



January 17, 2024

Via Efiling

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 the **Joint Answer of The Tenant Union Representative Network And The Coalition For Affordable Utility Services And Energy Efficiency In Pennsylvania To The Petition Of Philadelphia Gas Works For Extension Of Implementation Timelines For Three Changes To Its Customer Responsibility Program** in the above referenced proceeding. Copies to be served in accordance with the attached Certificate of Service.

Sincerely,
/s/ Vikram Patel
Vikram Patel, Esquire
Attorney ID No. 324387

Cc: Certificate of Service
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BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

CERTIFICATE OF SERVICE

I hereby certify that I have, on this day, served copies of the **Joint Answer of The Tenant Union Representative Network And The Coalition For Affordable Utility Services And Energy Efficiency In Pennsylvania To The Petition Of Philadelphia Gas Works For Extension Of Implementation Timelines For Three Changes To Its Customer Responsibility Program** in the above captioned matter upon the following persons and in accordance with the requirements of 52 Pa. Code § 1.54.

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January 17, 2024

Respectfully submitted,
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I. INTRODUCTION

On January 12, 2023, the Public Utility Commission (“PUC” or “Commission”) issued an Order (“January 12 Order”) approving Philadelphia Gas Works’ (“PGW”) Universal Service and Energy Conservation Plan (“USECP”) for 2023 to 2027. The January 12 Order directed PGW to make several changes to the Customer Responsibility Program (“CRP”) including (1) reviewing CRP bills quarterly to determine whether the participating household is charged the correct billing amount beginning September 30, 2023 unless granted an extension by the PUC; (2) charging CRP customers no more than their prorated CRP billing amount for usage incurred during their final billing period beginning no later than December 1, 2023; and, (3) expanding the CRP recertification timeframe for non-Low-Income Home Energy Assistance Program (“LIHEAP”) participants from every year to every two years.¹

On January 27, 2023, PGW filed a petition for reconsideration stating that it was implementing a new customer information system (“CIS”) and that the above “system changes... cannot be made until after the CIS replacement is complete.”² PGW asked that implementation of the above changes be pushed back until after the new CIS has been implemented. At that time, PGW anticipated that “the CIS replacement project will be completed by fall/winter 2023.”³ On March 16, 2023, the PUC issued an Order (“March 16 Order”) granting PGW’s petition in part and requiring that PGW file an implementation timeline for the changes to CRP before December 31, 2023, and to implement those changes within six months of filing that implementation timeline, by June 30, 2024 at the latest.⁴

¹ January 12 Order at 96.

² January 27 PGW Petition for Reconsideration at 10.

³ *Id* at 7.

⁴ March 16 Order at 24.

On December 28, 2023, right before the deadline for PGW to file its CRP implementation timeline, PGW instead filed its Petition for an Extension (“Petition”) asking that the deadline for implementation of the above-described CRP changes be further delayed until Spring 2025.⁵ PGW waited until right before the deadline to file this Petition despite knowing for months that implementation of its CIS was significantly delayed. Indeed, PGW notified the Philadelphia Gas Commission on September 28, 2023 of its need for supplemental budget authority to complete its CIS replacement project, stating that the “go-live” date had been delayed until November 2024. Accordingly, at that time PGW was aware it would not be able to fulfill the requirements of the March 16 Order. PGW now asserts that implementation has been pushed back even further to Spring 2025.

During this delay, PGW proposes to continue, contrary to the January 12 Order and March 16 Order, to: fail to review CRP customers’ bills quarterly to determine whether they are receiving the most affordable billing alternative; charge a full-month’s CRP billing amount to partial final billing months; and, impose recertification obligations that are unreasonable and contrary to the approved USECP. Due solely to its purported technological delays, PGW submits that the improvements to CRP that the Commission has ordered it to deliver to CRP participants should again be further postponed.

As further outlined below, the Tenant Union Representative Network (“TURN”) and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”) submit that the Commission should deny PGW’s Petition for an Extension and require PGW to deliver the benefits of CRP improvements required by the Commission’s January 12 Order.

⁵ Petition at 10.

II. ANSWER TO PETITION

A. Quarterly Review of CRP Billing Amount

In Settlement of its 2020 base rate case, PGW agreed to “review and adjust CRP asked to pay amounts quarterly, and increase/decrease the asked to pay amount if there has been a change in the average bill amount” as part of its “new CIS Implementation.”⁶ PGW currently estimates that it should be able to implement this change to CRP sometime in Spring 2025, more than four and a half years later. The Commission has previously found that evaluating CAP payment calculations at least once per quarter, as opposed to longer intervals, is more likely to result in CAP customers receiving the most appropriate bill.⁷ Despite this, PGW has delayed implementation of this change to CRP for years.

