pa.C.S. § 2203(8) for natural gas public utilities.

Duquesne Light Company 2017-2019 USECP Order, Docket No. M-2016-2534323 (Order entered on March 23, 2017), at 46.

We have also made similar conclusions in USECP proceedings for Peoples Natural Gas and the FirstEnergy EDCs. *See* Peoples Natural Gas LLC and Peoples Gas LLC 2019-2024 USECP Order, Docket Nos. M-2018-3003177 and M-2020-3021343 (Order entered on May 12, 2022) at 70-75, and Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company Joint 2019-2021 USECP Order, Docket Nos. M-2017-2636969, M-2017-2636973, M-2017-2636976, and M-2017-2636978 (Order entered on May 23, 2019), at 41-43.

Similarly, Columbia is responsible for establishing the eligibility criteria for its Hardship Fund and must list those provisions in its USECP. Hardship Fund eligibility criteria and practices cannot be changed unless approved by the Commission in a universal service proceeding.

*Clarification Required:* Consistent with the discussion above, in its response to this Order, Columbia is directed to provide a full description of its Hardship Fund eligibility criteria, including its specific payment and balance requirements, especially if its practices differ or expand on the criteria listed on page 22 of its Proposed 2024 USECP.

*b. Applying for a Hardship Grant*

Columbia does not explain what methods or means are available for a customer to apply for a Hardship Fund grant (*i.e.*, paper or online application, telephone, or face-to-face meeting).

*Clarification Required:* Accordingly, in its response to this Order, Columbia is directed to clarify all the ways that a customer may apply for a Hardship Fund grant and whether, and to what extent, Columbia accommodates customers who may have difficulty applying.

**C. Projected Needs Assessments**

In compliance with 52 Pa. Code § 62.4(b)(3), the Proposed 2024 USECP includes a needs assessment for Columbia’s universal service programs, which is depicted in Table 3 below.

**Table 3  
Needs Assessment**

1. Estimated number of low-income customers	91,849
2. Identified number of low-income customers	70,084
3. Estimated number of potentially payment-troubled, low-income customers	57,686
4. Identified number of payment-troubled, low-income customers	9,320
5. Estimated number of potential LIURP participants	24,933
6. Cost to serve customers needing LIURP	\$286,455,237

*Source:* Proposed 2024 USECP at 33-35.

*LIURP Needs Assessment*

In the Proposed 2024 USECP, Columbia reports that 24,933 customers meet the LIURP eligibility criteria. Of that total, Columbia identifies 13,531 as property owners and 11,402 as renters. Columbia anticipates that only approximately half of eligible renters (5,701) would receive landlord approval for weatherization services. Proposed 2024 USECP at 36. While the needs assessment identifies the number of current customers who meet LIURP eligibility, it does not identify a breakdown of the factors used to determine this number, relative to screening the pool of confirmed low-income

customers. It is also not clear what factors relevant to the LIURP needs assessment Columbia used to determine its proposed annual LIURP budget. LIURP regulations at subsections 58.4(c)(1)-(4) provide guidelines on the factors that should be considered when determining a LIURP budget.<sup>36</sup>

*Clarification Required:* Accordingly, in response to this Order, Columbia is directed to provide the following additional information related to its LIURP needs assessment:

- The number of known customers with household income between 151% and 200% of the FPIG.
- The number of income-eligible customers who have consumption greater than 170 therms.
- The number of income- and usage-eligible customers who have not received LIURP within the past seven years.
- Of those customers, the number who are ineligible for LIURP due to other reasons (*e.g.*, deferred due to health and safety issues). Each issue and the number of customers it applies to should be identified individually.

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<sup>36</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 [include but are not limited to] the following:

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

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

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

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

52 Pa. Code § 58.4(c).

Columbia is also directed to explain the congruence between the LIURP needs assessment and the determination of its proposed annual LIURP budget.

**D. Projected Enrollment Levels**

Columbia’s projected enrollment levels from 2024 through 2028 are as shown in Table 4 below.

**Table 4  
Projected Enrollment Levels**

<b>Program</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
CAP	25,725	27,011	28,362	29,780	31,000
LIURP	455	455	425	425	425
CARES	400	400	400	400	400
Hardship Fund	1,300	800	800	800	800

*Source:* Proposed 2024 USECP at 36.

