

**PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, PA 17105-3265**

Public Meeting held May 9, 2024

Commissioners Present:

Stephen M. DeFrank, Chairman  
Kimberly Barrow, Vice Chairman  
Ralph V. Yanora  
Kathryn L. Zerfuss  
John F. Coleman, Jr.

Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2023-2027 Submitted in Compliance with 52 Pa. Code § 62.4 M-2021-3029323

Petition for Emergency or Expedited Order Approving Temporary Modifications to the Universal Service and Energy Conservation Plan for 2023-2027 P-2024-3048856

**TENTATIVE ORDER**

**BY THE COMMISSION:**

Before us for disposition is the Petition of Philadelphia Gas Works (PGW), filed on May 3, 2024, at Docket Nos. M-2021-3029323 and P-2024-3048856 (PGW Petition). PGW seeks emergency or expedited approval to temporarily modify the Hardship Fund provisions of its 2023-2027 Universal Service and Energy Conservation Plan (2023 USECP). Through this Order, we tentatively grant PGW's Petition.

## BACKGROUND

*2023 USECP (Docket No. M-2021-3029323)*

PGW's proposed 2023 USECP was approved by Commission Order entered on January 12, 2023 (*January 2023 Order*), at Docket No. M-2021-3029323. On January 27, 2023, PGW filed a Petition for Reconsideration of the *January 2023 Order*, which the Commission granted in part and denied in part by Order entered March 16, 2023 (*March 2023 Order*). On July 11, 2023, PGW filed a revised 2023 USECP. A Secretarial Letter issued July 12, 2023, reflected a staff determination that the revised 2023 USECP was consistent with the *January 2023* and *March 2023 Orders*. PGW's 2023 USECP, as approved in July 2023, remains in effect until replaced.<sup>1</sup>

PGW's 2023 USECP is comprised of four programs to help low-income customers maintain public utility service, including a Hardship Fund program which provides grants to eligible customers that require assistance to meet basic energy needs.<sup>2</sup> PGW administers its Hardship Fund program in partnership with the Utility Emergency Services Fund (UESF) to provide financial assistance to eligible customers whose natural gas service is terminated or in termination status. PGW contributes up to \$750 via a bill credit to match a UESF grant to help resolve a household heating emergency. PGW also receives customer contributions for its Hardship Fund program through its Dollar Plus program. These contributions are forwarded to UESF so that UESF can provide additional grants. The combination of the PGW matching credit and the UESF grant

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<sup>1</sup> All citations related to the "2023 USECP" in this Order refer to PGW's revised USECP filed July 11, 2023.

<sup>2</sup> The other three universal service programs are the Customer Assistance Program or CAP (PGW's CAP is called the Customer Responsibility Program or CRP), the Low Income Usage Reduction Program or LIURP (PGW's LIURP is called Home Comfort), and the Customer Assistance Referral Evaluation Services program or CARES.

cannot exceed \$1,500 and must eliminate all debt, with the exception of deferred preprogram arrears for customers enrolled in CRP. 2023 USECP at 29-30.

To qualify for PGW's Hardship Fund, a customer's service must be off or be under threat of termination. Further, the customer must not have received a UESF grant within the past two years, must have applied for Low Income Home Energy Assistance Program (LIHEAP) Cash and Crisis grants (if available), and must have a gross household income at or below 175% of the Federal Poverty Income Guidelines (FPIG). 2023 USECP at 30-31.

Additionally, as part of its 2023 USECP, PGW implemented a two-year pilot program that offers automatic Hardship Fund grants up to \$750 to customers at or below 250% FPIG who had been removed from CRP during recertification for exceeding income eligibility limits, and/or who have a Protection from Abuse (PFA) order or other order issued by a court providing clear evidence of domestic violence against the customer. 2024 USECP at 31-32.

