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August 22, 2023

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: Columbia Gas of Pennsylvania, Inc.
to Proposed 2024-2028 Universal Service and Energy
Conservation Plan
Docket No. M-2023-3039487**

Dear Secretary Chiavetta:

Enclosed for filing please find Columbia Gas of Pennsylvania, Inc.'s Reply Comments in response to the Order dated June 15, 2023 in the above referenced docket.

Should you have any questions, please do not hesitate to contact the undersigned at (223) 488-0794.

Very truly yours,

Candis A. Tunilo

/kak

Enclosures

cc: Parties of Record (w/enc.)
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CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant).

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Dated: August 22, 2023


Candis A. Tunilo

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Columbia Gas of Pennsylvania, Inc. :
Universal Service and Energy : Docket No. M-2023-3039487
Conservation Plan for 2024-2028 :

**COLUMBIA GAS OF PENNSYLVANIA, INC.’S
REPLY COMMENTS**

I. INTRODUCTION

On or about March 31, 2023,¹ Columbia Gas of Pennsylvania, Inc. (“Columbia” or “Company”) filed its proposed Universal Service and Energy Conservation Plan for 2024-2028 (“Proposed 2024-2028 Plan” or “USECP”) in compliance with 52 Pa. Code § 62.4, relating to natural gas universal service and energy conservation reporting requirements. On June 15, 2023, the Public Utility Commission (“PUC” or “Commission”) entered an Order Directing Supplemental Information and Establishing a Comment Period (“USECP Order”) identifying issues in Columbia’s Proposed 2024-2028 Plan that required further attention and inviting stakeholders to comment on issues raised in the USECP Order or the USECP. On July 17, 2023, Columbia submitted Supplemental Information in response to the USECP Order. Thereafter, on August 7, 2023, the Pennsylvania Office of Consumer Advocate (“OCA”) and the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania (“CAUSE-PA”) filed comments regarding Columbia’s USECP. Columbia submits these Reply Comments to the recommendations, issues and concerns raised by the OCA and CAUSE-PA in their comments.

At the outset, Columbia submits that the comments submitted by the OCA and CAUSE-PA are voluminous, and as such, the Company may not reply to each and every item or sub-item

¹ Thereafter, on or about April 4, 2023, Columbia filed an updated USECP that included page numbers.

identified in comments. The lack of a specific reply, however, should not be interpreted as acquiescence by Columbia. Rather, in such instances, Columbia relies on the Proposed 2024-2028 Plan and Supplemental Information already submitted in this proceeding. The Company makes every attempt to balance how to keep those in need with natural gas service and the costs that other residential ratepayers must incur to do so, while complying with the law. Further, Columbia constantly seeks opportunities to create efficiencies for customers and streamline administration of the USECP and is willing to continue working with stakeholders, the Commission and other utilities to find and implement such opportunities.

To the extent that CAUSE-PA requests the opportunity to submit additional comments after reviewing these reply comments,² Columbia opposes the requests. In addition to its USECP consisting of approximately 59 pages of information regarding the Company's programs and proposed program changes, Columbia provided approximately 41 pages of Supplemental Information in response to the USECP Order. Further, Columbia regularly engages with its Universal Services Advisory Council ("USAC") by sharing information and seeking recommendations from stakeholders, including CAUSE-PA. As such, prolonging this process with another round of comments is not necessary, and the requests should be rejected.

Additionally, to the extent that CAUSE-PA or the OCA requests an order for ongoing implementation reporting requirements or additional opportunities to revisit the Company's Commission-approved USECP,³ Columbia opposes the requests. In general, the five-year USECP cycle implemented by the Commission provides sufficient time for plan changes to be applied and

² See e.g. CAUSE-PA Comments at 10 (CAP rate options); 36 (CAP/LIURP coordination); 38 (CAP consent and data sharing); 46 (Emergency Repair Program parameters); and 49 (LIURP contractor training).

³ See e.g. CAUSE-PA Comments at 22 (provide "Other Income Form" to USAC for input); 53-54 (collect, track and disaggregate LIURP inspection data); 56 (regarding CARES engagement and training); and 62 (CBOs survey). See e.g. OCA Comments at 12-13 (USECP costs).

results thereof to be analyzed to determine if the changes are meeting anticipated goals. Reviewing and changing the USECP mid-plan removes the ability to fully analyze the effects of changes and is therefore, inefficient. Further, plan changes usually have costs associated with them, which are passed onto non-CAP residential ratepayers. Currently, Columbia has one of the most robust and highly funded USECPs among natural gas and electric utilities in Pennsylvania, with each non-CAP residential ratepayer contributing approximately \$107 in 2022 just to fund universal service programs. Therefore, great care should be taken when determining whether and how often USECP changes should be made, and as such, CAUSE-PA's and OCA's requests in this regard should be rejected.

