

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

Public Meeting held July 11, 2024

Commissioners Present:

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

Metropolitan Edison Company Universal Service and Energy Conservation Plan for 2024-2028	M-2022-3036532
West Penn Power Company Universal Service and Energy Conservation Plan for 2024-2028	M-2022-3036533
Pennsylvania Power Company Universal Service and Energy Conservation Plan for 2024-2028	M-2022-3036534
Pennsylvania Electric Company Universal Service and Energy Conservation Plan for 2024-2028	M-2022-3036535

ORDER ON RECONSIDERATION

BY THE COMMISSION:

Before the Pennsylvania Public Utility Commission (Commission) for consideration and disposition on the merits is the March 29, 2024 Petition for Reconsideration (CAUSE-PA Petition) filed by the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA). CAUSE-PA seeks reconsideration of the Commission's March 14, 2024 Order (March 2024 Order) conditionally approving the FirstEnergy Pennsylvania Electric Company's (FirstEnergy

PA)¹ Universal Service and Energy Conservation Plan for 2024-2028 (2024 USECP) at Docket Nos. M-2022-3036532, M-2022-3036533, M-2022-3036534, and M-2022-3036535. With this Order, the Commission grants in part and denies in part the CAUSE-PA Petition, consistent with this Order.

BACKGROUND

FirstEnergy PA’s 2019-2023 USECP (2019 USECP),² which remains in effect, has the following subsidy credit limits in its Pennsylvania Customer Assistance Program (PCAP) fixed credit model for non-heating accounts and heating accounts, as shown in Table 1.

Table 1. Maximum Subsidy Credit Limits under Current Fixed Credit Model

Utility	Electric Non-Heating (ENH) Annual	ENH Monthly	Electric Heating (EH) Annual	EH Monthly
Met-Ed	\$1,090	\$90.83	\$2,670	\$222.50
Penelec	\$1,110	\$92.50	\$2,710	\$225.83
Penn Power	\$1,090	\$90.83	\$2,700	\$225.00
WPP	\$1,040	\$86.67	\$2,550	\$212.50

Source: 2019 USECP at 12.

On November 1, 2022, FirstEnergy PA filed its Proposed 2024 USECP at Docket Nos. M-2022-3036532, *et al.* In the Proposed 2024 USECP, FirstEnergy PA proposed

¹ As explained in greater detail below, on January 1, 2024, Metropolitan Edison Company (Met-Ed), Pennsylvania Electric Company (Penelec), Pennsylvania Power Company (Penn Power), and West Penn Power Company (WPP) merged into FirstEnergy PA. FirstEnergy PA is the surviving entity. Met-Ed, Penelec, Penn Power, and WPP, previously EDCs, are now rate divisions within FirstEnergy PA, and FirstEnergy PA is the EDC. *See Joint Application of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, West Penn Power Company, Keystone Appalachian Transmission Company, Mid-Atlantic Interstate Transmission, LLC, and FirstEnergy Pennsylvania Electric Company*, Docket Nos. A-2023-3038771, *et al.* (Merger Order).

² Filed on June 24, 2019, at Docket Nos. M-2017-2636969, M-2017-2636973, M-2017-2636976, and M-2017-2636978.

transitioning its PCAP from a fixed credit program to a percentage-of-income payment (PIP) program and eliminating the subsidy credit limits. Proposed 2024 USECP at 30.

On March 16, 2023, the Commission entered an Order (March 2023 Order) which required additional information from FirstEnergy PA on the record and set a timeline for stakeholder comments and reply comments on the Proposed 2024 USECP. On April 25, 2023, FirstEnergy PA filed its Supplemental Information in response to the March 2023 Order (FirstEnergy PA Supplemental Information).³ The Pennsylvania Coalition of Local Energy Efficiency Contractors, Inc. (PA CLEEC), CAUSE-PA, and the Office of Consumer Advocate (OCA) individually filed comments on June 20, 2023. PA CLEEC, CAUSE-PA, OCA, and FirstEnergy PA individually filed reply comments on July 10, 2023.

FirstEnergy PA maintained that the elimination of subsidy credit limits is necessary to ensure that PCAP customers will not receive fluctuating monthly bills under its proposed PIP. FirstEnergy PA proposed maintaining its current fixed credit PCAP model with modified subsidy maximums if the Commission did not approve the elimination of subsidy credit limits. FirstEnergy PA Supplemental Information at 4-5.

CAUSE-PA supported eliminating the subsidy credit limits, asserting that maintaining them will result in some PCAP households receiving unaffordable energy bills and exceeding the recommended energy burden levels in the Commission's CAP Policy Statement. CAUSE-PA Comments at 16.

OCA opposed allowing FirstEnergy PA to eliminate the subsidy credit limits and also opposed allowing FirstEnergy PA to keep its fixed credit PCAP even if the subsidy

³ On May 31, 2023, FirstEnergy PA filed an amendment to its supplemental information due to a formula error used to calculate projected average monthly utility bills for 2024 through 2028. That amendment is not involved in the CAUSE-PA Petition or in this Order.

credit limits would remain. OCA recommended referring PCAP participants to FirstEnergy PA's Low Income Usage Reduction Program (LIURP) upon reaching 80% of their subsidy credit limit and not removing them from PCAP and exempting them from the limits if they accept LIURP remediation. If PCAP participants do not accept LIURP, OCA recommended that they not receive further PCAP subsidies when they reach 125% of their subsidy credits for the program year. OCA supported establishing a tiered system for subsidy credits under which lower income households or electric heating customers receive larger subsidy limits. OCA also recommended adjusting the subsidy credits on an annual basis to account for increases in electric prices and base rates and keeping them unchanged if electric prices decrease. OCA Comments at 16-20.

CAUSE-PA stated that OCA's recommendations to maintain subsidy credit limits offered a practical framework but asserted that the framework contains neither a recommended tier structure nor a formula for modification grounded on base rate increases. CAUSE-PA recommended that if the Commission directs FirstEnergy PA to maintain subsidy credit limits, then it should refer this matter to the Office of Administrative Law Judge (OALJ) so that a suitable subsidy credit design featuring a tiered structure can be established. CAUSE-PA Reply Comments at 4-8.

In the March 2024 Order, the Commission denied FirstEnergy PA's request to eliminate its subsidy credit limits, concluding that the elimination of cost control measures for CAPs, such as maximum credit limits, would not be consistent with the Commission's obligation under the Electric Competition Act to ensure universal service programs are operated in a cost-effective manner. 66 Pa.C.S. § 2804(9). March 2024 Order at 27.

The March 2024 Order instead established new subsidy credit limits within a tiered-income structure based on FirstEnergy PA's estimates of the amount of subsidy credits needed to address 80% of PCAP bills in 2024. The new subsidy credit limits were

established using the highest subsidy credit limits identified for each income tier and heating type (*i.e.*, ENH and EH), as shown in Table 2, for all four rate districts:

Table 2. Max Subsidy Credit Limits for PCAP PIP For All Rate Districts

FPIG Level	ENH	EH
0%-50%	\$2,250	\$3,150
51%-100%	\$1,650	\$2,350
101%-150%	\$1,300	\$1,700

Source: March 2024 Order at 28.

