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December 28, 2023

Via Electronic Filing

Rosemary Chiavetta, Secretary
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2023-2027
Submitted in Compliance with 52 Pa. Code § 62.4, Docket No. M-2021-3029323

Dear Secretary Chiavetta:

Enclosed for electronic filing please find Philadelphia Gas Works' ("PGW") Petition for Extension of Implementation of Timelines for Three Changes to its Customer Responsibility Program with regard to the above-referenced matter. Copies to be served in accordance with the attached Certificate of Service.

Sincerely,

/s/ *Lauren M. Burge*

Lauren M. Burge

Enclosure

cc: Norma Bowman, Bureau of Consumer Services (nobowman@pa.gov)
Christina Chase-Pettis, Office of Communications (cchasepett@pa.gov)
Louise Fink Smith, Law Bureau (finksmith@pa.gov)
Certificate of Service (Email Only)

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of PGW's Petition for Extension of Implementation of Timelines for Three Changes to its Customer Responsibility Program upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

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Dated: December 28, 2023

/s/ *Lauren M. Burge*

Lauren M. Burge, Esq.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Philadelphia Gas Works Universal Service :
and Energy Conservation Plan for 2023-2027 : Docket No. M-2021-3029323
Submitted in Compliance with 52 Pa. Code :
§ 62.4 :

**PETITION OF PHILADELPHIA GAS WORKS
FOR EXTENSION OF IMPLEMENTATION TIMELINES
FOR THREE CHANGES TO ITS CUSTOMER RESPONSIBILITY PROGRAM**

I. INTRODUCTION

Philadelphia Gas Works (“PGW”) respectfully requests an additional extension of time of the July 1, 2024 deadline to put into effect three of the eight revisions to its current Customer Responsibility Program (“CRP”) as directed by the Commission’s Order on Reconsideration entered March 16, 2023 (“*March 16 Order*”).¹ These three revisions include: (1) PGW’s proposed expansion of the CRP recertification timeline for non-Low-Income Home Energy Assistance Programs (“LIHEAP”) participants from every one year to every two years, which the Commission approved; (2) reviewing CRP bills quarterly to determine whether the household is charged the lowest billing amount; and, (3) charging CRP customers no more than their prorated CRP billing amount for usage incurred during their final billing period.² PGW estimates that these three changes could be implemented before early spring 2025.

The reason for the requested extension is because implementation of PGW’s new Customer Information System (“CIS”) has been delayed to the end of the 2024-2025 heating

¹ *March 16 Order* at 8.

² As set forth in PGW’s Implementation Timeline filed at this docket, the other five CRP changes required by the *March 16 Order* are either completed or on track to be completed within six months, by June 30, 2024.

season due to project factors not wholly in PGW’s control. PGW has completed or is on track to complete the other five required CRP-related changes consistent with Commission directives. Further, PGW has the requirements in place in the current build of the new CIS to implement the three changes subject to this Petition once the new CIS goes live. Requiring PGW to develop an interim and temporary solution via the current system pending final CIS installation would be extremely costly, inefficient, and time consuming for staff on a daily basis who will already be inundated with the training and learning that necessarily goes along with installation of a new CIS. Also, and just as importantly, attempting to implement a “work around” within the current system on an interim basis would create significant room for error, particularly for the quarterly review and final bill changes, as well as significant confusion for consumers.

For all these reasons, as explained more fully below, PGW respectfully requests that the Commission grant this Petition and permit it to implement the identified three CRP changes upon final installation of its new CIS. Consistent with the Commission’s prior directive, PGW would file monthly reports on the status of its progress until implementation.

II. BACKGROUND

1. On October 29, 2021, PGW filed its proposed 2023-2027 Universal Service and Energy Conservation Plan (“USECP”). After receiving additional information and stakeholder comments, the Commission entered an Order adjudicating the USECP on January 12, 2023 (“*January 12 Order*”).
2. On January 27, 2023, PGW filed a Petition for Reconsideration of the *January 12 Order*.
3. On March 16, 2023, the Commission entered its Order on Reconsideration, in which PGW’s Petition for Reconsideration was granted in part and denied in part.

4. In particular, the *March 16 Order* recognized that certain changes needed to be delayed until after PGW’s new CIS is implemented.³ The Commission provided additional time for PGW to implement eight specific changes to its CRP, and directed PGW to file a timeline on or before December 31, 2023 to implement those eight changes within six months of filing the timeline.⁴

5. On July 11, 2023, PGW filed its Further Revised USECP for 2023-2027 which incorporated the required changes pursuant to the *January 12 Order* and the *March 16 Order*.

6. Simultaneous with filing this Petition, PGW is filing the required Implementation Timeline, which shows that the other five CRP changes required by the *March 16 Order* are either completed or on track to be completed by June 30, 2024.

III. OVERALL REQUEST FOR EXTENSION

7. As PGW has previously explained in its USECP filing and in Reply Comments,⁵ it is currently in the process of replacing its Customer Information System (“CIS”). This is a total system replacement. As such, PGW’s current CIS will be discontinued and is currently not being modified in preparation for the new system go live. PGW cannot implement system changes to the existing CIS because doing so would add a high level of risk and cost to a successful implementation of the new CIS. The Commission has previously recognized the need for flexibility in USECP implementation timelines. For example, the *Staff Report Summarizing Public Comments, Feedback and Suggestions Regarding Universal Service and Energy Conservation Programs* states:

³ See *March 16 Order* at 8, 15.