Finally, CAUSE-PA and the OCA rely on the Commission's recently revised CAP Policy Statement (2020) as authority for certain "requirements" in Columbia's USECP. As stated in the CAP Policy Statement (2020), it is intended to "provide *guidance* for utilities in the operation of their CAPs." *See* 50 Pa. B. 1652. (Emphasis added). It is well-established that Commission policy statements are not regulations and do not have the force and effect of law; instead, policy statements provide the Commission with flexibility to modify the guidance in appropriate circumstances. *See e.g. Pa. PUC v. PGW*, Docket No. R-00061931, 2007 Pa. PUC LEXIS 45, *194-95 (Order entered Sept. 28, 2007). Columbia submits that to the extent that its Customer Assistance Program ("CAP") waivers from the guidance set forth in the CAP Policy Statement (2020), such modification is appropriate when viewing the CAP as a whole and when considering Columbia's USECP, Supplemental Information and these Reply Comments.

II. REPLY COMMENTS

A. CAP

1. CAP Energy Burdens

In Comments, the OCA and CAUSE-PA both indicate their support of Columbia's proposed CAP energy burdens in the USECP. OCA Comments at 10; CAUSE-PA Comments at 8. The OCA and CAUSE-PA, however, question why the projected Percentage of Income Payment ("PIP") payment for customers at 51-100% of federal poverty level ("FPL") is increasing when the proposed PIP energy burden is decreasing. OCA Comments at 10-11; CAUSE-PA Comments at 8.

Columbia's redesign of the payment plans proposes to eliminate the Average of 12-months of Payments ("AoP") option and raise the Percent of Bill ("PoB") option for customers at or above 51% FPL from 50% of bill to 75% of bill. Participants previously enrolled in the AoP option will be reallocated to the lower of a 4% or 6% PIP or the PoB plan. Columbia submits that when payments were calculated for the 51-100% FPL group using the proposed energy burdens, and taking into account the change in the PoB plan from 50% to 75% of bill, many customers were moved from the PoB plan to the 6% of income PIP as the lowest payment plan available. In many cases, these customers had higher incomes than the customers in the current 7% of income PIP that is proposed to be the 6% of income PIP in this USECP. As such, the projected PIP payment for the proposed 6% PIP tier is higher because the average income of these customers is higher.

Also in Comments, CAUSE-PA recommends that Columbia justify the proposed elimination of the AoP option or keep the plan. CAUSE-PA Comments at 9-10. The Company submits that the proposed USECP CAP plans and energy burdens were developed to closely coincide with the CAP Policy Statement (2020) while also being mindful to control costs overall. The Company's proposed changes should be viewed and analyzed as a unit and not as ala carte options. Columbia determined that continuing to offer the 50% PoB option to the higher two income tiers (51-100% FPL and 100%+ FPL) provided an even greater benefit to some of the

customers than recommended in the CAP Policy Statement (2020) at a significant cost to those paying for the benefits. More specifically, if the AoP option were retained at the proposed energy burdens, the CAP shortfall would increase by \$1,928,000. As explained in Columbia's Supplemental Information at page 4, the Company's low CAP default rates support the premise that the Company's existing CAP plans are affordable to most CAP customers. Therefore, it is not appropriate to continue to offer a plan that would reduce CAP bills for customers well below what is affordable.

2. CAP Plus and CAP co-pay

The OCA and CAUSE-PA both recommend that Columbia's CAP Plus and \$5 co-pay be eliminated. OCA Comments at 13-15; CAUSE-PA Comments at 10-14. As Columbia explained in pages 5 through 6 of its Supplemental Information:

[D]ue to the annual change to the CAP Plus, there may be times where CAP customers' bills exceed the applicable energy burdens set forth in the USECP. It is important to note that a minimum LIHEAP grant is more than the current annual CAP Plus and co-pays combined.

According to CAUSE-PA, these charges "result in categorically unaffordable rates that exceed the Commission's established energy burdens," which is "both unjust and unreasonable." CAUSE-PA Comments at 11. According to the OCA, it is not relevant or material that the minimum LIHEAP grant more than covers the current CAP Plus and co-pays. OCA Comments at 15.