Consistent with OCA’s recommendations, the Commission also directed FirstEnergy PA to increase the subsidy credit limits by the same percentage approved in distribution rate increases and refer customers who use 80% or more of their subsidy credits to LIURP for energy efficiency measures or education. Contrary to OCA’s recommendations, the Commission did not direct FirstEnergy PA to increase subsidy credits based on changes to the price-to-compare (PTC) or to apply subsidy credit limits only to those customers who do not participate in LIURP. March 2024 Order at 29. FirstEnergy PA was directed to file a Revised 2024 USECP consistent with the Order within 30 days of the entry date of the Order (*i.e.*, on or before April 13, 2024). March 2024 Order at 114, OP #2.

On March 29, 2024, CAUSE-PA filed the instant Petition seeking reconsideration or clarification of the March 2024 Order. CAUSE-PA asserts that the maximum CAP credit limits adopted by the Commission “was not proposed or supported by any party, is premised on inaccurate assumptions and incomplete data, and omits critical details regarding implementation of the policy.” CAUSE-PA Petition at 2, ¶3. CAUSE-PA wants the matter remanded to the OALJ “to gather and analyze relevant data, review and assess rate impacts and program costs, and determine whether and to what extent [FirstEnergy] PA should be required to institute maximum CAP credit limits.” CAUSE-PA at 2, ¶4. In the

alternative, CAUSE-PA wants the maximum CAP credit limits to apply only “if a CAP participant refuses to participate” in LIURP. Further, CAUSE-PA asserts FirstEnergy PA should be required to “adopt exemptions to the maximum CAP credit limits [and to inform] CAP participants about the availability of those exemptions.” CAUSE-PA Petition at 2, ¶5. CAUSE-PA recommends FirstEnergy PA be required to implement the other directives in the March Order in the interim. CAUSE-PA Petition at 3, ¶6.

On April 4, 2024, the Commission issued an Order (April 2024 Order) granting reconsideration pending review of and consideration on the merits of the CAUSE-PA Petition.

On April 8, 2024, FirstEnergy PA and OCA separately filed Answers to the CAUSE-PA Petition. On April 18, 2024, FirstEnergy PA filed a letter stating that it will file a Revised 2024 USECP as directed in the March 2024 Order upon resolution of the CAUSE-PA Petition. FirstEnergy PA’s 2019 USECP remains in effect.

**STANDARD FOR PETITIONS FOR REHEARING, REARGUMENT,
RECONSIDERATION, CLARIFICATION, RESCISSION, AMENDMENT,
SUPERSEDEAS, OR THE LIKE**

CAUSE-PA timely filed its Petition requesting reconsideration of the March 2024 Order. Commission jurisdiction in this matter was preserved by the April 2024 Order, pursuant to Pennsylvania Rules of Appellate Procedure, Rule 1701.

Petitions such as the CAUSE-PA Petition are reviewed pursuant to 66 Pa.C.S. § 703(g),⁴ and 52 Pa. Code § 5.572.⁵

The Commission in *Duick v. PGW*, 56 Pa. P.U.C. 553 (1982), (*Duick*), elaborates on the application of Section 703(g) and Section 5.572:

A petition for reconsideration, under the provisions of 66 Pa. C.S. § 703(g), may properly raise any matters designed to convince the Commission that it should exercise its discretion . . . to rescind or amend a prior order in whole or in part.

Duick at 558.

DISCUSSION

CAUSE-PA has articulated a number of alleged issues in its Petition related to the subsidy credit limits established in the March 2024 Order. We have delineated CAUSE-PA's alleged issues into the following categories:

1. Need for subsidy credit limits;
2. PCAP subsidy credit limit amounts;
3. Reporting requirements;
4. Consistency with the FirstEnergy PA merger provisions;

⁴ Section 703(g), 66 Pa. C.S. § 703(g) (relating to fixing of hearings), provides that “[t]he commission may, at any time, after notice and after opportunity to be heard as provided in this chapter, rescind or amend any order made by it. Any order rescinding or amending a prior order shall, when served upon the person, corporation, or municipal corporation affected, and after notice thereof is given to the other parties to the proceedings, have the same effect as is herein provided for original orders.”

⁵ Section 5.572(a), 52 Pa. Code § 5.572(a) (relating to petitions for relief following a final decision), provides that “[p]etitions for rehearing, reargument, reconsideration, clarification, rescission, amendment, supersedeas or the like must be in writing and specify, in numbered paragraphs, the findings or orders involved, and the points relied upon by petitioner, with appropriate record references and specific requests for the findings or orders desired.”

5. Applying subsidy credit limits only to customers who refuse LIURP;
6. Exemptions to subsidy credit limits and outreach;
7. Increasing subsidy credit limits based on changes to the PTC;
8. Referral to OALJ;
9. Timeline for implementation;
10. Consequence if a household exceeds its subsidy credit limit; and
11. Assertion that stakeholder comments and recommendations were not addressed in the March 2024 Order.

We shall address each issue individually.

1. Need for subsidy credit limits

CAUSE-PA questions the March 2024 Order’s conclusion that removing subsidy credit limits entirely for FirstEnergy PA would impact the cost effectiveness of its universal service programs. It asserts that the Commission omits the possibility that retaining subsidy credit limits may “...increase negative credit actions that may increase costs for all consumers – including increased uncollectible expenses and termination related costs.” CAUSE-PA Petition at 10, ¶37.

CAUSE-PA asserts that the subsidy credit limits in the March 2024 Order, which were based on the projected subsidy credit limits for 80% of PCAP participants in all rate districts, will result in unaffordable bills for the other 20% of PCAP participants. CAUSE-PA notes that the March 2024 Order does not address the concerns that CAUSE-PA raised regarding how maximum PCAP credits would impact the most vulnerable and lowest-income households, households of color, and other equity concerns. CAUSE-PA Petition at 10-11, ¶38, *citing* the CAUSE-PA Reply Comments at 15-16.

CAUSE-PA claims that the Commission's determination that the implementation of subsidy credit limits is necessary to control program costs or consistent with limits set by other electric distribution companies (EDCs) is not supported by data and analysis and must be further reviewed. CAUSE-PA asserts the Commission's proposed subsidy credit limits was neither supported by any party in the proceeding nor through the available limited information provided by FirstEnergy PA. It opines that the *Duick* standard applies to this proceeding due to the majority of CAUSE-PA's identified issues not being previously raised or studied. CAUSE-PA Petition at 11, 13-14.

Resolution: Cost control measures are a recommended aspect of a CAP design. The CAP Policy Statement (2020) lists different types of cost control measures that could be included in CAPs, including consumption limits⁶ and maximum CAP credits.⁷ Limits to the maximum amount of CAP credits an EDC customer may receive in a program year have traditionally been established in utility-specific proceedings.⁸ That is precisely what has transpired in FirstEnergy PA's 2024 USECP proceeding. It is not persuasive that no party proposed or favored specific subsidy credit limits; the Commission concluded and continues to conclude that the suggested alternatives would not provide the requisite cost controls.