### **SUMMARY OF PGW PETITION**

PGW's Petition seeks temporary modification to the Hardship Fund provisions of its 2023 USECP. PGW reports that it discovered that UESF approved 344 customers for Hardship Fund grants totaling \$142,199.01 in 2023 but these grants were not paid. As a result, PGW did not distribute matching bill credits to these customers. PGW states that it has placed a hold on affected accounts to ensure their service is not terminated. PGW further reports that UESF is currently not accepting Hardship Grant applications for PGW customers. PGW Petition at ¶ 10.

PGW provided an accounting of its Hardship Fund expenditures in 2023, including expenditures for its pilot program, as shown in Table 1. PGW proposes to use

the \$504,059 in unspent 2023 PGW contributions to provide full Hardship Fund benefits (*i.e.*, equivalent to the UESF grant amounts and the PGW bill credits) to the 344 customers approved by UESF in 2023.

**Table 1. PGW Hardship Fund 2023 Budget to Actual Spend**

<b>Budget Description</b>	<b>Budget Amount</b>	<b>Actual Spend</b>	<b>Unspent Budget</b>
UESF Operating Budget	\$260,149	\$0	\$260,149
PGW Contribution	\$695,500*	\$191,441	\$504,059
Pilot Program	\$100,000	\$100,000	\$0
<b>Total</b>	<b>\$1,055,649</b>	<b>\$191,441</b>	<b>\$764,208</b>

Source: PGW Petition at ¶ 6.

PGW reports that it attempted, but has been unable, to resolve the issues with UESF and requests Commission approval to make temporary changes to its Hardship Fund program to allow issuance of Hardship Fund grants to PGW low-income customers whose service is off or in threat of termination. PGW asserts the temporary nature of the modifications will allow for UESF to potentially resume its role as the Hardship Fund administrator and grant payor in the future. PGW Petition at ¶ 11.

To address the situation, PGW is seeking approval to include the following Hardship Modifications as an appendix (Appendix O) to its 2023 USECP:

- Allow a non-UESF administrator of PGW’s Hardship Fund program;
- Replace UESF as the entity paying Hardship Grants to customers whose service is terminated or in danger of being terminated;
- Designate PGW (or its assignee) as the interim administrator or payor of the Hardship Fund program, effective immediately;
- Redeploy unpaid matching grants to customers whose Hardship Fund grants were approved by UESF in 2023 so that both amounts

promised by UESF and PGW’s matching bill credits are provided to these customers: and

- Modify the total program budget to remove UESF grant amounts.

PGW Petition at ¶ 14.

Thus, customers who were approved for grants in 2023 would receive the equivalent of the UESF funding and the matching PGW funding up to the \$1,500 limit. Customers who are approved for grants in 2024 would receive grants up to the \$750 limit (*i.e.*, the maximum PGW contribution).

PGW proposes a modified budget for calendar year 2024, as shown in Table 2, that reflects the Hardship Fund expenditures without a UESF grant, based on a maximum \$750 in bill credits issued to eligible customers.

**Table 2. Proposed 2024 Hardship Fund Budget Based on Proposed Temporary Modifications**

<b>Budgeted Description</b>	<b>Annual Budgeted Amount as reflected in PGW’s 2023 USECP</b>	<b>Proposed 2024 Budgeted Amount based on Temporary Modification</b>
Administrator Operating Budget	\$260,149	\$260,149
UESF grants	\$795,500	N/A
PGW Contribution	\$695,500	\$695,500
Pilot Program	\$100,000	\$100,000
Customer/employee contributions (PGW)	\$2,000	\$2,000
<b>Total Calendar Year 2024 Budget</b>	<b>\$1,853,149</b>	<b>\$1,057,649</b>
Average annual participation	1,184	725*

Source: 2023 USECP at 32-33; PGW Petition at ¶ 15.

\* PGW reports the annual participation for 2024 “was calculated by taking the previous expected customer count of 1,184 and dividing by half as the total grant is now \$750, and then adding in the expected 133 customers for the Pilot program.” PGW Petition at ¶ 15.