Columbia opposes the recommendations to eliminate the CAP Plus and co-pay. Using the current CAP Plus amount of \$10, if eliminated the CAP shortfall would increase by \$2,943,840.⁴ If the \$5 co-pay is eliminated, the CAP shortfall would increase by \$420,000.

In July 2023, the Company was required to refund \$542,000 to the Department of Human Services ("DHS"). These funds represented unused LIHEAP grants that were provided to

⁴ Columbia's current CAP enrollment is 24,532. (24,532 * \$10 CAP Plus per month * 12 months = \$2,943,840).

Columbia's CAP customers. These funds also represented funds that could have been used to decrease the CAP shortfall if energy burdens were slightly higher than the current burdens (and the proposed energy burdens are even lower than current burdens). If the CAP Plus is eliminated, this refund to DHS would have been even higher, and the cost to non-CAP residential ratepayers for the CAP program would have been higher as well. The CAP customer obtaining LIHEAP and assigning it to Columbia would see no impact, as they are not being asked to pay anything because their LIHEAP grant is paying for the entire CAP bill.

Columbia submits that this illustrates that CAP customers are receiving more financial benefits than necessary to keep their gas utility service on – all at the expense of the non-CAP residential customer. The CAP Plus and co-pay are important cost-control measures that do not (and will not) create unaffordable bills as feared by the OCA and CAUSE-PA. Instead, the CAP Plus and co-pay help provide meaningful balance in helping low-income customers keep gas service with keeping the costs of the program as low as possible for those that pay for it. As such, recommendations to eliminate the CAP Plus and co-pay should be rejected.

3. Security deposits

The OCA and CAUSE-PA discuss Columbia's practices regarding security deposits and question whether they comply with law, regulations and the 2021 base rate case settlement. See OCA Comments at 21-23; CAUSE-PA Comments at 15-19. Columbia explained its security deposit practices on pages 6 through 7 of its Supplemental Information and confirmed that the Company does not require security deposits from any applicants confirmed to be eligible for CAP, as required by 52 Pa. Code § 56.32(e). Columbia further provided:

Section 56.53(f) requires a utility to refund a deposit, along with any applicable interest, within 60 days of determining that the customer or applicant from whom a deposit was collected is eligible for the utility's CAP. 52 Pa. Code § 56.53(f). Subsections (c), (d) and (e) permit utilities to deduct outstanding balances

prior to returning any remaining security deposit amounts to customers. 52 Pa. Code §§ 56.53(c), (d) and (e). When a security deposit exists on an account where a customer affirms desire to enter Columbia's CAP and provides the necessary documentation to do so, the Company deducts any outstanding balance from the deposit and returns or credits any positive difference plus any applicable interest to the customer within 60 days. Columbia submits that this process complies with Section 56.53, when read in its entirety, and is an integral cost control tool for CAP. At this time, customers with account credits related to a security deposit must request to have it refunded to them directly. At that time, the Company will comply with their request.

Columbia Suppl. Info. at 7.

The OCA challenges the legality of Columbia's approach, claiming that the Company must give the CAP-eligible applicant the choice to have the security deposit refunded or applied to the arrears. OCA Comments at 23. Similarly, CAUSE-PA claims that Columbia should release security deposits to customers in all instances where the Company receives information that a household is eligible for CAP. CAUSE-PA Comments at 17. Further, CAUSE-PA asserts that Columbia should return, in full, all previously collected deposits for all CAP-eligible customers. *Id.* at 17-18.

Columbia submits that OCA's and CAUSE-PA's reading of the regulations is too narrow. Their interpretation would require the Company to immediately refund an entire security deposit to CAP-eligible households, regardless of the household's arrears level, so that the household would have the deposit for use as discretionary funds and obligate such arrears to non-CAP residential ratepayers. Meanwhile, the Company may deduct outstanding balances from security deposits for non-CAP eligible households in the same exact position. See 52 Pa. Code §§ 56.53(c), (d) and (e). This interpretation creates an inappropriate windfall for CAP-eligible households with security deposits and needlessly increases the CAP pre-program arrears. Furthermore, the law prohibits utilities from "mak[ing] or grant[ing] any unreasonable preference or advantage to any person" as to rates. See 66 Pa. C.S. § 1304. The regulations regarding security deposits for

customers determined to be eligible for CAP, if read as narrowly as proffered by OCA and CAUSE-PA, would create an unreasonable preference or advantage for CAP-eligible customers in violation of Section 1304.