In its Petition, PGW submits that implementing a manual quarterly review of CRP billing amounts would result in an increase in the universal service surcharge, as it would require “restarting” CRP and recalculating pre-program arrears.⁸ This assertion by PGW should be disregarded, as it is a wholly unsupported and unverified factual assertion.⁹ Absent a verification, it is impossible to determine who at PGW attests to the fact that implementing a manual process would cause an increase to PGW’s universal service surcharge. As discussed below, TURN/CAUSE-PA submit this assertion is incorrect. Notably, PGW provides no data quantifying its bald and unverified assertions regarding the cost impact of ordering manual CRP

⁶ This term was approved by Commission Order on November 19, 2020. *See* Pa. PUC et. al v. Philadelphia Gas Works, PUC Docket No. R-2020-3017206, Opinion and Order (Nov. 19, 2020) at 32, available at <https://www.puc.pa.gov/pdocs/1684745.docx>.

⁷ See 2019 Amendments to Policy Statement on Customer Assistance Program, 52 Pa. Code §§ 69.261-69.267, Final Policy Statement and Order, Docket No. M-2019-3012599 (November 2019 Order at 74-75).

⁸ Petition at ¶19.

⁹ 52 Pa. Code §1.36 (requiring verification).

rate adjustments – concluding merely that it would be “highly inadvisable” to require that PGW manually adjust CRP rates to ensure CRP participants are receiving a just and reasonable rate.

The quarterly adjustment process, as required by the Commission’s January 12 Order, does not affect the calculation of preprogram arrears, but instead adjusts ongoing billing amounts to ensure CRP customers are paying the most advantageous CRP rate available consistent with section 1303 of the Public Utility Code.¹⁰ Given PGW’s existing practices, PGW’s assertion that “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”¹¹ is not plausible. When a customer on CRP recertifies, either on an annual basis or every six months for zero-income customers, their pre-program arrears do not get adjusted in the manner PGW has described, even when the ongoing billing amount changes. In addition, PGW adjusts CRP billing amounts when a customer submits a new application or reports a change in household income or composition. To our knowledge, PGW has never previously asserted that these processes impact a participant’s pre-program arrearage forgiveness. Accordingly, even if some aspect of the process is manual, PGW’s current billing system should allow it to change the amount a CRP customer is billed without modifying potential pre-program arrearages.

PGW further asserts that a manual process would result in customer confusion due to the possibility of a customer receiving multiple bills.¹² Again, this factual assertion is made for the first time in PGW’s unverified petition and is inherently suspect. Moreover, avoiding the issuance of multiple bills is entirely within PGW’s ability to control. PGW acknowledges in its

¹⁰ 66 Pa. C.S. § 1303 (“Any public utility, having more than one rate applicable to service rendered to a patron, shall, after notice of service conditions, compute bills under the rate most advantageous to the patron.”).

¹¹ Petition at ¶19.

¹² Petition at ¶19.

Petition that rebilling would only become an issue if its employees do not complete the quarterly rate assessment in a timely manner. If properly and timely adjusted, CRP customers would not receive multiple bills.

PGW further asserts that implementing a manual process would interfere with the implementation of the new CIS,¹³ but PGW does not provide the details necessary to evaluate this unverified claim. PGW does not provide any information about the number of staff needed to implement a manual process, how many of these staff are involved in the implementation of the new CIS, or how this could substantively affect the timeline for the implementation of the new CIS.

In light of the substantial delays in implementing quarterly reviews of CRP billing amounts and the ongoing harm to CRP customers associated with higher bill amounts, TURN/CAUSE-PA submit that the Commission should deny PGW's request for an extension. PGW should be ordered to immediately implement the quarterly review process.

In the alternative, if the PUC again grants PGW an extension on implementing quarterly reviews of CRP billing amounts, then the Commission should in turn order PGW to conduct an audit of all CRP customer accounts after the new CIS and quarterly review process is implemented. This audit should examine the monthly billing amounts of all CRP customers to determine the appropriate amount of billing adjustments and/or credits to compensate for charging higher CRP bill amounts than authorized by the USECP from the period between July 2024 and implementation of the quarterly review process. Finally, once the audit is completed, PGW must be required to file, at this docket, a report summarizing the audit and resulting bill

¹³ Petition at ¶ 9.

adjustments for CRP customers. Furthermore, until PGW performs this audit and correctly adjusts the affected accounts, it should be required to cease termination of all CRP customers so that PGW does not terminate customers whose billing amounts may be more than permitted by PGW's USECP.