⁴ See *March 16 Order* at Ordering Para. 2.

⁵ See PGW Reply Comments at 2.

Each of the above makes similar comments such as: needing time for utilities to evaluate a USECP's effectiveness before proposing a new USECP; having flexibility in implementing pilot programs; noting that the USECP approval process is lengthy, and USECPs are sometimes delayed past the starting date; providing BCS with sufficient time for initial review prior to formal Commission action; changing a utility's almost constant state of "planning"; allowing USECPs to be effective for a certain time period after approval before resubmitting the next proposed USECP; and reducing the Commission's workload.⁶

8. PGW had anticipated that the CIS replacement project will be completed by fall/winter 2023 but also made clear that there was some possibility that the implementation timeline may be altered.⁷ Implementation has in fact been delayed until approximately early winter 2024, or at the latest the end of the 2024-2025 heating season. Given PGW's status as a municipally owned entity, the new system has to incorporate significant complexity in order to address both Commission and municipal lien requirements and this may not have been fully appreciated at the start of the project. PGW currently estimates that the revisions subject to this Petition could go live with the new system in late fall/winter of 2024-25.

9. While the specific challenges presented by each of the three revisions is discussed further below, the overall impacts of attempting to create an interim solution prior to the new system need to be understood. Importantly, any "work around" that PGW could devise to effectuate the required revisions to the CRP until the new system is in place would be temporary, costly, prone to error, and less efficient than what is on track to be implemented with the new CIS. Devising these work arounds would necessarily divert staff who are vital to assuring the success of the new CIS. The need for these staff resources to be available during the

⁶ Staff Report Summarizing Public Comments, Feedback and Suggestions Regarding Universal Service and Energy Conservation Programs (March 28, 2018), Docket No. M-2017-2596907, at 48.

⁷ See PGW Petition for Reconsideration at 3-4.

implementation of the CIS to address technical and functional issues as well as to test and assist and train other staff members for the new CIS is critical. PGW lacks the staff resources that would be needed to implement and conduct a work around solution that would only be temporary in nature and far less efficient than the final processes that will be put in place.

10. As discussed further below, if manual solutions could be devised, their implementation would divert staff resources to work those processes when they will already be required to spend substantial time and effort testing and learning the new CIS system. PGW submits this is not an efficient or prudent use of staff resources or ratepayer money.

11. Finally, any “work around” manual processes that could even be implemented would be confusing for customers who would need to be educated about the new processes. Again, these processes would only be implemented on a temporary basis and would be prone to error. The manual processes would result in confusing work arounds, like issuing customers multiple bills, resulting in unnecessary customer confusion. Also, it is important to emphasize that education and addressing customer confusion will require additional support from PGW’s customer service operations. As explained above, this diversion of resources would come at a difficult time as the new CIS implementation is underway and staff will need to be focused on learning the new system as well as ensuring completion of their normal day-to-day duties.

12. PGW submits that granting this Petition is in the public interest given the overall impacts to its customers and staff that would result from developing, implementing and educating consumers about temporary work arounds that would be prone to error (if even achievable, as indicated below). The specific difficulties with each of the three revisions is discussed further below to detail the practical implementation difficulties facing PGW and its ratepayers if the Commission were to deny this Petition.

IV. ISSUES WITH SPECIFIC CHANGES SUBJECT TO THIS PETITION

A. Expanding the CRP recertification timeline for non-LIHEAP participants from every one year to every two years

13. Consistent with PGW's proposed revisions, the Commission allowed PGW to expand the CRP recertification timeframe for non-LIHEAP participants from one year to every two years.

14. Implementation of the new recertification timeline for non-LIHEAP participants from a one year to a two year cycle would require PGW to evaluate the current status of all its CRP participants on a manual basis with every bill cycle, each month until the new system goes live. Once identified, each impacted customer account would need to be modified manually. In addition, PGW would need to develop a method to explain this change to customers, and retrain all staff on this temporary process. There is no process built into the current system to streamline this review and modification. Given the transition currently underway between the old and new systems, PGW is not able to implement any new programming change to the current system in an effort to automate the work that would need to be done. As of the end of November 2023, there were approximately 55,530 participants in PGW's CRP.

15. As an alternative, PGW could discontinue the requirement that CRP customers recertify. However, this means that with go live of the new system, recertification requirements would restart immediately. Based on PGW's experience during the pandemic, a large scale restart can result in significant customer confusion and additional work. This would occur at the time of the new implementation, when customer service representatives will already be working on understanding and executing customer requests with the new system. A reasonable expectation is that the extra work from restarting recertifications with the new system is that customer recertifications will not be able to be addressed in a reasonable and timely manner.