With regard to the 2021 rate case settlement language referenced on page 16 of CAUSE-PA's Comments as requiring Columbia to refund deposits to confirmed low-income customers, there is nothing in the settlement language referencing arrears. Therefore, CAUSE-PA's reading of the language is too narrow for the same reasons stated above. As such, Columbia complies with the law and regulations in its management of security deposits. OCA's and CAUSE-PA's recommendations regarding Columbia's handling of security deposits must be rejected.

4. Definition of "Household Income"

In Comments, OCA and CAUSE-PA disagree with Columbia's position that unearned income received for the benefit of minors should be included in the definition of "household income." See OCA Comments at 17-20; CAUSE-PA Comments at 19-22. The Commission has already opined that Columbia's inclusion of unearned income received by an adult for the benefit of a child in "household income" is appropriate because such income "is meant to assist with basic care and household living expenses, which include utilities."⁵

As Columbia provided in its Supplemental Information, this interpretation is consistent with the meaning of "household income" used by DHS. See Columbia Suppl. Info. at 9. Furthermore, if these types of income were not included in the definition, for the many customers whose only source of funds is unearned income for the benefit of minors, they would be identified in Columbia's automated system as "zero income" households and would, therefore, be required to reverify income every six months. Id. at 9-10. This outcome is not efficient for Columbia's CAP

⁵ *See Columbia Gas of Pennsylvania, Inc. Universal Service and Energy Conservation Plan for 2019-2021 et al.*, Docket Nos. M-2018-2645401 *et al.*, Order at 14-15 (Aug. 8, 2019).

and is frustrating for these customers. As such, Columbia submits that OCA's and CAUSE-PA's assertions in this regard should be rejected. If, however, the Commission opines that the statutory definition requires that unearned income received on behalf of a child be excluded from household income, Columbia submits that a waiver from that requirement is appropriate in this instance and requests that the Commission grant the waiver.

5. Proof of Identification

In Comments, the OCA asserts that Columbia should clarify CAP application identification requirements, as there appears to be an inconsistency in the USECP. OCA Comments at 24. Generally, OCA supports the Company's position that identification will only be required from the applicant and not all members of the household. *Id.* CAUSE-PA opposes any applicant identification requirement, or in the alternative, that Columbia should expand its list of acceptable identification documentation. CAUSE-PA Comments at 23-25.

To be clear, Columbia has always been, and will continue to be, willing to work with customers and as such, endeavors to accept any and all types of identification. The Company opposes removing the identification requirement for applicants, as it is an important tool to ensure that the correct customer account is being targeted for CAP enrollment.

B. Customer Education and Outreach Plan ("CEOP")

In Comments, CAUSE-PA indicated that it is generally supportive of Columbia's CEOP. CAUSE-PA Comments at 39. CAUSE-PA, however, makes recommendations regarding further engagement with landlords and tenants. *Id.* More specifically, CAUSE-PA recommends that Columbia be directed to engage in multiple outreach events targeting to landlords and tenants annually. *Id.* In Comments, the OCA recommends that Columbia implement permanent quarterly

events hosted by Columbia and additional monthly events hosted by community partners with Columbia's assistance. OCA Comments at 28.

To reiterate, Columbia reports CEOP efforts at every USAC meeting and solicits stakeholder feedback and suggestions. See e.g. OCA Comments at 26. Further, Columbia engages in other specific outreach to low income and payment-troubled customers mentioned in the OCA's and CAUSE-PA's Comments. See e.g. OCA Comments at 27-28; CAUSE-PA Comments at 40. Columbia will continue to do so going forward.

With regard to additional events recommended in Comments, however, in the Company's experience, a bigger draw than just utility assistance is necessary to increase attendance at such events. Often the incentives include food and raffles or door prizes. As such, it is more efficient and effective to partner with others for events. The Company often shares the cost of food and the venue with other community partners and utilities. Larger events, such as food bank distributions, legislative fairs and senior fairs can justify a higher sponsorship cost for Columbia.

If holding its own event, the Company would need to support the entire cost, which would be a minimum of approximately \$2,000 per event. Further, a Company-sponsored event would require significant promotion and advertising costs. Yet, some of the smaller grass roots events will only gather a group of maybe 30 attendees, not all of whom are Columbia customers. Of the 93 in-person events so far this year, 24 events had less than 30 attendees. It is expected that the same could be expected for the Company events recommended by CAUSE-PA and the OCA.