When evaluating the cost-effectiveness of universal service programs, the Commission must consider how the programs will impact the affordability of public utility service for all ratepayers, including those who benefit from the programs and those who pay for them. While eliminating subsidy credit limits would ensure that PCAP customers never pay more than their PIP or minimum bill amount, it would remove any

⁶ 52 Pa. Code § Section 69.265(3)(iii).

⁷ 52 Pa. Code § Section 69.265(3)(v).

⁸ NGDCs, which generally do not have specific CAP credit limits, have established CAP consumption limits to address high usage and reduce program costs. *See, for example, Columbia 2019-2023 USECP* at 26, Docket No. M-2018-2645401, filed on November 25, 2019; <http://www.puc.pa.gov/pcdocs/1645337.pdf>, approved by Commission Order entered January 16, 2020.

limits on the amount of PCAP bill subsidization recovered from ratepayers, including those ratepayers who exceed the income limits to qualify for PCAP and LIURP but still struggle to afford their public utility bills.

An example of the significant impact eliminating CAP credit limits can have on non-CAP ratepayer bills can be seen by considering the CAP costs of UGI Electric. UGI Electric is a smaller EDC affiliated with the larger UGI natural gas distribution companies (NGDC). UGI Electric is the only EDC without an annual limit on CAP credit expenditures. The Commission approved eliminating the maximum CAP credit limits for all UGI utility companies in UGI's 2014-2017 USECP proceeding. The Commission directed UGI to file annual reports detailing the impact of this change on CAP credit expenditures. *UGI 2014-2017 Final Order*, Docket No. M-2013-2371824 (order entered on January 15, 2015) at 25-33. In UGI's 2020-2025 USECP proceeding, the Commission raised concerns about the annual amount of CAP credit expenditures exceeding previous limits for all UGI companies and directed UGI to continue monitoring and reporting on the impacts of eliminating its maximum CAP credit limits by April 1 of each year. See *UGI 2020-2025 USECP Order*, Docket Nos. M-2017-2598190, M-2017-2637094, M-2017-2637095, and M-2017-2637098 (order entered August 8, 2019) at 42-48.

On June 16, 2022, the Commission entered an Order approving UGI Electric's petition to, *inter alia*, amend its maximum energy burdens for its CAP PIPs consistent with or below the CAP Policy Statement (2020) recommended maximum energy burdens at 52 Pa. Code § 69.265(2)(i). For UGI Electric, the maximum energy burden levels were below those maximum recommendations for some CAP customers, with electric heating CAP customers with incomes between 51% to 100% and 101% to 150% of the FPIG paying 8% and 9% of their income, respectively, instead of 10%. See *UGI 2020-2025 USECP Order*, Docket Nos. M-2019-3014966 and P-2020-3019196 (order entered on June 16, 2022).

As shown in Table 3, when proposing to amend its CAP based on the revised PIP energy burdens, UGI projected its annual CAP budget would increase from \$4.1 million to \$5.8 million from 2022 to 2025. Based on the projected number of non-CAP ratepayers, it was estimated that UGI Electric’s monthly CAP subsidization costs would correspondingly increase from \$6.74 to \$9.75 during this time period.

Table 3. UGI Electric Projected CAP Budgets 2022-2025

Year	CAP Customers	Non-CAP Ratepayers	CAP Budget Proposed PIP	Monthly Cost Per Ratepayer
2022	3,348	50,950	\$4,123,879	\$6.74
2023	3,664	50,515	\$4,612,896	\$7.61
2024	4,099	50,025	\$5,165,083	\$8.60
2025	4,589	49,470	\$5,789,179	\$9.75

Source: Supplemental Information at 14; March 30, 2022 Correction at 3-10, 15.

Annual CAP credit reporting by UGI shows that UGI Electric’s actual CAP expenditures in 2023 were greater than its 2025 projections, with UGI Electric ratepayers now paying over \$10 per month to subsidize CAP.

As shown in Table 4, over 44% of UGI Electric’s 2023 CAP expenditures (*i.e.*, \$2.9 million) consist of CAP bill credits exceeding its previous limits. At the same time, gross residential write-offs for confirmed low-income customers (*i.e.*, uncollectable debt) increased from 2022 to 2023.

Table 4. Actual UGI Electric CAP Expenditures and Gross Write-Offs: 2022-2023

Year	Average CAP Customers	Average Non-CAP Ratepayers	CAP Expenditures	Monthly Cost Per Non-CAP Ratepayer	Amount Over Previous CAP Credit Limits	Additional Monthly Cost Per Ratepayer	Gross Residential Write-offs for CLI
2022	2,986	51,839	\$4,408,967	\$7.09	\$1,732,385	\$2.78	\$177,429
2023	3,700	51,167	\$6,495,190	\$10.58	\$2,882,327	\$4.69	\$284,375

Sources: CAP Credit Evaluation Report for 2022 (filed April 3, 2023) and CAP Credit Evaluation Report for 2023 (filed April 1, 2024) at Docket Nos. M-2019-3014966 and P-2020-3019196.

The UGI Electric example is only meant to illustrate how eliminating CAP subsidy credit limits and cost control measures for CAPs in general can significantly increase non-participating ratepayer bills beyond public utility projections. However, we recognize that CAP expenditures can often exceed their projected annual budgets, even with CAP credit limits in place.⁹

FirstEnergy PA has a much larger residential ratepayer base than UGI Electric and projects reductions in program spending as a result of its transition to a PIP.¹⁰ Each FirstEnergy PA rate district had over 500,000 non-CAP residential ratepayers in 2022 (over 600,000 for WPP).¹¹ The size of a public utility’s residential class provides no assurances that CAPs without cost limitations could not exceed cost projections. Further, the size of a public utility’s residential class does not insulate non-CAP households from adverse impacts when CAP costs exceed projections. Households just above 150% of the FPIG feel the impact. We found, and continue to find, it prudent and reasonable, just and

⁹ For example, Duquesne Light reported that it exceeded its projected CAP budget for 2023 by over \$9 million. *See* Duquesne Light letter (filed on December 15, 2023) at Docket No. M-2019-3008227. PPL also reported it exceeded its projected 2023 CAP budget (*i.e.*, \$80,276,687) by approximately \$49 million (*i.e.*, \$129,148,124). *See* PPL 2023-2027 USECP, Docket No. M-2022-3031727, (filed on April 27, 2023) at 11 and PPL Letter (filed on May 16, 2024) at Docket No. M-2022-3031727.

¹⁰ *See* March 2024 Order at 109-110.

¹¹ *See* 2022 Report on Universal Service and Collections Performance at 88.

fair, to establish limits on FirstEnergy PA's PCAP subsidy expenditures to cap the costs recovered from non-PCAP ratepayers.

We rejected FirstEnergy PA's proposal to eliminate its subsidy credit limits as part of its 2024 USECP. We are not persuaded to reconsider the requirement FirstEnergy PA has for subsidy credit limits. Accordingly, this aspect of the CAUSE-PA Petition is denied.

