

COMMONWEALTH OF PENNSYLVANIA



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August 22, 2023

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

Re: 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

Dear Secretary Chiavetta:

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

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

Respectfully submitted,

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Certificate of Service

*4867-7248-8823

CERTIFICATE OF SERVICE

Columbia Gas of Pennsylvania, Inc. Universal :
Service and Energy Conservation Plan for : Docket No. M-2023-3039487
2024-2028 Submitted in Compliance with :
52 Pa. Code § 62.4 :

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

Dated this 22nd day of August 2023.

SERVICE BY E-MAIL ONLY

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Columbia Gas of Pennsylvania, Inc. Universal :
Service and Energy Conservation Plan for : Docket No. M-2023-3039487
2024-2028 Submitted in Compliance with :
52 Pa. Code § 62.4 :

REPLY COMMENTS
OF THE
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I. INTRODUCTION

The Office of Consumer Advocate (OCA) files these Reply Comments¹ pursuant to the directive in the Commission's Order Directing Supplemental Information and Establishing Comment Period (*June 14, 2023 Order*).²

A. Background

On April 5, 2023, Columbia Gas of Pennsylvania Inc. (Columbia) filed a proposed Universal Service and Energy Conservation Plan (USECP) for 2024-2028 (*Proposed 2024-2028 USECP*).³

On August 7, 2023, the OCA and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) filed Comments. In these Reply Comments, the OCA responds to the Comments filed by CAUSE-PA regarding Columbia's: (1) Average Payment and Percent of Budget Bill CAP rate options; (2) CAP Plus and Pre-Program Arrearage forgiveness co-payment charges; (3) final bill policy; (4) proof of household income for LIURP customers; (5) Outreach and Education Coordinator; (6) DHS data sharing program; (7) Emergency Repair Program; and (8) low-income customer tracking.

¹ The OCA was assisted in the preparation of these Comments by its consultant, Roger D. Colton, and its regulatory analyst, Nicholas DeMarco. Roger Colton is a principal in the firm of Fisher, Sheehan & Colton, Public Finance and General Economics. Mr. Colton provides technical assistance to a variety of public utilities, state agencies, and consumer organizations on rate and customer service issues for telephone, water/sewer, natural gas and electric utilities. Mr. Colton's work focuses on low-income energy issues, and he has testified and published extensively in this area.

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² *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 (June 15, 2023) (*June 15, 2023 Order*).

A complete procedural history of Columbia's USECP has been set forth in the OCA's Comments at pages 1-5. See also *June 15, 2023 Order* at 2-11.

II. REPLY COMMENTS

- A. The OCA Supports CAUSE-PA's Recommendation that Columbia Maintain its Current Alternative Percent of Budget Bill and Average of Payments CAP Rate Options.

In its Comments, CAUSE-PA recommended that Columbia maintain its current alternative Percentage of Budget Bill (POBB) and Average of Payments CAP rate options. CAUSE-PA Comments at 9-10. CAUSE-PA stated that, in addition to its Percentage of Income Payment (PIP) CAP rate, Columbia offers three alternative payment options: (1) a minimum payment option; (2) average of payments, and (3) a percent of budget bill. CAUSE-PA Comments at 9. CAUSE-PA noted that that Columbia is proposing to eliminate the average of payment option and amend the POBB to charge customers with income between 51-150% of the Federal Poverty Level (FPL) 75% of the total budget bill instead of the current charge of 50% of the budget bill. *Id.* CAUSE-PA further noted that Columbia's data indicates that the average of payments CAP payment plan is more affordable than the POBB plan and that, given Columbia's proposal to also reduce the discount available to POBB participants with income between 51-150% FPL, it is reasonable to assume that the average of payments plan would remain the second most affordable CAP payment option after the PIP. CAUSE-PA Comments at 9. The OCA agrees.