PGW avers these interim proposed amendments are in the public interest because they would allow PGW customers to continue receiving Hardship Fund grants consistent with PGW’s 2023 USECP. PGW reports that the Office of Consumer Advocate (OCA), the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania (CAUSE-PA), and the Tenant Union Representative Network and Action Alliance of Senior Citizens of Greater Philadelphia (TURN) do not oppose the Petition. PGW further reports that the Office of Small Business Advocate (OSBA) took no position on the 2024 Petition. PGW Petition at ¶ 18.

PGW requests expedited approval of the proposed amendments in order to make Hardship Funds available to customers as quickly as possible. PGW adds that expedited approval is particularly important given the objective of Hardship Fund programs to help customers avoid termination of service or promptly restore service that has been terminated. PGW Petition at ¶ 10.

For these reasons, PGW requests that the Commission grant the 2024 Petition and approve the temporary amendments via issuance of an *ex parte* Emergency Order. Alternatively, PGW requested expedited treatment of the 2024 Petition to have responses due May 7, 2024, and any changes to the USECP approved at the Public Meeting of May 9, 2024. PGW Petition at 3, ¶ 10.

### **MAY 7 SECRETARIAL LETTER**

On May 7, 2024, the Commission issued a Secretarial Letter denying PGW’s Petition. The Commission noted that, pursuant to its regulations, emergency relief is appropriate when there exists a clear and present danger to life or property or in a situation which is uncontested and requires action prior to the next scheduled meeting. *See* definition of “emergency” at 52 Pa. Code § 3.1. Further, the Commission stated that a petition for emergency order should be granted only when (1) the petitioner’s right to

relief is clear; (2) the need for relief is immediate; (3) the injury would be irreparable if relief is not granted; and (4) the relief requested is not contrary to the public interest. 52 Pa. Code § 3.2(b).

The Commission found that PGW had not asserted, nor had it provided sufficient facts to establish, that any customers faced immediate termination or were unable to reconnect due to PGW's inability to immediately implement its proposed temporary modifications or until the Petition can be considered on its merits after all stakeholders have been given notice and an opportunity to be heard. Under the circumstances, the Commission concluded that PGW had not established any clear and present danger to life or property or the existence of an uncontested issue that required action prior to the next scheduled public meeting. Nor, the Commission found, had PGW demonstrated its clear right to the requested relief, the need for immediate relief, the irreparability of its alleged injury if relief is not granted, or that the requested relief was not contrary to the public interest. In sum, the Commission found that PGW, through its Petition, had not met the regulatory criteria for issuance of an emergency order. Accordingly, the Commission denied PGW's request for emergency relief pursuant to 52 Pa. Code §§ 3.1–3.4.

## **DISCUSSION**

The Competition Act mandates that the Commission “ensure [that] universal service and energy conservation policies, activities and services for residential natural gas customers are appropriately funded and available in each natural gas distribution company (NGDC) territory.” 66 Pa.C.S. § 2203(8) (relating to standards for restructuring of natural gas utility industry). As an NGDC serving over 470,000 customers,<sup>3</sup> PGW must administer its universal service programs, including its Hardship Fund, consistent

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<sup>3</sup> In 2022, PGW served 487,336 residential customers. 2022 Report on Universal Service and Collections Performance at 7. <https://www.puc.pa.gov/media/2573/2022-universal-service-report-final.pdf>

with its Commission-approved USECP. 52 Pa. Code § 62.4 (relating to universal service and energy conservation plans).

In its Petition, PGW states that due to unspecified issues with its program administrator, UESF, its approved Hardship Fund program is not being implemented. As a result, (1) 344 low-income customers who qualified for Hardship Fund grants in 2023 did not receive the benefits they were entitled to and (2) 2024 applications for benefits from eligible PGW customers whose service has been terminated or is under threat of termination are not being accepted. We recognize there is an urgent need to address this situation, as the statutory moratorium on winter terminations for electric and natural gas service expired on April 1, 2024<sup>4</sup> and Pennsylvania's LIHEAP closed on April 6, 2024. Especially for customers who are not income eligible for CAP and LIHEAP, Hardship Fund programs may be the only payment assistance program available to help them address outstanding arrearages and maintain or restore utility service. Therefore, we find it reasonable and in the public interest to tentatively approve PGW's temporary modifications to the Hardship Fund provisions in its 2023 USECP for the duration of the 2024 calendar year. This approval will become final if no party files an objection within seven calendar days.