2. PCAP subsidy credit limit amounts

Without conceding that the requirement of subsidy credit limits is warranted, CAUSE-PA challenges the amount of the subsidy credit limits established in the March 2024 Order. CAUSE-PA asserts that the new subsidy credit limits would result in unaffordable bills for 20% of PCAP customers and most negatively impact the lowest income customers. CAUSE-PA Petition at 10.

CAUSE-PA also notes that the Commission declined to adopt OCA's recommendation to increase subsidy credit limits based on increases to the PTC due to the fluctuating nature of PTC pricing. CAUSE-PA asserts the Commission failed to consider the impact of this decision on PCAP participants and that the PCAP bills will be adjusted monthly, which should address concerns regarding bill fluctuations. CAUSE-PA Petition at 13.

Resolution: CAUSE-PA's characterizations overlook how the new subsidy credit limits were determined and the impact the new subsidy credit limits will have on FirstEnergy PA's lowest income customers, as compared to its current subsidy credit limits. Although the new subsidy credit limits were based on the amount of subsidy credits that would address 80% of PCAP bills in 2024, the Commission used the highest projected for the different rate districts, based on income tier and account type, to establish new subsidy

credit limits for all PCAP customers. As reflected in Tables 5, 6, 7, and 8 below, compared to existing subsidy credit limits, these new limits will increase credits provided to the lowest income PCAP customers and PCAP customers with ENH for all FirstEnergy PA rate districts, which were the groups who exceeded PCAP credit limits the most in 2020-2022. See March 2024 Order at 24; FirstEnergy PA Supplemental Information at 4. Conversely, higher income (*i.e.*, 51%-150%) EH customers would see a decrease in their subsidy credit limits.

Table 5. Met-Ed Subsidy Credit Limits: 2019 USECP vs. March 2024 Order

FPIG	2019 ENH Annual	2024 ENH Annual (PIP)	% Change	2019 EH Annual	2024 EH Annual (PIP)	% Change
0%-50%	\$1,090	\$2,250	106%	\$2,670	\$3,150	18%
51%-100%	\$1,090	\$1,650	51%	\$2,670	\$2,350	-12%
101%-150%	\$1,090	\$1,300	19%	\$2,670	\$1,700	-36%

Sources: 2019 USECP at 12; March 2024 Order at 28.

Table 6. Penelec Subsidy Credit Limits: 2019 USECP vs. March 2024 Order

FPIG	2019 ENH Annual	2024 ENH Annual (PIP)	% Change	2019 EH Annual	2024 EH Annual (PIP)	% Change
0%-50%	\$1,110	\$2,250	103%	\$2,710	\$3,150	16%
51%-100%	\$1,110	\$1,650	49%	\$2,710	\$2,350	-13%
101%-150%	\$1,110	\$1,300	17%	\$2,710	\$1,700	-37%

Sources: 2019 USECP at 12; March 2024 Order at 28.

Table 7. Penn Power Subsidy Credit Limits: 2019 USECP vs. March 2024 Order

FPIG	2019 ENH Annual	2024 ENH Annual (PIP)	% Change	2019 EH Annual	2024 EH Annual (PIP)	% Change
0%-50%	\$1,090	\$2,250	106%	\$2,700	\$3,150	17%
51%-100%	\$1,090	\$1,650	51%	\$2,700	\$2,350	-13%
101%-150%	\$1,090	\$1,300	19%	\$2,700	\$1,700	-37%

Sources: 2019 USECP at 12; March 2024 Order at 28.

Table 8. WPP Subsidy Credit Limits: 2019 USECP vs. March 2024 Order

FPIG	2019 ENH Annual	2024 ENH Annual (PIP)	% Change	2019 EH Annual	2024 EH Annual (PIP)	% Change
0%-50%	\$1,040	\$2,250	116%	\$2,550	\$3,150	24%
51%-100%	\$1,040	\$1,650	59%	\$2,550	\$2,350	-8%
101%-150%	\$1,040	\$1,300	25%	\$2,550	\$1,700	-33%

Sources: 2019 USECP at 12; March 2024 Order at 28.

In addition to increasing subsidy credit limits for PCAP’s ENH and lowest income customers, the Commission also directed FirstEnergy PA to refer all PCAP customers who exceed 80% of their subsidy credit limits to LIURP and to require all PCAP customers referred to LIURP to receive weatherization unless there is a valid reason for a waiver. Energy efficiency enhancements provided through LIURP should also help reduce the amount of subsidy credits needed for high usage PCAP customers.

Accordingly, we deny CAUSE-PA’s request regarding this issue. The new subsidy credit limits were established based on the data provided in the 2024 USECP proceeding and will increase subsidy credit limits for customers with incomes at or below 50% of the FPIG and/or with ENH service. FirstEnergy PA Supplemental Information at 6; March 2024 Order at 27. We will evaluate the impact of these new subsidy credit limits through annual reporting before considering whether additional changes to these limits are warranted.

3. Reporting requirements

CAUSE-PA and OCA each note that the March 2024 Order did not specify annual reporting requirements for the subsidy credit limits approved in the 2024 USECP.

Resolution: We agree that annual reporting is necessary to determine the impact of the new subsidy credit limits. In response, we clarify that FirstEnergy PA shall track and

report for each rate district how many PCAP customers exceed these subsidy credit limits and whether certain subsets of customers (*i.e.*, based on income or account type) are particularly impacted. This reporting must also include:

- How many of these customers received termination notices and how many thereafter had service terminated.
- How many of these customers were granted exceptions to the subsidy credit limits and the basis for exemption.
- How many of these customers participated in LIURP.
- How many of these customers did not participate in LIURP and the reasons why not, if known.

Accordingly, based on the new subsidy credit limits, FirstEnergy PA shall file and serve an annual report on April 1 of each year at its USECP dockets beginning in 2026 for the duration of its 2024 USECP on the number of PCAP customers reaching or exceeding their subsidy credit limits, broken down by account type (*i.e.*, ENH and EH) and FPIG income tier (*i.e.*, 0%-50%, 51%-100%, and 101%-150%).

4. Consistency with the FirstEnergy PA merger provisions

CAUSE-PA contends that the Commission overlooked FirstEnergy PA's rate unification timeline. It states that FirstEnergy PA agreed to gradually move to base rate unification on or after January 1, 2025, or a period of 10 years from the date of the Commission's approval. CAUSE-PA notes its belief that the Commission reached the incorrect conclusion that the merger of the FirstEnergy EDCs into FirstEnergy PA would promptly produce uniform rates throughout FirstEnergy PA, which it asserts creates an unreasonable disparity in PCAP bills across FirstEnergy PA's four rate divisions. It further claims that imposing uniform subsidy credit limits on the four rate divisions

undermines 66 Pa C.S. § 1304 which prohibits rate discrimination. CAUSE-PA Petition at 14-16, *citing* the Recommended Decision at 13, ¶ 32.¹²

OCA agrees with CAUSE-PA's assessment that the Commission overlooked FirstEnergy PA's merger proceeding settlement where FirstEnergy PA agreed to adhere to a gradual process towards base rate unification for the separate rate districts over a period of years and through several base rate proceedings. OCA further expresses its agreement with CAUSE-PA's statement that subsidy credit limits should be separately determined for each of FirstEnergy PA's EDCs based on individual rate analysis due to rate consolidation not occurring for a number of years. OCA Answer at 7-8, *citing* the August 2023 Joint Petition at 45.

