

COMMONWEALTH OF PENNSYLVANIA



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September 19, 2023

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

Re: Petition to Amend Universal Services
and Energy Conservation Plan
Docket No. P-2023-3041929

Peoples Natural Gas Company LLC
Universal Service and Energy Conservation
Plan For 2019-2024
Docket No. M-2018-3003177

Peoples Gas Company LLC Universal
Service and Energy Conservation Plan
For 2019-2024
Docket No. M-2020-3021343

Amendment to Peoples Natural Gas
Company LLC Universal Service and
Energy Conservation Plan For 2015-2018
Docket No. P-2020-3017641

Peoples Natural Gas Company LLC
Universal Service and Energy Conservation
Plan For 2015-2018
Docket No. M-2014-2432515

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Answer to the Petition of Peoples Natural Gas Company LLC in the above-referenced proceedings. As required under the Commission's regulations, the Office of Consumer Advocate's Answer is accompanied by a verification in accordance with 52 Pa. Code Section 1.36.

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

Respectfully submitted,

/s/ Christy M. Appleby
Christy M. Appleby
Senior Assistant Consumer Advocate
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Enclosures:

cc: Office of Administrative Law Judge (**email only:** crainey@pa.gov)
Office of Special Assistants (**email only:** ra-OSA@pa.gov)
Paul Diskin, TUS (**email only:** pdiskin@pa.gov)
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Louise Fink Smith, Law Bureau (**email only:** finksmith@pa.gov)
Certificate of Service

*4872-3511-9232, v. 1

CERTIFICATE OF SERVICE

Petition to Amend Universal Services : Docket No. P-2023-3041929
And Energy Conservation Plan :

Peoples Natural Gas Company LLC :
Universal Service and Energy Conservation Plan : Docket No. M-2018-3003177
For 2019-2024 :

Peoples Gas Company LLC :
Universal Service and Energy Conservation Plan : Docket No. M-2020-3021343
For 2019-2024 :

Amendment to Peoples Natural Gas Company LLC :
Universal Service and Energy Conservation Plan : Docket No. P-2020-3017641
For 2015-2018 :

Peoples Natural Gas Company LLC :
Universal Service and Energy Conservation Plan : Docket No. M-2014-2432515
For 2015-2018 :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Answer to Peoples Natural Gas Company LLC Petition to Amend, 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 19th day of September 2023.

SERVICE BY E-MAIL ONLY

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555 Walnut Street
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Phone: (717) 783-5048
Dated: September 19, 2023
*4883-7887-4222, v. 2

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition to Amend Universal Services And Energy Conservation Plan	:	Docket No. P-2023-3041929
	:	
Peoples Natural Gas Company LLC Universal Service and Energy Conservation Plan For 2019-2024	:	Docket No. M-2018-3003177
	:	
Peoples Gas Company LLC Universal Service and Energy Conservation Plan For 2019-2024	:	Docket No. M-2020-3021343
	:	
Amendment to Peoples Natural Gas Company LLC Universal Service and Energy Conservation Plan For 2015-2018	:	Docket No. P-2020-3017641
	:	
Peoples Natural Gas Company LLC Universal Service and Energy Conservation Plan For 2015-2018	:	Docket No. M-2014-2432515
	:	

ANSWER OF THE
OFFICE OF CONSUMER ADVOCATE

Pursuant to Section 5.61(e) of the Pennsylvania Public Utility Commission’s (PUC or Commission) regulations, 52 Pa. Code § 5.61(e), the Office of Consumer Advocate (OCA) provides the following Answer to the Petition of Peoples Natural Gas Company (Peoples or Company) to Amend its Universal Service and Energy Conservation Plan (USCEP).

I. INTRODUCTION

On August 30, 2023, Peoples filed with the Commission its Petition to Amend its USECP.¹

In its Petition, Peoples requests to clarify the relationship between its Emergency Furnace and

¹ The OCA notes that the cover letter identifies the original letter date as July 26, 2023. Counsel identified that the Company did not provide service on July 26, 2023 to all parties to the proceeding below and refiled the Petition on August 30, 2023 with appropriate service to all parties. The Commission docketed the Petition on August 30, 2023.

Service Line Repair program (EFSLR) and its Low Income Usage Reduction Program (LIURP). Peoples requests to clarify that its EFSLR is not intended to be a pilot program and that it should be considered a stand-alone program separate and apart from its LIURP. The OCA agrees that clarification is necessary as the Company's current interpretation of the EFSLR program is inconsistent with the Commission's Final Order regarding Peoples' USECP.

The OCA supports the continuation of the EFSLR without the designation as a pilot program and agrees that the pilot designation may no longer be necessary. The program has been in existence for more than a decade and provides an important benefit to low-income customers, but the OCA believes that the program should be included as a part of LIURP.

II. ANSWER

Peoples requests to Amend its USECP to remove the pilot program designation from its EFSLR program and to include it in the USECP as an independent program. In its Petition, the Company discusses the history of the EFSLR program. Petition ¶¶ 1-3. The EFSLR program was initially approved as a part of Peoples Natural Gas Company's base rate proceeding at Docket No.R-2011-2021702 in June 2011. Petition ¶ 1. On July 16, 2014, Peoples filed a combined USECP for 2015-2017 that merged the prior USECP for Peoples Natural Gas and the former Equitable division not one Plan. Petition ¶ 1.