As such, CAUSE-PA recommended that the Commission direct Columbia to retain current average of payments and POBB rate options without amendment. CAUSE-PA Comments at 10. CAUSE-PA noted a heightened concern with Columbia's proposal to eliminate its average of payment rate and increase its current POBB rate given that Columbia projects that the average POBB rate exceeds the average PIP rate for households with income between 0-100% FPL. CAUSE-PA states that Columbia has not offered any explanation to support or justify its decision and has not explained whether its POBB rate as amended will result in an energy burden standard that is at or below the household's applicable PIP rate. CAUSE-PA Comments at 9-10. As a result,

CAUSE-PA alternatively recommends that the Commission direct Columbia to provide justification for its proposal to eliminate its average of payments and increase its POBB rate and allow additional time for interested parties to file responsive comments.

The OCA supports CAUSE-PA's recommendations. The OCA notes that the decision as to whether to keep the average payments option should be driven primarily by the rate impact on the customer's bill. If a payment option assists low-income customers in affording essential natural gas utility service, the payment option should not be eliminated or altered. Moreover, the lack of a clear explanation as to why affordable payment options are being eliminated or modified to the disadvantage of low-income customers without a clear explanation is concerning.

B. The OCA Supports CAUSE-PA's suggestion concerning refunds to customers upon elimination of the co-payment component of arrearage forgiveness.

In its Comments, CAUSE-PA strongly opposed continuation of both the CAP Plus charge and the PPA co-pay. CAUSE-PA Comments at 10-14. This is consistent with the OCA's Comments which also recommended that Columbia eliminate CAP Plus and the \$5 PPA co-pay from its plan. OCA Comments at 13-15. In its Comments, CAUSE-PA recognized that the elimination of Columbia's co-payment may require further programming and recommended that the Commission provide Columbia with a reasonable timeframe – not to exceed six months – to make the necessary programming changes to eliminate the monthly co-payment and that the Commission should require Columbia to issue a refund for the amount collected during this transition period. CAUSE-PA Comments at 14.

After reviewing CAUSE-PA's comments, the OCA agrees that a refund is appropriate in the event that CAP Plus and/or the arrearage forgiveness fee is eliminated. The OCA notes that the Commission found it reasonable and in the public interest to require Peoples Gas Companies (Peoples) to issue reimbursement credits to CAP customers who are billed \$5 monthly PPA co-

payment charges for a maximum of \$35 in credits issued per customer if the implementation of the plan to eliminate the PPA co-payment charges requires seven months. *Peoples Natural Gas Company LLC Universal Service and Energy Conservation Plan for 2019-2024*, Docket No. M-2018-3003177, Order at 5 (Aug. 25, 2022). The OCA notes that Peoples experienced a delay when implementing the elimination of CAP Plus due to technical issues. Similarly, it is reasonable and in the public interest to provide credits to customers during the transition period from CAP Plus to CAP in the event that Columbia's CAP Plus plan is eliminated.

C. The OCA Supports CAUSE-PA's Comments Regarding Columbia's Final Bill Policy.

As noted in CAUSE-PA's Comments, currently, Columbia does not issue final bills to CAP customers unless the balance includes any remaining pre-program arrears. CAUSE-PA Comments at 26. CAUSE-PA supported Columbia's existing final bill methodology which only charges customers their remaining PPA balance at the time a final bill is issued. CAUSE-PA Comments at 26. The OCA also supports Columbia's existing final billing practice. While Columbia indicated that its current final billing practice has not changed since the Commission's CAP Final Billing Policy, as an alternative to the current practice, Columbia also proposed that the final CAP bill be calculated based on pro-rated usage plus the customer charge capped at the customer's maximum CAP payment. CAUSE-PA Comments at 26. CAUSE-PA identified concerns with Columbia's proposed alternative to the current practice, and the OCA shares CAUSE-PA's concerns regarding Columbia's proposed alternative.

The *CAP Final Billing Order*⁴ anticipated that a Company would charge the customer the rate most beneficial to the customer. The *CAP Final Billing Order* provided:

⁴ *Staff Review of Customer Assistance Program Final Billing Methods*, Docket No. M-2019-3010190, Order (March 12, 2020) (*CAP Final Billing Order*).

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

CAP Final Billing Order at 22; *see PGW 2023-2027 USECP Order* at 21-22.

