

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

DOCKET NO. R-2024-3045192

AND

DOCKET NO. R-2024-3045193

PREPARED DIRECT TESTIMONY

OF

JUDITH MCCOY JORDAN

REGARDING

LOW INCOME PROGRAM

VEOLIA WATER PENNSYLVANIA, INC.

February 2024

VWPA STATEMENT NO. 7
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1 **Q. What is your name and business address?**

2 A. My name is Judith McCoy Jordan. My business address is 6310 Allentown Blvd.,
3 Harrisburg, PA 17112.

4

5 **Q. By whom are you employed and in what capacity?**

6 A. I am employed by Veolia Water Pennsylvania, Inc. (“VWPA” or the “Company”)
7 as Director of Programs.

8

9 **Q. Please describe your educational background.**

10 A. I received a Bachelor of Arts in Administration of Justice from the University of
11 Pittsburgh.

12

13 **Q. Please describe your work experience.**

14 A. I have been employed by VWPA since 2014, when I was hired as a Customer
15 Service Manager and have held the positions of both Customer Service Manager
16 and Director of Customer Service. Prior to VWPA I was employed at
17 Pennsylvania-American Water Company (“Pennsylvania American Water”) for 30
18 years as both Customer Service Supervisor and Manager of Collections and
19 Compliance along with the management of their low income program.

20

21 **Q. Have you testified previously in any regulatory proceeding?**

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1 A. Yes, I have testified on behalf of Pennsylvania American Water before the
2 Pennsylvania Public Utility Commission (“Commission”).

3
4 **Q. What is the purpose of your direct testimony in this proceeding?**

5 A. My testimony provides an overview of the Company’s commitments with respect
6 to low-income programs per the Commission’s decision in the Veolia/SUEZ
7 change in control dockets¹; the Company’s Customer Assistance Program
8 (“CAP”) proposal in the instant proceeding, and funding for the CAP proposal.

9
10 **Q. What is your understanding of the Company’s commitments under the**
11 **terms of the settlement approved by the Commission in the Veolia/SUEZ**
12 **change in control dockets, with respect to low-income programming?**

13 A. As agreed-to in the settlement; the Company was to establish a Low-Income
14 Advisory Committee (“LIAC”) and utilize input from the committee to develop
15 improvements to its low-income programs, to be proposed in the next base rate
16 case.

17 Additionally, Veolia committed to providing shareholder contributions of
18 \$300,000 to support the low-income changes presented herein. These funds

¹ *Joint Application of Veolia Environnement S.A., Veolia North America, Inc., SUEZ S.A., SUEZ Water Pennsylvania Inc. and SUEZ Water Bethel Inc. for all approvals pursuant to Sections 1102(a)(3), (4), and 1103 of the Pennsylvania Public Utility Code, and:as otherwise required under the Pennsylvania Public Utility Code for the change in control of SUEZ Water Pennsylvania Inc. and SUEZ Water Bethel Inc., Docket Nos. A-2021-3026515, A-2021-3026522, and A2021-3026523 (Order entered Dec. 2, 2021).*

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1 have been earmarked and are available to support the improvements to the CAP
2 proposed herein.

3 Additionally, the Company agreed to increase the annual grant assistance
4 program from \$150.00 to \$300.00 for water and \$150 for wastewater customers.

5

6 **Q. Please summarize the Company's CAP proposal.**

7 A. The proposed CAP is modeled on other programs currently offered by other
8 Commission-regulated investor-owned water utilities in the Commonwealth. The
9 proposal includes a bill discount program, a service line repair program, and an
10 arrearage forgiveness program. Each of these CAP proposal elements will be
11 discussed in more detail below. The Veolia Cares program, as further described
12 below, will continue.

13

14 **Q. What is a customer assistance program?**

15 A. Generally speaking, CAPs are intended to assist low-income customers and are
16 an alternative to traditional collection methods. Customers are placed on
17 payment arrangements based on their gross household income. Upon obtaining
18 the gross household income the Company can determine if the customer is
19 eligible for the CAP programs and refer the customer to the Company's selected
20 administrator. In addition, the Company can take steps to set up the arrearage
21 forgiveness portion of the program if the customer meets the qualifications.