16. Manually reviewing and documenting each of these accounts on a regular basis would be laborious and an unnecessary use of PGW's ratepayer resources. PGW has logic built into the new system to automate this evaluation of CRP accounts when the new CIS goes live. At that point, PGW will be able to classify all CRP accounts into the appropriate recertification timeline without the need to divert precious resources from other projects and/or day-to-day duties.

17. For all these reasons, PGW submits that the Commission should grant this Petition and permit it an extension of the deadline to implement the new recertification timelines upon implementation of the new CIS which PGW estimated will be completed before early Spring 2025. As an alternative if required to implement this change now, PGW requests discontinuing the requirement to recertify for all CRP customers until the new system goes live.

B. Reviewing CRP bills quarterly to determine whether the household is charged the correct billing amount

18. PGW agreed in its 2020 Rate Case Settlement to review its CRP monthly bill amounts quarterly upon implementation of its new CIS.⁸ In the *January 12 Order*, the Commission directed PGW to clarify that the review of the CRP bill will determine whether the household is charged the correct billing amount beginning with the implementation of the new CIS system.⁹ While the Commission also acknowledged the then-anticipated implementation date of September 30, 2023 for the new CIS, it also permitted PGW to inform the Commission if an extension was necessary.¹⁰

19. As explained previously, implementation of the new CIS has been delayed until

⁸ Docket No. R-2020-3017206, Rate Case Settlement at 13, ¶33(c).

⁹ *January 12 Order* at 40.

¹⁰ *January 12 Order* at 40.

the end of the 2024-2025 heating season and, therefore, PGW respectfully requests an extension of the date to implement the quarterly review of CRP bills as part of the new CIS implementation, consistent with the terms of the 2020 Rate Case Settlement. Reviewing each and every CRP participant bill on a daily, bill cycle basis to determine whether the household has been charged the correct billing amount would be incredibly time consuming and inefficient. Essentially, it is not achievable manually and would modify the structure of the CRP and give forgiveness for CRP bill arrears. Once identified, each account would need to be manually adjusted prior to billing, or a new bill would need to be issued if customer service representatives are unable to keep up with this increased workload. In order to do this manually, the customer's CRP would need to be restarted as a new CRP plan with new effective and recertification dates, and any CRP bill arrears would convert to pre-program arrears subject to forgiveness. PGW has no other method at present to accomplish this type of review in a systematic or manually correct manner. It is highly inadvisable to make changes in this manner, it would unnecessarily increase the universal service surcharge (for the CRP bills now subject to forgiveness), and PGW is concerned that there is a heightened risk of manual errors.

20. Given that the 2020 Rate Case Settlement terms required this change with the new CIS, PGW submits it is reasonable to grant this Petition and permit an extension of time for PGW to make this change. To be clear, logic has been built into the new CIS to result in an automated and efficient process whereby CRP bills will be reviewed on a quarterly basis to determine whether the household is charged the correct billing amount and to redress the issue going forward.

C. **Charging CRP customers no more than their prorated CRP billing amount for usage incurred during their final billing period**

21. In the *January 12 Order*, the Commission directed PGW to charge CRP

participants no more than their prorated CRP billing amount for usage incurred during their final billing period and directed that PGW implement this change no later than December 1, 2023.¹¹ On reconsideration, the Commission agreed to postpone the change until after the new CIS is implemented but directed that implementation should occur no later than July 1, 2024.¹²

22. PGW's current CIS cannot charge customers based on their prorated CRP billing amount for usage incurred during their final billing period. As explained previously, PGW cannot implement processes changes into the current CIS system as it is undergoing the transition to a new CIS. While PGW has considered other alternatives to implement in the short term, all of the solutions involve significant, laborious manual processes that are prone to error and will result in customer confusion.

23. Under a manual process, PGW must first issue a final bill to the customer as currently done. Then, on a daily basis, PGW would need to manually evaluate each issued final bill and cancel it and issue a new bill if warranted. The calculation is not simple, as the employee would need to break the amount into a per day amount for actual use and for the PIPP amount and calculate it by the cycle days for comparison. PGW estimates that in some months this could be hundreds (approaching a thousand or more) of customers and PGW would have no other option but to manually review each of these bills and reissue them to the customers. The issuance of two "final" bills would be costly. It would also be very confusing for customers who would likely contact PGW's customer service center to understand their payment requirements.

¹¹ *January 12 Order* at 25.

¹² *March 16 Order* at 15-16.

V. CONCLUSION

For the foregoing reasons, PGW respectfully requests that the Commission grant this Petition and grant an extension of time to implement the following three CRP revisions when the new CIS goes live: (1) expanding the CRP recertification timeline for non-LIHEAP participants from everyone one year to every two years; (2) reviewing CRP bills quarterly to determine whether the household is charged the correct billing amount; and, (3) charging CRP customers no more than their prorated CRP billing amount for usage incurred during their final billing period. PGW anticipates that these revisions will be operational before early Spring 2025. Requiring PGW to work within the current CIS which it is in the process of phasing out to develop a short-term workaround to each of these CRP revisions is not practical, would be confusing to customers, and would result in an unnecessary and costly use of staff resources. PGW ratepayers would bear these unnecessary costs.

Respectfully Submitted,

/s/ Lauren M. Burge

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Dated: December 28, 2023

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