Columbia's proposed alternative to its existing final billing practice would calculate the final cap bill to be calculated based on pro-rated usage plus the customer charge capped at the customer's maximum CAP payment. CAUSE-PA noted that Columbia's proposed alternative final billing policy would impose full tariffed rates for the partial month of service. CAUSE-PA Comments at 27. CAUSE-PA further noted that, when service to a CAP customer is involuntarily terminated or voluntarily disconnected, resulting in the issuance of a final bill, their status as a low income household does not change and neither should their rates. *Id.* Moreover, while Columbia proposes to cap the rate charged at the customer's applicable CAP rate, such a policy would result in many CAP customers paying for a full month of service even if their service was terminated or disconnected much earlier in the billing cycle. *Id.* Simply put, Columbia's proposed alternative is not the rate most beneficial to the customer.

For the reasons set forth above Columbia's proposed alternative should be rejected and the OCA supports CAUSE-PA's recommendation that Columbia maintain its existing final billing practice.

D. CAP Customers Should Not Be Required to Provide Proof of Income to LIURP Contractors.

CAUSE-PA noted that in a Columbia letter which is sent to customers to provide them with LIURP contractor contact information, customers are told that they will need to provide the LIURP

contractor with proof of income for all household members. CAUSE-PA Comments at 33. As CAP customers are required to provide proof of information to be enrolled in and recertified for CAP, CAUSE-PA recommended elimination of the requirement to verify household income information for CAP customers enrolling in LIURP and that Columbia's Proposed 2024-2028 USECP should be revised to reflect the elimination of the requirement that CAP customers must verify household income for LIURP. *Id.*

The OCA supports CAUSE-PA's recommendation. Additionally, the OCA seeks further clarification as to whether Columbia is requiring proof of household income for customers at 151-200% FPL or all customers including those enrolled in CAP.

E. Columbia's Outreach & Education Coordinator Should Not Be The Final Decisionmaker For Low-Income Customers.

Columbia explained that each CAP customer who refuses LIURP services will be contacted by Columbia's Outreach and Education Coordinator (O&E Coordinator), who then determines if barriers may be eliminated or if the job should be deferred. CAUSE-PA Comments at 34. The O&E Coordinator "determines if the customer should not be removed from CAP or if the customer is creating barriers to weatherization just to avoid the inconveniences and needs the added incentive to cooperate in the LIURP process" CAUSE-PA Comments at 34 *citing* Supplemental Information at 14. CAUSE-PA states that Columbia's O&E Coordinator should not act as a final arbiter as to whether a CAP participant has legitimate concerns related to the delivery of LIURP services. CAUSE-PA Comments at 34.

CAUSE-PA recommends that a CAP participant's assertion of any provision listed as a "legitimate exemption" should be accepted without further evaluation by the O&E Coordinator. CAUSE-PA Comments at 34. The OCA agrees. While it may be reasonable for Columbia to make inquiries to establish the existence of one of the exemptions, the OCA agrees that where a customer

asserts and demonstrates that a reason for an exemption exists the exemption should be honored by Columbia.

F. Columbia Should be Required to Utilize the Department of Human Service’s Data Sharing Program.

CAUSE-PA notes in its Comments that Pennsylvania’s Department of Human Services (DHS) is in the final stages of developing a data sharing policy and protocol, and that DHS intends to start sharing data for LIHEAP recipients at the start of the 2024-2025 LIHEAP program year. CAUSE-PA Comments at 37. CAUSE-PA recommended that Columbia add specific language to both its Proposed 2024-2028 USECP and its CAP Customer Agreement Form unambiguously describing the data sharing process in the former and including specific language obtaining consent in the latter. CAUSE-PA Comments at 38. CAUSE-PA noted that the language should be sufficiently detailed to ensure that the customer’s data is only used for purposes of cross-enrollment or recertifications in a utility-run universal service and will not be used, shared, or sold to third parties for any other purpose. CAUSE-PA Comments at 38. CAUSE-PA suggested that Columbia look towards the draft language that DHS plans to utilize. *Id.* CAUSE-PA additionally recommended that the Commission afford interested parties the opportunity to provide supplemental comments in response to Columbia’s draft consent language and data sharing policies for inclusion in its Proposed 2024-2028 USECP. CAUSE-PA *Id.*

The OCA supports CAUSE-PA’s recommendations. Sharing data between DHS and Columbia ensures that customers who have already been identified as low-income get the assistance they need in order to maintain essential natural gas service. Additionally, data sharing helps reduce both costs and barriers associated with obtaining redundant information.