*Projected LIURP Enrollments*

As noted above, Columbia projects to serve 455 customers annually in LIURP from 2024 to 2025 and then serve 425 customers annually from 2026 through 2028. Columbia does not provide a reason for the projected decline in annual LIURP customers served beginning in 2026.

*Clarification Required:* Accordingly, in response to this Order, Columbia is directed to explain how its LIURP enrollment projections are calculated and the reason for a projected decline in LIURP enrollments beginning in 2026.

**E. Program Budgets**

Table 5 below shows the proposed program budget levels for 2024-2028.

**Table 5  
Projected Budgets and Spending**

<b>Universal Service Component</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
CAP	\$31,069,394	\$32,682,309	\$34,387,488	\$35,821,225	\$36,940,092
LIURP	\$5,893,673	\$5,893,673	\$5,425,000	\$5,425,000	\$5,425,000
CARES	\$465,000	\$465,000	\$475,000	\$480,000	\$490,000
Hardship Fund	\$675,000	\$300,000	\$300,000	\$300,000	\$300,000
Hardship Fund Administration Costs	\$74,250	\$31,000	\$31,000	\$31,000	\$31,000
<b>Total</b>	<b>\$38,177,307</b>	<b>\$39,371,982</b>	<b>\$40,618,488</b>	<b>\$42,057,225</b>	<b>\$43,186,092</b>
<b>Costs Recovered from Ratepayers*</b>	<b>\$37,428,067</b>	<b>\$39,040,982</b>	<b>\$40,287,488</b>	<b>\$41,726,225</b>	<b>\$42,855,092</b>
Average Monthly Spending per Non-CAP Residential Customer**	\$8.13	\$8.48	\$8.75	\$9.07	\$9.31

*Source:* Proposed 2024 USECP at 16.

\* No funds for the Hardship Fund are recovered through base rates, and therefore this budgeted amount is not counted as part of the “Costs Recovered from Ratepayer” and “Average Monthly Spending per Residential Customers.” We have counted the CARES budget as a recoverable universal service cost in this table, although this may not be the case. We are seeking confirmation from Columbia in this Order.

\*\*Based on 383,433 non-CAP residential customers, as reported by Columbia as of December 31, 2021. *2021 Report on Universal Service Programs & Collections Performance* at 91.

*Clarification Required:* We have already questioned whether Columbia recovers its CARES budget from ratepayers. We are not currently requiring any further clarifications to this aspect of the Proposed 2024 USECP.

## **F. Use of Community-Based Organizations**

The Natural Gas Choice and Competition Act (Natural Gas Competition Act) directs the Commission to “encourage the use of [CBOs] 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 retail gas customers to afford natural gas service.” 66 Pa. C.S. § 2203(8). Columbia utilizes community organizations for the delivery of its CAP, LIURP, CARES, and Hardship Fund programs and for feedback on program practices and policies. Proposed 2024 USECP at 14-15.

### *Loss of Participating CBOs*

In Columbia’s current USECP, it states that 124 CBOs take applications for Columbia’s Hardship Fund program. 2019 USECP at 20. However, Columbia reports in its Proposed 2024 USECP that only 31 CBOs currently take Hardship Fund applications within Columbia’s service territory. Proposed 2024 USECP at 22.

*Clarification Required:* Accordingly, in response to this Order, Columbia is directed to explain the reason for the significant reduction in CBOs that accept Hardship Fund applications. Columbia is also directed to explain whether the loss of these 91 CBOs has impacted the ability of customers to access Hardship Fund grants in its service territory.

## **G. Organizational Structure**

The internal organizational structure for Columbia’s universal service programs includes one Director of Rates and Regulatory Affairs, one Manager of Universal Service, and two Coordinators of Customer and Community Outreach and Education. The programs also includes its Columbia Customer Contact Center, one Energy

Assistance Team Leader, three Energy Assistance Specialists, one Quality Control Coordinator, and one Weatherization Specialist. Proposed 2024 USECP at 13.

#### *Customer Contact Center*

In is Proposed 2024 USECP, Columbia does not provide any details about its Customer Contact Center, including where it is located, the functions of the center, or what staff are working out of the center.