Columbia submits that it is more efficient and a better use of ratepayer funds to engage in and support multi-vendor events, such as food bank distributions, legislative fairs, senior fairs, and "Be Utility Wise" events. The Company currently spends upwards of \$7,000 sponsoring "Be Utility Wise" events coordinated with the Public Utility Commission and all other utilities. An

event separate from these multi-vendor events would be duplicative and costly with little expectation of meaningful results. As such, recommendations for regular Company-sponsored events should be rejected.

C. LIURP

1. Participation and Budget

In Comments, the OCA details its concerns that Columbia has not shown that the proposed LIURP budget is sufficient to meet needs. OCA Comments at 36-38. OCA recommends that the Commission require Columbia to determine an appropriate budget and that such budget be set as an initial budget to be revisited throughout the USECP to account for increased needs and increased costs.⁶ Id. at 38. OCA notes its concern about Columbia’s low LIURP enrollments. Id.

In Comments, CAUSE-PA asserts that CAP customers should not be removed from the program for failing to engage in LIURP services when no exemption from participation is applicable. CAUSE-PA Comments at 34-36. According to CAUSE-PA, removal from CAP is too harsh a penalty for those who choose not to participate. Id. at 36.

Columbia submits that its proposed LIURP budget is adequate to meet needs considering that it can be difficult to obtain enrollments into the program.⁷ Because it can be difficult to obtain customer cooperation, it is integral that CAP removal be the consequence for failure to cooperate without a legitimate exemption. Without consequences, Columbia submits that very few, if any, customers would cooperate in the receipt of LIURP weatherization. Columbia’s USECP does not

⁶ The OCA also recommends that a process be developed for all gas and electric utilities to inform stakeholders every two years of the sufficiency of LIURP budgets and permit comments from stakeholders. OCA Comments at 38. Columbia submits that the Company’s USECP is not the forum to seek industry-wide changes. Rather, such recommendations should be addressed in the separate LIURP rulemaking proceeding at Docket No. L-2016-2557886 (“LIURP NOPR”).

⁷ For the same reason, it is not appropriate to increase the Company’s Health and Safety Pilot Program budget from \$400,000 to \$600,000 annually, as recommended by CAUSE-PA and OCA. *See* CAUSE-PA Comments at 40-41; OCA Comments at 35.

include maximum CAP credits, so CAP removal is truly the only leverage that the Company has to meaningfully encourage LIURP participation. Further, it is important to note that other entities provide weatherization backed by state and federal funding, so Columbia is not the only entity customers in need can turn to for weatherization assistance. Consequently, any concern that Columbia will not serve all eligible households in a reasonable amount of time is misplaced. For these reasons, OCA's and CAUSE-PA's recommendations should be rejected.

2. Landlord Permission

In Comments, CAUSE-PA recommends that the Company be directed to include the language set forth in 52 Pa. Code § 58.8(a) to its landlord LIURP consent form, tenant brochure and letter. CAUSE-PA Comments at 47-48. Section 58.8(a) provides that with regard to LIURP, a landlord shall 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 also that “the tenant will not be evicted for a stated period of time at least 12 months after the installation of the program measures” so long as the tenant otherwise complies with ongoing obligations and responsibilities to the landlord. *See* 52 Pa. Code § 58.8(a).

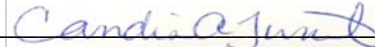
Of note, the Commission proposes to revise Section 58.8(a) in the LIURP NOPR proceeding to make it optional, rather than required. *See* LIURP NOPR, Notice of Proposed Rulemaking at 54 (May 18, 2023). Columbia supports this change to the regulation and opposes including the language in its landlord LIURP consent form, tenant brochure and letter as part of this USECP. Columbia submits that the language may be a barrier to obtaining landlord consent to weatherization. Further, it is unclear how Columbia would monitor whether tenants that received LIURP were later evicted and if so, determine the reason for eviction with accuracy. Additionally,

it is arguable whether Columbia could insert itself into a landlord/tenant eviction matter to enforce the regulation. As such, CAUSE-PA's recommendation should be rejected.

III. CONCLUSION

Columbia appreciates the opportunity to respond to the comments submitted by the OCA and CAUSE-PA regarding the Company's USECP. Although there is not consensus on all aspects of the Company's proposed USECP, the Company submits that it has put forth a plan that complies with the requirements of 52 Pa. Code §§ 62.1-62.5. Columbia respectfully requests that the Commission enter a Final Order approving the Company's USECP for 2024-2028.

Respectfully submitted,
COLUMBIA GAS OF PENNSYLVANIA, INC.



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