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1 **Q. Does the Company currently have any programs, outside of the proposed**
2 **CAP, designed to assist customers that have difficulty paying their bills?**

3 A. Yes. Veolia Cares offers assistance to customers that are experiencing a
4 hardship such as job loss or illness or an unforeseen circumstance that prevents
5 a customer from paying their water and/or wastewater bills. This program is
6 funded by VWPA shareholders to provide assistance to those in need. This
7 program provides assistance to customers having difficulty paying their bills for a
8 variety of reasons. Qualification is not based on the customer's income levels as
9 related to the Federal Poverty Level ("FPL"). Qualifying customers may receive
10 grants of up to \$300.00 annually toward their water and up to \$150.00 toward
11 their wastewater bills. The program is currently administered by New Jersey
12 Shares. In addition, in 2023, the Company started sending conservation kits to
13 grant recipients to assist them in reducing their monthly water consumption. The
14 kits include water saving devices such as a low flow shower head, aerators, a
15 toilet fill cycle diverter, dye tablets (toilet leak detection tablets), and a shower
16 timer to assist families in reducing their shower time.

17 VWPA's hardship grant program will continue in addition to the proposed
18 CAP discussed herein. Consistent with the settlement approved by the
19 Commission in the Veolia/SUEZ change in control dockets, the Company
20 continues to work with the LIAC Committee to identify areas of improvement to
21 its existing low-income programs.

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1 **Q. Does the CAP proposal apply to both water and wastewater services?**

2 A. No. The Company's CAP proposal applies only to water services; however the
3 company will continue providing grants to its wastewater customers. As
4 discussed herein, the proposal is new and therefore, the Company's experience
5 is limited. The Company wishes to propose and implement a program
6 successfully, allowing for learning and corrections as necessary, before
7 expanding it to wastewater services.

8

9 **Q. Has the Company been able to use government funds to assist customers
10 in need?**

11 A. Yes, the company has participated in the Low Income Housing Water Assistance
12 Program ("LIHWAP"), Emergency Rental Assistance Program ("ERAP") and the
13 Pennsylvania Homeowner Assistance Fund (PAHFA) Program. These programs
14 were crucial for our low income customers especially during COVID. The
15 Company recognizes there is still a need within the communities we serve and
16 our proposed program will assist with this need.

17

18 **Q. How were the components of the proposed CAP identified and selected to
19 be part of the Company's proposal in this case?**

20 A. Based on a review of CAPs provided by other Commission-regulated water
21 utilities in the state, the Company identified an opportunity to include customer
22 discounts, arrearage forgiveness and a service line repair program to its

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1 proposed CAP. The Company's CAP proposal was largely modeled on this
2 review.

3 After the December 7, 2022 LIAC Committee meeting, a few committee
4 members provided guidance supporting a tiered approach based on the Federal
5 Poverty Guidelines for the volumetric components of the CAP proposal,
6 establishing a needs-based discount structure. During the October 31, 2023
7 meeting, the LIAC Committee also requested that the Company contact the PUC
8 for data on low income customers in Pennsylvania based on Federal Poverty
9 Guidelines by county. The LIAC Committee and the Company met again on
10 January 19, 2024 for further guidance and feedback on the proposal discussed
11 herein.

12
13 **Q. Please describe the proposed discounts for the participants in the**
14 **proposed VWPA CAP program.**

15 A. To address water affordability issues for its customers, the Company is
16 proposing a tiered discount structure, providing the most financial relief to those
17 who need it the most. The discount will be presented as a credit on eligible
18 customers' bills. This proposed discount structure is similar to those offered by
19 Aqua Pennsylvania, Inc. and Pennsylvania American Water. All customers
20 participating in the program at or below 200% of the Federal Poverty Level
21 ("FPL") will receive a full discount on their monthly service charge. Customers at
22 0% -100% FPL will receive a full discount on the first 2,000 gallons consumed

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1 per month. Customers at 101% -150% FPL will receive a full discount on the first
 2 1,000 gallons consumed per month. Customers at 151% -200% FPL will not
 3 receive any volumetric discount. The proposed discounts are illustrated in the
 4 chart below:

<u>Poverty Level</u>	<u>Service Charge Discount</u>	<u>Volumetric Discount</u>
0-100%	\$0 fixed charge	First 2,000 gallons
101-150%	\$0 fixed charge	First 1,000 gallons
151-200%	\$0 fixed charge	0

5 As a conservation component to the discounts, customers below 150% of
 6 the FPL will receive:

- 7 • Conservation Education;
 - 8 • Conservation Kits; and
 - 9 • Installation of Kits by plumbers for Seniors if needed (65 and older)
- 10 or those with a disability.