B. CRP Final Billing

PGW's practice of charging customers on CRP their final bill in a manner inconsistent with Commission guidance is not a new issue. As the Commission points out in the January 12 Order, the CAP Final Billing Order issued March 2020 stated that "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 the number of days of service in the billing period."¹⁴ PGW has now had nearly four years to develop a plan to correctly charge CRP customers a prorated amount on their final bill. Yet, PGW has done nothing to bring its practices into compliance and instead punted resolution of this issue to the implementation date of its new CIS, which has been significantly delayed.

In its Petition, PGW asserts that manual processes are prone to error. PGW fails to recognize that a manual process for calculating final bills is being compared to their current system which is guaranteed to overcharge customers.¹⁵ PGW further contends that the calculation of a prorated bill is not simple.¹⁶ However, this argument is immediately undercut by PGW very simply and succinctly describing the methodology for calculating the prorated bill: "[T]he employee would need to break the amount into a per day amount for actual use and for

¹⁴ January 12 Order at 24.

¹⁵ Petition at ¶22.

¹⁶ Petition at ¶23.

the PIPP amount and calculate it by the cycle days for comparison.”¹⁷ Accordingly, PGW’s assertions are both inconsistent and unverified. Manually prorating final CRP bills is a straightforward process and, even if potentially prone to error (which TURN/CAUSE-PA do not concede) it is far more advantageous to PGW’s CRP customers.

PGW repeats its assertion that having staff work on a manual process for final CRP bills would further delay the implementation of the new CIS.¹⁸ Once again, PGW does not provide the information necessary to evaluate this unverified claim. However, TURN/CAUSE-PA submit that the number of CRP customers receiving a final bill is a small subset of all CRP customers. If the Commission requires PGW to suspend terminations of CRP customers, as discussed above, that number would be even smaller. Therefore, a manual process for calculating final CRP bills should not be expected to require the utilization of substantial PGW administrative and staff resources.

In light of the substantial delays in implementing a process for correctly issuing final bills to CRP customers and the ongoing harm to CRP customers, TURN/CAUSE-PA submit that the Commission should deny PGW’s request for an extension to implement this important program rule.

C. Expanding the CRP recertification timeline for non-LIHEAP participants

PGW proposes to delay implementation of a two-year recertification cycle for non-LIHEAP recipients until full implementation of its new CIS.¹⁹ In the alternative, PGW proposes to suspend recertifications for all CRP participants until the new CIS has been implemented.²⁰

¹⁷ Petition at ¶¶23.

¹⁸ Petition at ¶¶22.

¹⁹ Petition at ¶¶17.

²⁰ Petition at ¶¶15.

However, PGW submits that this approach will result in recertifications restarting immediately upon launch of its new CIS, with the alleged consequence that a large scale of recertifications will not be able to be acted upon by PGW staff reasonably and timely.²¹ Again, PGW's assertions are unverified and so their reliability is questionable. There are numerous ways PGW could minimize the potential for large-scale recertifications. For instance, PGW could stagger recertification following implementation of its new CIS – allowing PGW even greater control over the workflow associated with recertification. TURN/CAUSE-PA submit that to the extent PGW experiences administrative delays with recertification once its CIS is implemented, such delays should be the subject of careful review by the Commission, and, in particular, its Bureau of Consumer Services.

Notwithstanding PGW's predictions regarding future delay in processing recertifications, TURN/CAUSE-PA support PGW's proposed alternative. PGW estimates there are 55,530 participants in CRP.²² Continuing to require annual recertification, contrary to the January 12 Order, would cause thousands of PGW customers to needlessly expend resources recertifying and continue to place those customers at risk of removal from CRP if they are unable to do so. PGW's alternative would avoid these negative consequences. It would also have the added benefit of alleviating recertification requirements until PGW's CIS is implemented. PGW could redirect internal resources to instead perform the manual quarterly review and final bill calculations discussed above. For these reasons, TURN/CAUSE-PA submit that PGWs request for an extension to implement a two-year recertification be denied and that PGW be required to

²¹ Petition at ¶15.

²² Petition at ¶14.

suspend CRP recertification requirements for all CRP participants until its new CIS is implemented.

III. CONCLUSION

For all of the foregoing reasons, TURN/CAUSE-PA respectfully submit that the Commission should deny PGW's Petition for an Extension and issue an order consistent with this Joint Answer.

Respectfully submitted,

/s/ Vikram Patel

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January 17, 2024

VERIFICATION

I, Vikram Patel, Counsel to the Tenant Union Representative Network (TURN), hereby state that the facts contained in the foregoing pleading are true and correct to the best of my knowledge, information and belief, that I am duly authorized to make this Verification, 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).

/s/Vikram Patel

Vikram Patel, Esq.

Counsel for TURN

Date: January 17, 2024