FirstEnergy PA reiterates its support for its original proposal to eliminate subsidy credit limits. It disagrees, however, with CAUSE-PA's assertion that the March 2024 Order is inconsistent with the August 2023 Joint Petition reached as a result of the consolidation of its EDCs. FirstEnergy PA states that the August 2023 Joint Petition explains how it will not recommend base distribution rate unification for a certain time period, but it stresses that there is no restriction on the pursuit of rider rate unification (*e.g.*, universal service charge rider), which CAUSE-PA challenges in its Petition. FirstEnergy PA asserts that this claim is without merit and must be denied. FirstEnergy PA Answer at 1, 4-6.

FirstEnergy PA asserts that it not seeking to unify base distribution rates prior to the timeframe agreed upon and that it intends to fully comply with terms and

¹² On March 6, 2023, FirstEnergy PA filed an Application at Docket Nos. A-2023-3038771, *et al.*, to merge Met-Ed, Penelec, Penn Power, and West Penn Power into FirstEnergy PA. On August 30, 2023, FirstEnergy PA filed a Joint Petition for Approval of Settlement (August 2023 Joint Petition). On October 19, 2023, the OALJ issued a Recommended Decision recommending approval of the August 2023 Joint Petition. By Order entered on December 7, 2023, the Commission approved the October 2023 Recommended Decision. *See Merger Order.*

commitments set forth in August 2023 Joint Petition. The August 2023 Joint Petition requires “gradualism” as applied to base distribution rate unification and requires “collaboration” regarding unification of FirstEnergy PA’s its universal service programs. FirstEnergy PA asserts that the August 2023 Joint Petition “clearly outlines the terms and conditions as relating to the unification of base distribution rates only.” FirstEnergy PA Answer at 5.

With respect to CAUSE-PA’s other concerns, FirstEnergy PA asserts that it will participate in a collaborative process to discuss changes to its universal service program with stakeholders including CAUSE-PA at its next Universal Service Advisory Committee (USAC) meeting. FirstEnergy PA provides assurances that, at the USAC meeting, stakeholders including CAUSE-PA, will have the opportunity to raise concerns regarding proposed changes to the FirstEnergy PA USECP. FirstEnergy PA Answer at 5-6.

Resolution: Base rate cases are subject to Section 1308 (relating to voluntary changes in rates), 66 Pa.C.S. § 1308.¹³ FirstEnergy PA’s universal service costs are recovered through the universal service riders for each rate district and are subject Section 1307

¹³ The FirstEnergy PA tariff provides the following regarding residential service rates: There are two residential service customer classes – Rate Schedules RS and GS-V. (GS-V service is limited to volunteer fire companies and non-profit ambulance service, rescue service, and senior center service customers.)

FirstEnergy PA RS Rates				
Rate District	Met-Ed	Penelec	Penn Power	WPP
Customer Charge	\$11.25	\$11.25	\$11.00	\$7.44
Per kWh for all kWh	4.800 cents	6.074 cents	4.437 cents	3.487 cents

Riders, listed on page 181 of the Tariff such as the universal service rider, are separately calculated and applied to the residential bill. Page 61 Electric Pa.P.U.C. No. 1 Original pages 29, 61, and 68. (<https://www.firstenergycorp.com/content/dam/customer/Customer%20Choice/Files/PA/tariffs/fe-pa-retail-tariff.pdf>) (accessed June 26, 2024).

(relating to sliding scale of rates; adjustments), 66 Pa.C.S. § 1307.¹⁴ Universal service riders are subject to audits conducted under Section 506 (relating to inspection of facilities and records), 66 Pa.C.S. § 506.¹⁵

While the universal service rider is combined with the base rate charge for energy on a residential bill, the FirstEnergy PA tariff clearly indicates that universal service costs recovered through the universal service rider are not factored into FirstEnergy PA’s base rates. While the establishment of subsidy credit limits which can affect the amount of universal service costs to be recovered, neither those determination nor the calculation of the universal service charge rider are a function of FirstEnergy PA base rate calculations for any of the rate districts.

Accordingly, we deny CAUSE-PA’s request on this point. There is a clear distinction between a base rate unification and the establishment of uniform subsidy

¹⁴ The FirstEnergy PA tariff provides the following regarding universal service: Universal Service Charge -- The charge developed and calculated in accordance with the Universal Service Cost Rider (USC). The USC is applied to residential bills per kWh and is included in the distribution charges of the monthly residential bill.

FirstEnergy PA Universal Service Charges for January 1, 2024 – December 31, 2024				
Rate District	Met-Ed	Penelec	Penn Power	WPP
Charge	0.947 cents/kWh	1.306 cents/kWh	0.927 cents/kWh	0.795 cents/kWh

The USC is filed with the Commission by December 1 of each year. The USC becomes effective the following January 1, unless otherwise ordered by the Commission, and remains in effect for a period of one year, unless revised on an interim basis subject to the approval of the Commission. Upon determination that the USC rates, if left unchanged, would result in material over or under-collection of all Universal Service Program Costs incurred or expected to be incurred during the current 12-month period ending December 31, FirstEnergy PA may request the Commission for interim revisions to the USC to become effective 30 days from the date of filing, unless otherwise ordered by the Commission. FirstEnergy PA files a report of collections under the USC within 45 days following the conclusion of each Computational Year quarter. The USC is subject to review and audit by the Commission. Electric Pa.P.U.C. No. 1 Original pages 29, 181, 185 – 186.

(<https://www.firstenergycorp.com/content/dam/customer/Choice/Files/PA/tariffs/fe-pa-retail-tariff.pdf>) (accessed June 26, 2024).

¹⁵ See, for example, the most recent Reports on the Statements of Universal Service Charge for Met-Ed at D-2020-3011304; Penelec at D-2020-3021306; Penn Power at D-2020-3021307; and WPP at D-2020-3021309.

credit limits. This aspect of the March 2024 Order is in no way in conflict with either the August 2023 Joint Petition or the Merger Order.

5. *Applying subsidy credit limits only to customers who refuse LIURP*

CAUSE-PA asserts that if there must be subsidy credit limits, then a refusal to participate in LIURP should be the only reason why a subsidy credit limit should apply. CAUSE-PA Petition at 2.

OCA supports adoption of its own recommendation that PCAP customers be referred to LIURP when they reach 80% of their maximum PCAP credit and be allowed to exceed the subsidy credit limit if LIURP is accepted. If the customer does not agree to LIURP participation, the household should not receive further PCAP subsidy credits once it attains 125% of its PCAP subsidy limit for the year. OCA asserts that LIURP is a solution to address high energy usage, that it is inappropriate to enforce a PCAP subsidy credit limit when these participants have taken steps to restrict their energy usage, and that this is consistent with the exemption in the CAP Policy Statement for households with usage beyond their ability to control. OCA Answer at 4-6, referring to 52 Pa. Code § 69.265(3)(vi)(C).