While PGW did not meet the criteria for issuance of an emergency order, we nonetheless find merit in PGW's proposal to adopt these program modifications on a temporary basis in order to allow it to carry out the requirements of its Hardship Fund.

This approval will become final if no party files an objection within seven calendar days.

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<sup>4</sup> 66 Pa.C.S. § 1406(e) (relating to termination of utility service).

## CONCLUSION

Accordingly, the Commission hereby tentatively grants, consistent with this Tentative Order, the PGW Petition to temporarily amend the Hardship Fund provisions in its 2023 USECP, as specified in proposed Appendix O. This approval will take effect after seven calendar days if no objections are filed and will remain in effect through December 31, 2024.

We also direct PGW to:

- File and serve a status report when it has selected a new administrator for its Hardship Fund program, identifying the name and contact information for the vendor.
- File and serve a petition to rescind, retain, or modify its Hardship Fund provisions by October 1, 2024.
- File and serve monthly status reports on the 2023 Hardship Fund grants to the 344 eligible customers who did not receive their approved grants.
- File and serve monthly status reports identifying the number of Hardship Fund applications received, approved, and paid during calendar year 2024, beginning with January 2024.
- File and serve monthly status reports identifying the number of Hardship Fund applications pending over 30 days to ensure that applications are being timely processed.

**THEREFORE,**

**IT IS ORDERED:**

1. That the Petition of Philadelphia Gas Works for Emergency or Expedited Order Approving Temporary Modifications to the Universal Service and Energy Conservation Plan for 2023-2027 at Docket No. P-2024-3048856 is tentatively granted consistent with the terms of this Tentative Order.

2. That the Commission tentatively approves the temporary modifications to Philadelphia Gas Works' 2023-2027 Universal Service and Energy Conservation Plan/Hardship Fund program as set forth in this Tentative Order through December 31, 2024.

3. That the Secretary serve a copy of this Tentative Order on all Parties of Record at Docket No. M-2021-3029232.

4. That the Secretary cause a copy of this Tentative Order to be published in the *Pennsylvania Bulletin* with a seven-calendar day comment period.

5. That, to the extent that any interested party objects to the modifications to Philadelphia Gas Works' Universal Service and Energy Conservation Plan/Hardship Fund program as set forth in this Tentative Order, they must file comments within seven days after publication of this Tentative Order in the *Pennsylvania Bulletin*. Written comments referencing Docket Nos. M-2021-3029232 and P-2024-3048856 shall be submitted to the Pennsylvania Public Utility Commission, Attn.: Secretary, 400 North Street, Harrisburg, PA 17120, or e-filed at <https://efiling.puc.pa.gov/>. You may set up a free eFiling account with the Commission at <https://efiling.puc.pa.gov/> if you do not have one. Filing instructions may be found on the Commission's website at

[http://www.puc.pa.gov/filing\\_resources.aspx](http://www.puc.pa.gov/filing_resources.aspx). Comments containing confidential information should be emailed to Commission Secretary Rosemary Chiavetta at [rchiavetta@pa.gov](mailto:rchiavetta@pa.gov) rather than eFiled.

6. That absent the filing of adverse comments relating to the temporary modifications to Philadelphia Gas Works' Universal Service and Energy Conservation Plan/Hardship Fund program as set forth in this Tentative Order within seven calendar days of the publication of this Tentative Order in the *Pennsylvania Bulletin*, this Tentative Order will become a Final Order by operation of law.

7. That Philadelphia Gas Works file all reports and petitions identified in the "Conclusion" section of this Tentative Order and serve them on all parties who participated in the 2023 Universal Service and Energy Conservation Plan proceeding at Docket No. M-2021-3029323.

**BY THE COMMISSION**



Rosemary Chiavetta

Secretary

(SEAL)

ORDER ADOPTED: May 9, 2024

ORDER ENTERED: May 9, 2024