

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17120**

**Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Office of Consumer Advocate
Office of Small Business Advocate
Philadelphia Industrial and Commercial
Gas User Group
Grays Ferry Cogeneration Partnership
and Vicinity Energy Philadelphia, Inc.
James M. Williford**

**Public Meeting held November 9, 2023
3037933-OSA
Docket No. R-2023-3037933**

v.

Philadelphia Gas Works

**Grays Ferry Cogeneration Partnership
and Vicinity Energy, Inc.**

v.

Philadelphia Gas Works

STATEMENT OF COMMISSIONER KATHRYN L. ZERFUSS

The Commission is making a determination today on Philadelphia Gas Works' (PGW) request to increase its total annual operating revenues by approximately \$85,162,000, or approximately 10.2%, based on a fully projected future test year ending August 31, 2024. Initially, I would like to thank the Administrative Law Judges and the Office of Special Assistants for the time and effort they put into presenting thorough, well-reasoned, and carefully considered recommendations to the Commission in this fully-contested base rate case. In addition, the parties in this proceeding are to be commended for developing a complete and thorough record upon which the Commission may base its decision.

I support the staff's recommendation to approve a notably smaller annual revenue increase of \$26,201,000 to the Company's *pro forma* revenue at present rates of \$832,370,000, or approximately 3.15%. While this increase is smaller than that requested by PGW, any rate increase has an impact on the daily lives of public utility customers, and it is important for the Commission to ensure that appropriate customer protections and benefits are in place to assist customers with paying their bills and maintaining their utility service. I am glad that the parties took the opportunity to fully vet affordability issues affecting PGW's customers, particularly because the record shows that PGW's percentage of confirmed low-income customers is higher

than any other Pennsylvania natural gas or electric utility. PGW St. 1-R at 6; PUC 2021 Universal Service Report at 7. The staff has recommended appropriately that consideration of customer service issues is particularly important in this base rate proceeding, because many of these issues are specific to PGW's customers. In addition, delaying customers needed relief until PGW's next Universal Service and Energy Conservation Plan proceeding could result in denying low-income customers relief in the meantime.

I take this opportunity to highlight some of the important customer protections and benefits that will result from this base rate proceeding, as follows:

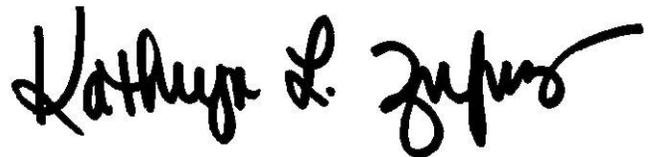
- PGW will prepare and submit a report to the Commission, outlining how it intends to maintain or improve its current call center responsiveness.
- PGW will improve its identification of low-income customers in its universal service programs by adopting the Commission's Bureau of Consumer Services' census-based estimated low-income customer count and use such data to increase its Customer Responsibility Program (CRP)¹ enrollment and evaluate the effectiveness of PGW's universal service program outreach and participation.
- PGW will prepare and submit to the Commission for approval data sharing and coordination plans to enhance PGW's customer service to low-income customers and applicants, as follows:
 - Plans for outreach to assist with enrollment in CRP as part of its annual cold weather surveys, if possible, beginning with the pre-December 2023 survey;
 - Plans to use LIHEAP enrollment data already in its possession to confirm customers' low-income status, to guide outreach efforts, and to facilitate enrollment and retention in CRP;
 - Plans to confirm customers' low-income status as promptly and efficiently as possible, using data sharing and in coordination with the Pennsylvania Department of Human Services and the City of Philadelphia Department of Revenue;
 - Plans to develop auto-enrollment and/or cross-processes that facilitate and simplify enrollment of customers in CRP;
 - Plans to use shared data to enhance and guide outreach efforts;
 - Plans to use shared data to facilitate enrollment and retention in CRP; and

¹ The CRP is PGW's Customer Assistance Program, which may provide lower bills and arrearage forgiveness for low-income residential customers.

- Plans to expand its collaboration relating to data sharing and coordination to include other state and city agencies and entities.

These customer protections and benefits are consistent with the Commission's recent interests in improving coordination and efficiencies within our public utilities' universal service programs, including our recently formed universal service working group, and maximizing the allocated dollars for these programs to the benefit of residential customers. I also believe it is crucial for public utilities to identify and provide outreach to customers that qualify for universal service programs and to ensure that they are properly enrolled, and stay enrolled, in these programs. It is important for PGW to implement these protections and benefits, particularly since the record in this case demonstrates that as of December 2022, less than half of the customers that PGW has identified as low-income, and less than one-third of PGW's estimated low-income customers, were enrolled in CRP. CAUSE-PA St. 1 at 14-15. PGW should strive to improve CRP participation, especially in light of the rate increase customers will experience as a result of this proceeding.

DATE: November 9, 2023

A handwritten signature in black ink, reading "Kathryn L. Zeffuss". The signature is written in a cursive, flowing style.

Kathryn L. Zeffuss, Commissioner