FirstEnergy PA disagrees with CAUSE-PA's proposal that a PCAP subsidy credit limit should apply only if participants refuse LIURP participation. FirstEnergy PA currently requires its high usage PCAP participants to take part in LIURP, which includes weatherization installation, but states that not all participants respond to outreach attempts from assigned weatherization providers. FirstEnergy PA avers that allowing customers that do not participate in LIURP to remain on PCAP with increased subsidy credit limits would overburden its ratepayers. It asserts that LIURP participation results in a customer's home being more energy efficient which results in lower energy costs for

PCAP households and thus lower costs for ratepayers as a whole. FirstEnergy PA Answer at 6-7.

Resolution: For similar reasons, the Commission rejected OCA's recommendation of only applying subsidy credit limits (*i.e.*, increased to 125% of the established limits) to PCAP accounts who refuse to participate in LIURP. As discussed elsewhere in this Order, CAP cost control measures are meant to provide limits to program costs. Program costs can impact affordability of public utility bills for customers who do not qualify for these programs. The Commission has never considered or approved applying CAP credit limits only as a punitive measure for not complying with program requirements. For reasons discussed in the March 2024 Order, the Commission directed FirstEnergy PA to remove PCAP customers if they refuse to participate in LIURP unless FirstEnergy PA determines the household has a valid reason for a waiver of this requirement. March 2024 Order at 48-49. For these reasons, the Commission did not adopt OCA's recommendation. We further are not persuaded to reconsider this aspect of our March 2024 Order.

Accordingly, we deny CAUSE-PA's request regarding this issue.

6. Exemptions to subsidy credit limits and outreach

CAUSE-PA notes the Commission did not address in the March 2024 Order how FirstEnergy PA should educate customers about these new PCAP maximum credit limits or what actions should be undertaken once PCAP customers reach the PCAP subsidy credit limit (*i.e.*, program removal, continuation of arrearage forgiveness, etc.).

CAUSE-PA Petition at 16. CAUSE-PA requests the Commission address OCA's proposal to exempt PCAP participants willing to participate in LIURP from the subsidy credit limit and explain whether any exemptions should exist when a PCAP participant cannot reasonably control their usage. CAUSE-PA Petition at 17-18. If the Commission does

not refer this matter to OALJ, CAUSE-PA requests the Commission clarify that PCAP participants will be exempt from the new subsidy credit limits if they participate in LIURP or if they meet one or more exemptions outlined in the CAP Policy Statement at 52 Pa. Code § 69.265(3)(vi). CAUSE-PA asserts that FirstEnergy PA should be directed to create a well-defined process and communications plan for notifying PCAP participants about the exemptions. CAUSE-PA Petition at 20.

OCA agrees with CAUSE-PA's suggestion that FirstEnergy PA should apply the exemptions noted in the CAP Policy Statement to the subsidy credit limits when a PCAP participant cannot reasonably control their usage and that ongoing monitoring of subsidy credit limits at each income tier is necessary given that other public utilities have been ordered to do so. OCA also recommends that the Commission direct FirstEnergy PA to file an annual report describing the number and percentages of customers that exceed their PCAP subsidy credits at each income tier. OCA Answer at 8-9.

Resolution: Although the Commission did not approve exempting all PCAP customers who do not refuse LIURP from subsidy credit limits, it did not intend to eliminate the cost control exemptions for subsidy credit limits currently granted by FirstEnergy PA. Under its existing fixed credit model, PCAP customers can receive exemptions from subsidy credit limits if they meet the exemptions listed in the CAP Policy Statement under 52 Pa. Code § 69.265(3)(vi). 2019 USECP at 11. In its Proposed 2024 USECP, FirstEnergy PA confirms that it will continue to apply these exemptions when determining whether a PCAP customer's usage exceeds their consumption limits (*i.e.*, 125% of the participant's prior year usage). Proposed 2024 USECP at 13.

The application of these exemptions to the subsidy credit limits was not, however, addressed by the March 2024 Order. Consistent with CAUSE-PA's request for clarification, we now clarify that FirstEnergy PA is obligated to continue to waive the subsidy credit limits for customers who meet the CAP Policy Statement exemptions,

consistent with our approval of the 2024 USECP. Further, we direct FirstEnergy PA to perform outreach to PCAP customers when they exceed 50% and 80% of the subsidy credit limits to make them aware of the exceptions and how to notify FirstEnergy PA if they believe they qualify.

Accordingly, this aspect of the CAUSE-PA Petition is granted, consistent with this Order.

7. Increasing subsidy credit limits based on changes to the PTC

CAUSE-PA questions the Commission's decision to only allow increases to the subsidy credit limits based on increases to the base rates, not on increases to the PTC, noting the Commission based this decision on the fluctuating (*i.e.*, increasing and decreasing nature of the PTC). CAUSE-PA contends the Commission failed to consider the cost impacts of this decision and overlooked that FirstEnergy PA's PIP design would allow PCAP bill amounts to change monthly, which should address concerns about frequent changes to the subsidy credit limit. CAUSE-PA Petition at 13, ¶42.

Resolution: When evaluating whether to increase subsidy credit limits based on increases to the PTC, the Commission must consider the impact of such costs on both PCAP customers who received the credits and the residential ratepayers who pay for them. The Commission has never approved allowing a public utility to modify annual CAP credits based on changes to the PTC. Allowing such automatic increases could have significant impacts on CAP costs recovered from residential ratepayers. By approving subsidy credit limit increases based on the PTC for FirstEnergy PA, we would also be establishing a precedent to approve such automatic increases for all public utility CAPs. Given the potential cost impacts to non-CAP residential ratepayers, we find such a change is more appropriately addressed in a rulemaking, where all public utilities could provide input and data related to the cost of such a change.

Accordingly, this aspect of the CAUSE-PA Petition is denied.

8. *Referral to OALJ*

CAUSE-PA recommends remanding aspects of the 2024 USEPC to the OALJ. CAUSE-PA Petition at 20. OCA suggests that if setting the amount of subsidy credit limits were to be referred to OALJ that it be combined with FirstEnergy PA's pending base rate case at Docket No. R-2024-3047068. OCA Answer at 4.

FirstEnergy PA points out that it will not be recommending base distribution rate unification for a certain time period. It stresses that there is no restriction on the pursuit of rider rate unification (*e.g.*, universal service charge rider). FirstEnergy PA Answer at 1, 4-6.

Resolution: As we discuss throughout this Order, we have based our decision on the record in this matter, consistent with statute, regulation, precedent, and policy. We conclude that there are no material questions of fact that need to be resolved in a base rate case or in a stand-alone OALJ proceeding. We, the Commission, are the ultimate fact-finder in our proceedings. We weigh the evidence and resolve conflicts. *See, generally, Milkie v. Pa. PUC*, 768 A.2d 1217 (Pa. Cmwlth. Ct. 2001), regarding the Commission's authority and responsibility regarding OALJ recommendations and decisions.