In June of 2018, as the Company was completing its preparations to file its next USECP, Peoples met with the Bureau of Consumer Services staff to preview the Plan and to gather input on the components of the USECP, including "the format." Petition ¶ 2. People claims that it was advised that all of the programs must be located under an existing "umbrella" of a Commission-approved program, either CAP, CARES, LIURP, or the Hardship Fund, and the EFSLR was placed under the LIURP heading. Petition ¶ 2. In the Petition, Peoples states:

[a]t no time as it discussed that this program would be treated as a pilot, given that it was established as a permanent program 7 years prior to the meeting and was independently in the tariff under Rider F for cost recovery purposes, as well as in the prior USECP. It was Peoples' understanding that this was a format request only, as Peoples would not have proposed this program as a pilot, given that it was already permanent and was not at all associated with LURP eligibility or LIURP budgets.

Petition ¶ 2.

The OCA does not have an objection to the removal of the pilot program designation. The Commission's May 12, 2022 Order approving Peoples' current USECP characterized the program as a "pilot program under LIURP." The Commission's May 2022 Order provided that:

[w]e recognize that the EFSLR Program Pilot provides beneficial services to low-income customers, including those who may be outside traditional LIURP eligibility. Having reviewed the data collected from these pilot programs and taking into consideration of the effectiveness, customer need, and costs, we do not oppose allowing the Peoples Companies to continue the EFSLR Program as a pilot under LIURP through the duration of the 2019 USECP. However, the EFSLR program has been a stand-alone or pilot program for over 10 years. The Peoples Companies should have sufficient data to determine whether they want to make this program a permanent part of its LIURP. Accordingly, by or before its next USECP filing, we direct the Peoples Companies to either propose incorporating EFSLR Program Pilot as a permanent part of its LIURP or propose to discontinue the program, with justifications for either proposal.

Order at 66. In its Petition, Peoples states that it was the Company's intention to clarify the program's status in the next USECP filing. Petition ¶ 3. In the next USECP filing, Peoples planned to list the the program separately, as it does in Rider F in the tariff, and identify that the program is independent of LIURP and funded separately through the universal services rider. Petition ¶ 3.

In its Petition, Peoples states that on May 24, 2023, BCS staff contacted Peoples about not including information about the EFSLR in its 2022 LIURP Spending and Data Production Requests. Petition at 4. When Peoples identified that the program was not a pilot and a permanent independent program, Peoples avers that it was told by BCS to file the instant Petition to request authority from the Commission. Petition ¶ 4.

The OCA agrees with BCS that the program should be identified under the LIURP heading. The Petition does not provide any reasons why the Company needs to move the EFSLR program into a separate heading outside of the LIURP program budget. The OCA believes that the program is appropriately located under the umbrella of LIURP. The OCA agrees with the BCS interpretation of the Commission's regulations that there are only four programs under the universal services programs, CAP, CARES, LIURP, and the Hardship Fund, and the program should be located under the heading of one of the programs.

Other natural gas utilities have similar repair and replacement programs and have identified the programs under the LIURP heading. For example, Columbia Gas of Pennsylvania (Columbia) has an "Inoperable Heating Systems Pilot" that provides for the repair and replacement of heating systems, similar to Peoples' program. *Columbia 2019-2021 USECP*, Docket No. M-2018-2645401, Plan at 19 (Nov. 15, 2019). National Fuel Gas Distribution Corporation (NFGD) also has an Emergency Repair Replacement Program (ERRP) as a part of its LIURP. *NFGD 2022-206 USECP*, Docket No. M-2019-3012601 Plan at 35-36 (Oct. 12, 2022). NFGD's ERRP is not labeled as a pilot program. *Id.* Philadelphia Gas Works also has a new pilot furnace replacement program, Repair and Renew, under its LIURP. *PGW Further Revised USECP 2023-2027*, Docket No. M-2021-3029323, Plan at 26-27 (July 11, 2023).

The OCA also believes that it is important that annual spending data be provided to BCS so that the levels of spending and numbers of repairs and replacements can be tracked by the Commission. The reports will allow the Commission to evaluate the program's operation and effectiveness. While the OCA does not believe that the program needs to be identified as a pilot, the OCA does believe that it is important to track these elements.

The OCA strongly believes that the repair and replacement program is an important component of LIURP to help customers to maintain service. The purpose of the universal services program is to help ensure customers have access to safe and affordable utility service. An inoperable heating system or heating system in need of repair impacts the customer's ability to sustain service and undermines the purpose of the universal service programs. A more efficient heating system will ultimately help to ensure that the household's usage is efficient.

III. CONCLUSION

The Office of Consumer Advocate respectfully requests that Peoples' Emergency Furnace and Service Line Repair program remain as a part of the Company's LIURP. The OCA does not object to the Petition to Amend's request to remove the pilot program designation.

Respectfully Submitted,

/s/ Christy M. Appleby
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Counsel for:
Patrick M. Cicero
Consumer Advocate

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DATE: September 19, 2023

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PENNSYLVANIA PUBLIC UTILITY COMMISSION

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Peoples Natural Gas Company LLC	:	
Universal Service and Energy Conservation Plan For 2015-2018	:	Docket No. M-2014-2432515
	:	

VERIFICATION

I, Patrick M. Cicero, hereby state that the facts set forth in the Office of Consumer Advocate's Answer to Peoples Natural Gas Company LLC, are true and correct (or are true and correct to the best of my knowledge, information, and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: September 19, 2023

Signature: 
Patrick M. Cicero
Consumer Advocate

Address: Office of Consumer Advocate
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4876-0605-2992, v. 1