11 The goal of this element of the program is to provide suggestions and
 12 tools to assist customers save money and water.

13

14 **Q. Please discuss the arrearage forgiveness portion of the proposal.**

15 A. Customers at or below 200% of the FPL who are unable to pay their past due
 16 bills are eligible for flexible payment arrangements that allow an opportunity for
 17 forgiveness of \$25 per month of the outstanding balance each time the customer
 18 pays their current monthly bill by the due date. Bills are due 20 days after the
 19 date the bill is mailed to residential customers and the Company will allow a five
 20 day grace period for timely payments.

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1 **Q. Please discuss the service line repair/conservation portion of the proposal.**

2 A. VWPA proposes that the Company hire contractors to provide plumbing repairs
3 of up to \$1,500 (for each occurrence) to eligible low income residential customers
4 at or below 150% of the FPL. To be eligible, the customer must be in threat of
5 termination, or have been terminated, and the leak must occur on an exposed
6 internal line and/or consist of minor plumbing repairs such as faucets and toilets.
7 External customer service side leaks will be repaired from the curb box to the
8 face of the customer's home. The Company proposes that this program will be
9 budgeted for up to \$100,000.

10

11 **Q. Will customers participating in the program need to recertify their**
12 **eligibility?**

13 A. Yes. Those customers that are participating in the discount program will be
14 required to recertify their eligibility every two years.

15

16 **Q. What costs are associated with the CAP proposal?**

17 A. Costs of the CAP proposal include:

- 18 ● CAP bill discounts;
- 19 ● CAP arrearage forgiveness benefits (\$25 credit for timely payments
20 made);
- 21 ● Service line repairs (budgeted for up to \$100,000 annually);
- 22 ● CAP administration by a third party; and

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- 1 • One-time A&G costs for program establishment.

2 Because the CAP proposal is new, enrollment levels and therefore total
3 costs are at best difficult to estimate and more realistically, unknown.

4

5 **Q. Did the Company attempt to quantify program enrollment and costs?**

6 A. Yes. The Company relied on statistics estimating poverty levels for Pennsylvania
7 Counties as provided by Commission staff. The statistics estimate the number
8 of customers served by VWPA that are at or below 200% of the FPL, and
9 therefore might be eligible for CAP participation. The study suggests that up to
10 32% percent of the households in counties, a portion of which is served by
11 VWPA, are at or below 200% of the federal poverty level and may be eligible for
12 the program. However, potential eligibility does not equate to enrollment, and the
13 Company would expect enrollment numbers to be significantly lower based on
14 the Company's experience with other programs. For example, currently less
15 than one percent of all residential customers, or about three percent of all
16 customers estimated to be at or below 200% of the FPL, served by VWPA are on
17 a payment plan. Relying on payment plan participation experience, the
18 Company estimated costs for the CAP assuming that approximately three
19 percent of eligible customers will actually enroll in the program.

20

21 **Q. How does the Company propose to recover those costs?**

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1 A. Considering the estimated 3% of customers that are likely to be eligible and
2 participatory, the costs related to the arrearage forgiveness component,
3 contractor costs for repairs, costs to set-up the program, and administrative costs
4 etc., the Company proposes that, based on the estimated costs and newness of
5 the program, a target budget of \$1,000,000 for CAP costs be included in the
6 requested revenue requirement. Company witness James Cagle will discuss
7 cost recovery of the program in his testimony.

8

9 **Q. Will the Company engage in outreach activities to increase awareness of**
10 **CAP availability?**

11 A. Yes, the Company will continue to participate in community events and work with
12 local agencies and also work with the customer service team to provide
13 awareness to the customers we serve. I believe our customers will be reaching
14 out to the Company for assistance on payment arrangements and termination
15 notifications, and our customer service staff will be available to assist. In
16 addition, the Company's website will be updated and the Company will provide
17 bill inserts with program information.

18

19 **Q. Does this conclude your testimony?**

20 A. Yes. However, I reserve the right to supplement my testimony as additional
21 issues and facts arise during the course of the proceeding.