The OALJ is constituted under Section 304 (relating to administrative law judges), 66 Pa.C.S. § 304. BCS is constituted under Section 308 (d) (relating to bureaus and offices), 66 Pa.C.S. § 308(d). The Commission has designated BCS as bureau in the Commission with the responsibility to work with a public utility in CAP development. Section 69.263(b) (relating to CAP development), 52 Pa. Code § 69.263(b). Section 69.263(c) recommends that a public utility file and serve its universal service

proposals so that it, BCS, and stakeholders can have staff review, discovery, and revisions prior to Commission approval of design elements. Through the BCS process, the parties refine the proposed CAP within a USECP for review and consideration by the Commission at a Public Meeting. Once approved by the Commission, then recovery of the CAP and other universal service costs can be addressed in the form of a universal service rider.

Section 69.266 (relating to cost recovery), 52 Pa. Code § 266, provides as follows, relative to the intersection between substantive universal service program details and rates:

(a) In evaluating utility CAPs for ratemaking purposes, the Commission will consider both revenue and expense impacts. Revenue impact considerations include a comparison between the amount of revenue collected from CAP participants prior to and during their enrollment in the CAP. CAP expense impacts include both the expenses associated with operating the CAPs as well as the potential decrease of customary utility operating expenses. Operating expenses include the return requirement on cash working capital for carrying arrearages, the cost of credit and collection activities for dealing with low income negative ability to pay customers and uncollectible accounts expense for writing off bad debt for these customers. When making CAP-related expense adjustments and projections, utilities should indicate whether a customer's participation in a CAP produced an immediate reduction in customary utility expenses and a reduction in future customary expenses pertaining to that account.

(b) In rate cases, parties may raise the issue of recovery of CAP costs, whether specifically or as part of universal service program costs in general, from all ratepayer classes. No rate class should be considered routinely exempt from CAP and other universal service obligations.

Thus, the CAP Policy Statement makes it clear that the Commission is the final decision maker within the agency regarding the design and elements of a CAP. The only aspects of CAPs that the Commission finds appropriate for consideration in a rate case

are which customer classes should bear the cost of CAPs (and other universal service obligations) and how the rider will be calculated.

As established above, universal service riders are not elements of base rates. Base rates are Section 1308 matters. Universal service riders are Section 1307 matters subject to audits under Section 506. The establishment of universal service programs is predicated on Section 2804(8) and (9) (relating to standards for restructuring of electric industry), 66 Pa.C.S. § 2804(8) and (9), and Section 2203(7) and (8) (relating to standards for restructuring of natural gas utility industry), 66 Pa.C.S. § 2203(7) and (8). The parameters of customer assistance plans are subject to specific universal service proceedings and guided by the Commission's CAP Policy Statement amended in 2020. 52 Pa. Code §§ 69.261-267. Section 69.265 (relating to CAP design elements) recommends that CAPs should have control features as well as exemptions from control features. The CAP approved for FirstEnergy PA's 2024 USECP in the March 2024 Order has both.

The FirstEnergy PA's base rate case is already well underway and sending even limited issues relative to the 2024 USECP to that proceeding or a stand-alone OALJ proceeding would increase stakeholder litigation costs and impose delays on implementation of aspects of the 2024 USECP. Further, USECP modifications that are made through a rate case or OALJ settlement agreement may not include any analysis of why these changes are necessary or their potential cost-impacts. As universal service program costs are recovered primarily from residential ratepayers, considerations impacting its program spending, such as eliminating or modifying CAP credit limits, should be conducted transparently and open to public scrutiny and comment. USECP proceedings allow all interested parties to provide comments, raise questions, and review information justifying proposed changes to universal service programs in an on-the-record proceeding. Information, data, and comments provided by the public utility and stakeholders are made publicly available and used by the Commission to

determine whether the proposed USECP changes are appropriate, cost-effective, and in the public interest.

Our determination herein not to refer any aspect of this matter to OALJ for consideration applies whether the assignment would be an independent issue or as part of FirstEnergy PA's pending rate case.

Accordingly, we deny CAUSE-PA's request to refer this matter (*i.e.*, whether FirstEnergy PA should maintain subsidy credit limits) to OALJ for consideration.¹⁶ We also deny the suggestion that any aspect of the 2024 USECP be combined with FirstEnergy PA's pending base rate case.

9. Timeline for implementation

CAUSE-PA recommends implementing all other aspects of the March 2024 Order while the issues it raised in its Petition are being addressed. CAUSE-PA Petition at 20-21.

Resolution: We agree with CAUSE-PA that the timeline for implementation of changes to FirstEnergy PA's 2024 USECP should not be delayed. When the Commission granted consideration of the CAUSE-PA Petition in the April 2024 Order, it did not suspend existing deadlines established in the March 2024 Order. Accordingly, with the exception of new timelines established in this Order, FirstEnergy PA is directed to implement 2024 USECP changes approved or directed in the March 2024 Order consistent with the timeline established in that Order.

¹⁶ As we concluded in the March 2024 Order at 27, "the elimination of cost control measures for CAPs, such as credit limits, would not be consistent with the Commission's obligation under the Electric Competition Act to ensure universal service programs are operated in a cost-effective manner. 66 Pa.C.S. § 2804(9)."

10. Consequence if a household exceeds its subsidy credit limit

CAUSE-PA expresses concerns that the March 2024 Order did not address what happens if a household reaches the subsidy credit limit. CAUSE-PA Petition at 16, ¶ 51.

Resolution: FirstEnergy PA's fixed credit PCAP does not remove customers from PCAP whose discounts exceed the subsidy credit limits.¹⁷ By establishing new subsidy credit limits, it was not the Commission's intention to also approve removing customers from PCAP for exceeding these limits. Households that exceed their subsidy credit limits but do not qualify for an exception still receive other PCAP benefits, such as pre-program arrearage forgiveness, even though they do not receive further discounted billing until their new PCAP year commences. A new calculation of the limit starts with the household's 12-month PCAP cycle.

Not all public utilities specify in their USECPs what actions are taken (or not taken) when a customer exceeds their CAP credit limits, but all public utilities should specify in their USECPs what situations necessitate removing customers from CAP. As FirstEnergy PA's application of subsidy credit limits under the PIP will be different than how it applied those limits under the fixed credit model, we agree with CAUSE-PA that additional clarification is warranted. Therefore, we direct FirstEnergy PA to expressly clarify in its Revised 2024 USECP that it will not remove customers from PCAP if they exceed subsidy credit limits. If FirstEnergy PA wishes to treat PCAP households exceeding the subsidy credit limit differently, such as placing them into budget billing,¹⁸

¹⁷ In the fixed credit PCAP, customers receive 1/12 of their annual subsidy credit amount applied to their PCAP bill each month. If the customer's target energy burden level requires more subsidy credits than allowed under the limit and they don't qualify for an exemption, 1/12 of the maximum allowable subsidy credits will be applied to their monthly bill. 2019 USECP at 11-12.

¹⁸ PPL's OnTrack is an example of a CAP that places customers into budget billing after exceeding maximum credit limits. See *PPL 2023-2027 USECP*, Docket No. M-2022-3031727, at 5.

it should file a Petition to Amend to allow public comment and consideration of this proposal.