*Clarification Required:* Accordingly, in its response to this Order, Columbia is directed to identify where its Contact Center is located, the key functions of the Contact Center, how many and what employees work at the Contact Center, as well as the responsibilities of those employees.

#### **IV. CONCLUSION**

This Order sets forth aspects that Columbia will need to address prior to our review of its Proposed 2024 USECP. This Order also calls for additional information from Columbia and allows for comments and reply comments from Columbia and interested stakeholders.

We direct Columbia to file and serve its responses and supplemental information within thirty days of the entry date of this Order. To the extent that Columbia has responsive proposals for additional relief or universal service provisions, those proposals, along with revised timelines, enrollments, and cost estimates, must be described in the response to afford other parties the opportunity to comment and reply. If the clarifications provided in response to issues raised in this Order would result in revised language to the 2024 USECP, Columbia is directed to include such draft language in its supplemental information for review. If Columbia cannot implement changes proposed

upon receipt of Commission approval of the 2024 USECP, it must include proposed implementation timeframes for each change as part of its supplemental information.

Comments are due twenty days after Columbias's response and supplemental information filing deadline, and reply comments are due fifteen days thereafter. If the comments and reply comments raise relevant material factual issues, we may refer this matter, in whole or in part, to the Office of Administrative Law Judge for a hearing and decision. This Order does not limit the Commission's authority to order future changes to Columbia's USECP based on evaluation findings, universal service data, rate-making considerations, or other relevant factors; **THEREFORE,**

**IT IS ORDERED:**

1. That approval of the proposed Universal Service and Energy Conservation Plan as filed by Columbia Gas, Inc. on April 5, 2023, is withheld pending Commission review of the requested supplemental information, stakeholder comments, and reply comments, as set forth in this Order.

2. That Columbia Gas Inc. shall file and serve the responses and supplemental information required herein within thirty days of the entry date of this order. All pages of the filed supplemental information, except for a cover letter, must be numbered.

3. That comments to this Order shall be filed within twenty days after the filing deadline for the supplemental information. Reply comments shall be filed within fifteen days thereafter. All pages of filed comments and reply comments, except for a cover letter, must be numbered.

4. That supplemental information, comments, and reply comments may be filed electronically through the Public Utility Commission's efilings system,<sup>37</sup> in which case no paper copy needs to be filed with the Secretary, provided that the filing is less than 250 pages.<sup>38</sup> If you do not efile, then you are required to mail, preferable by overnight delivery, one original filing, signed and dated, with the Commission's Secretary at: Pennsylvania Public Utility Commission, Commonwealth Keystone Building 2nd Floor, 400 North Street, Harrisburg, PA 17120.

5. That an electronic copy, in WORD<sup>®</sup> or WORD<sup>®</sup>-compatible format, of all filed submissions, comments, and reply comments be provided to Norma Bowman, Bureau of Consumer Services, [nobowman@pa.gov](mailto:nobowman@pa.gov); Christina Chase-Pettis, Office of Communications, [cchasepett@pa.gov](mailto:cchasepett@pa.gov); Stephanie Wilson, Law Bureau, [stephwilson@pa.gov](mailto:stephwilson@pa.gov); and Louise Fink Smith, Law Bureau, [finksmith@pa.gov](mailto:finksmith@pa.gov).

6. That Columbia Gas, Inc. is directed to serve its responses to this Order and any comments or reply comments on all parties who received service of this Order.

7. That stakeholders wishing to participate in this proceeding are reminded of the need to file petitions to intervene at the captioned docket if they desire to have party of record status for this docket.

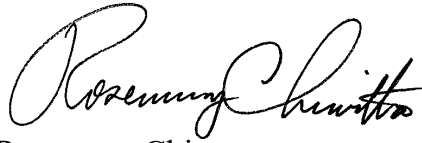
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<sup>37</sup> <https://www.puc.pa.gov/efiling/default.aspx>

<sup>38</sup> If your filing is 250 pages or more, you are required to mail one copy of the filing to the Secretary.

8. That the contact person for this Order is Norma Bowman, Bureau of Consumer Services, 717-705-0621, [nobowman@pa.gov](mailto:nobowman@pa.gov).

**BY THE COMMISSION,**

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

Rosemary Chiavetta

Secretary

(SEAL)

ORDER ADOPTED: June 15, 2023

ORDER ENTERED: June 15, 2023