G. The OCA Supports Classification of Columbia’s Emergency Repair Program As A Universal Service Program.

CAUSE-PA disagrees with Columbia's assessment that the Emergency Repair Program (ERP) is not a universal service program.⁵ CAUSE-PA Comments at 45. The ERP provides service for eligible property owners who are without heat due to a gas line leak, water tank issue, or inoperable heating system. Supplemental Information at 27. Qualified participants will receive repair or replacement of faulty heating equipment, hot water tanks, and/or gas lines. Supplemental Information at 27-28. This program is for emergencies only and not intended to assist new homeowners with existing, known faulty equipment. Supplemental Information at 28.

CAUSE-PA recommended that Columbia include the ERP in its Proposed 2024-2028 USECP complete with the program application process, eligibility criteria, projected budget, and enrollment levels. CAUSE-PA Comments at 46. CAUSE-PA further recommends that the Commission should allow interested parties the opportunity to file supplemental comments in response to this information. *Id.*

The OCA supports CAUSE-PA's recommendations. Moreover, the OCA notes that, in addition to CAUSE-PA's citation to Peoples Gas' inclusion of an ERP in its USECP, both PGW⁶ and UGI Gas have ERPs included in their respective USECPs. *See Pa. PUC v. UGI Utilities, Inc – Gas Division*, Docket No. R-2019-3015162, Order at 4 (Oct. 8, 2020); *Petition of UGI Utilities, Inc. – Gas Division for Expedited Approvals*, Docket No. P-2021-3023839, Order at 7-8; *Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2023-2027*, Docket No. M-2021-3029323, Order at 54-58 (Jan. 12, 2023).

⁵ The Natural Gas Choice and Competition Act defines "**Universal service and energy conservation.**" Policies, practices and services that help residential low-income retail gas customers and other residential retail gas customers experiencing temporary emergencies, as defined by the commission, to maintain natural gas supply and distribution services. The term includes retail gas customer assistance programs, termination of service protections and consumer protection policies and services that help residential low-income customers and other residential customers experiencing temporary emergencies to reduce or manage energy consumption in a cost-effective manner, such as the low-income usage reduction programs and consumer education. 66 Pa. C.S. § 2202.

⁶ PGW's Repair and Renew Program is essentially the same as Columbia's ERP.

H. The OCA Supports CAUSE-PA's Recommended Improvements to Columbia's Low-Income Customers Tracking and Screening to Better Analyze the Needs of Its Low-Income Customers.

CAUSE-PA noted wide discrepancies between Columbia's estimated low-income count of 91,849 customers as compared to 70,084 low-income customers who have self-declared income or have income verified through LIHEAP or CAP. CAUSE-PA Comments at 54. CAUSE-PA recommended that Columbia should be directed to expand its efforts to identify and track its low-income customer population. *See* CAUSE-PA Comments at 55-56.

The OCA supports CAUSE-PA's recommendations to improve Columbia's efforts to identify and track its low-income customers. Identifying and tracking low-income customers is the first important step towards targeting outreach and education about CAP to eligible non-participants. CAP, and the resultant more affordable bill and arrearage forgiveness, are crucial tools to help ensure that low-income customers can maintain essential natural gas service. Identifying and tracking low-income customers is especially important in light of the significant reductions in Community Based Organizations (CBOs) that accept Hardship Fund Applications. *See* CAUSE-PA Comments at 61-62. The number of CBOs that take applications for Columbia's Hardship Fund program have dropped from 124 CBOs to only 92 CBOs. June 15, 2023 Order at 40; Supplemental Information at 40. Similar to CAUSE-PA and the Commission, the OCA is concerned that this significant drop in CBO participation could negatively impact customers.

III. CONCLUSION

The OCA appreciates the opportunity to Comment on Columbia's Universal Service & Energy Conservation Plan, as well as the *Supplemental Information* provided by Columbia Gas in response to the Commission's June 15, 2023 Order. The OCA respectfully submits that its Comments, Reply Comments, and recommendations contained therein should be adopted.

Respectfully submitted,

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