Accordingly, CAUSE-PA's concerns on this point are granted, in part, consistent with this Order.

11. Assertion that stakeholder comments and recommendations were not addressed in the March 2024 Order

CAUSE-PA avers that the Commission erred in the March 2024 Order by not fully detailing the arguments CAUSE-PA made through its comments supporting the elimination of subsidy credit limits and not individually addressing each of OCA's recommendations regarding how those subsidy credit limits should be maintained. CAUSE-PA Petition at 16-17.

Resolution: The Commission evaluated all comments and recommendations raised in this proceeding, noting that it is not required to consider expressly or at length each contention or argument raised by parties in the proceeding. March 2024 Order at 114.¹⁹

Having decided that one course of action is necessary, appropriate, just, reasonable and in the public interest, the Commission need not articulate an express reason for not choosing an alternative suggested by a stakeholder. The Commission need not express a finding or conclusion that every asserted contention is untrue or that every alternative is

¹⁹ March 2024 Order at 114:

Having addressed FirstEnergy PA's Proposed 2024 USECP and the comments and reply comments in the record, we note that any issue, comment, or reply comment requesting a further deviation from the Proposed 2024 USECP, but which we may not have specifically delineated herein, shall be deemed to have been duly considered and denied without further discussion. The Commission is not required to consider expressly or at length each contention or argument raised by the parties. *Conrail v. Pa. PUC*, 625 A.2d 741 (Pa. Cmwlth. Ct. 1993); *see also, generally, U. of PA v. Pa. PUC*, 485 A.2d 1217 (Pa. Cmwlth. Ct. 1984). March 2024 Order at 114.

either unnecessary, inappropriate, unjust, unreasonable, or not in the public interest. The Commonwealth Court, citing Section 703(e) (relating to fixing of hearing), 66 Pa.C.S. § 703(e), had said that it is not necessary that each and every issue raised by a party be discussed. *Conrail v. Pa. PUC*, 625 A.2d 741, 744 (Pa. Cmwlth. Ct. 1993) (*Conrail*). The Commission has considered the positions of CAUSE-PA as well as the positions of OCA and FirstEnergy PA. The Commission is not required to reference and discuss every single argument or item of evidence presented by a party. *Conrail* at 745, citing *Allegheny Center Associates v. Pa. PUC*, 570a.2d 149 (Pa. Cmwlth. Ct. 1990). As further noted by the Commonwealth Court:

[I]t has never been the law of this Commonwealth[] that an administrative agency must set forth findings specifically noting the rejection, and reasons for such rejection, of each and every minor allegation of a party. A voluminous record does not create, by its bulk alone, a multitude of real issues demanding individual attention. . . .

U. of Pa. v. Pa. PUC, 485 A.2d 1217, 1222-1223, citing *Application of Midwestern Fidelity Corp.*, 363 A.2d 892, 902 n. 6 (Pa. Cmwlth Ct. 1976).

Accordingly, CAUSE-PA averment is denied.

CONCLUSION

Accordingly, the Commission hereby grants, in part, and denies, in part, the Petition for Reconsideration filed by CAUSE-PA on March 29, 2024. In response to the issues raised by CAUSE-PA, we direct FirstEnergy PA to (1) continue to waive subsidy credit limits for customers who meet the CAP Policy Statement exemptions at 52 Pa. Code § 69.265(3)(vi); (2) perform outreach to PCAP customers when they exceed 50% and 80% of the subsidy credit limits to make them aware of the exemptions and how to notify FirstEnergy PA if they believe they qualify; (3) clarify that customers who

exceed their subsidy credit limits will not be removed from PCAP; and (4) implement 2024 USECP changes approved or directed in the March 2024 Order consistent with the timeline established in that Order. We also grant CAUSE-PA's request to have FirstEnergy PA submit annual reports, consistent with this Order, regarding PCAP customers who reach or exceed their subsidy credit limits. All other aspects of CAUSE-PA's petition are denied; **THEREFORE,**

IT IS ORDERED:

1. That the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania's Petition filed on March 29, 2024, is granted, in part, and denied, in part, consistent with this Order.

2. That FirstEnergy Pennsylvania Electric Company shall continue to waive its subsidy credit limits for customers who meet the CAP Policy Statement exemptions under 52 Pa. Code § 69.265(3)(vi) (relating to CAP design elements).

3. That FirstEnergy Pennsylvania Electric Company shall perform outreach to PCAP customers when they exceed 50% and 80% of the subsidy credit limits to make them aware of the exceptions and how to notify FirstEnergy Pennsylvania Electric Company if they believe they qualify for an exemption.

4. That FirstEnergy Pennsylvania Electric Company shall file and serve an annual report on April 1 of each year beginning in 2026 for the duration of its 2024-2028 Universal Service and Energy Conservation Plan on the number of PCAP customers who reach or exceed their subsidy credit limits, broken down by account type and income tier. Specifically, the report shall include, for each rate district:

- How many of these customers received termination notices and how many thereafter had service terminated.
- How many of these customers were granted exceptions to the subsidy credit limits and the basis for exemptions.
- How many of these customers participated in LIURP.
- How many of these customers did not participate in LIURP and the reasons why not, if known.

5. That FirstEnergy Pennsylvania Electric Company shall file and serve a Revised 2024-2028 Universal Service and Energy Conservation Plan consistent with this Order and the March 14, 2024 Order within twenty (20) days of the entry date of this Order, including identifying:

- Exemptions to the subsidy credit limits.
- Outreach to PCAP customers when they exceed 50% and 80% of the subsidy credit limits to make them aware of the exceptions and how to notify FirstEnergy PA if they believe they qualify for an exemption.
- That customers who exceed their maximum subsidy credit limits will not be removed from PCAP.

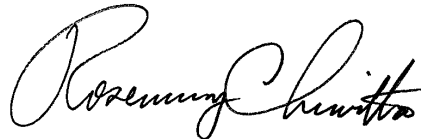
6. That the 2024-2028 Universal Service and Energy Conservation Plan shall be provided electronically in Word®-compatible format to Jennifer Johnson, Bureau of Consumer Services, jennifjohn@pa.gov; Stephanie Wilson, Law Bureau, stepwilson@pa.gov; and Louise Fink Smith, Law Bureau, finksmith@pa.gov.

7. That the Commission's Bureau of Consumer Services, with the assistance of the Commission's Law Bureau, will evaluate the Revised 2024-2028 Universal Service and

Energy Conservation Plan and will render a staff opinion in a Secretarial Letter confirming whether the Plan complies with this Order and the March 14, 2024 Order.

8. That FirstEnergy Pennsylvania Electric Company shall implement 2024-2028 Universal Service and Energy Conservation Plan changes approved or directed in the March 14, 2024 Order, unless otherwise modified in this Order, consistent with the timeline established in the March 14, 2024 Order.

BY THE COMMISSION,

A handwritten signature in black ink, appearing to read "Rosemary Chiavetta". The signature is written in a cursive style with a large initial "R".

Rosemary Chiavetta
Secretary

(SEAL)

ORDER ADOPTED: July 11, 2024

ORDER ENTERED: July 11, 2024