

**f 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.

Columbia Gas of Pennsylvania, Inc. Universal  
Service and Energy Conservation Plan for 2024–  
2028 Submitted in Compliance with 52 Pa. Code §  
62.4

Docket No. M-2023-3039487

**ORDER**

**BY THE COMMISSION**

Before the Commission for consideration and disposition on the merits is the April 19, 2024 Petition for Reconsideration (Petition for Reconsideration) filed by Columbia Gas of Pennsylvania, Inc. (Columbia), regarding the Commission's April 4, 2024 Order (April 2024 Order) relative to Columbia's Universal Service and Energy Conservation Plan for 2024-2028 (2024 USECP) at Docket No. M-2023-3039487. Reconsideration was granted, pursuant to Rule 1701 of the Pennsylvania Rules of Appellate Procedure, Pa. R.A.P. 1701, (relating to effect of appeal generally) to preserve Commission jurisdiction, in an Order entered on April 25, 2024, pending further review on the merits.

## I. BACKGROUND

On April 5, 2023, Columbia, a jurisdictional natural gas distribution company (NGDC), filed its proposed 2024 USECP at Docket No. M-2023-3039487. On June 15, 2023, the Commission entered an Order (June 2023 Order), requesting additional information and stakeholder comments regarding the proposed 2024 USECP. The June 2023 Order indicated issues that required further attention on the record, directed Columbia to provide supplemental information, and established a timeline for stakeholder comments and reply comments. Columbia filed Supplemental Information in response to the June 2023 Order on July 17, 2023. The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), the Office of Consumer Advocate (OCA), and Columbia individually filed comments and/or reply comments (Comments, Reply Comments). The April 2024 Order approved the Proposed 2024 USECP with modifications. In the April 2024 Order, we required Columbia to, *inter alia*, (1) refund security deposits, with applicable interest, collected from customers who are determined income eligible for CAP; and (2) report annually on April 1 on data related to its Health and Safety Pilot program (H&S Pilot) and Emergency Repair Program (ERP) through the duration of its 2024 USECP. April 2024 Order at 26-27, 63, 71-72, 111 OP#5 (b), 114 OP #9 and OP #11.

On April 19, 2024, Columbia filed its Petition for Reconsideration, requesting reconsideration of the two directives from the April 2024 Order described above. On April 25, 2024, the Commission entered an Order granting Columbia's Petition for Reconsideration pending review of, and consideration on, the merits of the Petition. On April 29, 2024, CAUSE-PA filed an Answer to the Petition (CAUSE-PA Answer) and OCA filed a letter (OCA Letter) noting that it would not be filing an Answer to the Petition for Reconsideration. OCA Letter at 1.

On May 6, 2024 consistent with the directive in the April 2024 Order, Columbia filed a Revised 2024 USECP.<sup>1</sup>

### STANDARD FOR RECONSIDERATION

Columbia timely filed its Petition requesting reconsideration of the April 2024 Order. Commission jurisdiction in this matter was preserved by the April 25, 2024, Order, pursuant to Pennsylvania Rules of Appellate Procedure, Rule 1701.

Petitions such as the Columbia Petition for Reconsideration are reviewed pursuant to 66 Pa. C.S. § 703(g), relating to rescission and amendment of orders,<sup>2</sup> and 52 Pa. Code § 5.572, relating to petitions for relief.<sup>3</sup>

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.

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<sup>1</sup> In the April 2024 Order, the Commission directed the Bureau of Consumer Services, with the assistance of the Commission's Law Bureau, to evaluate Columbia's Revised 2024 USECP to confirm whether the changes comply with the Order. This evaluation is pending the resolution of Columbia's Petition of Reconsideration.

<sup>2</sup> Section 703(g), 66 Pa. C.S. § 703(g), 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."

<sup>3</sup> Section 5.572(a), 52 Pa. Code § 5.572(a), 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."

## DISCUSSION

### A. *Refund of Security Deposits*

#### 1. *Background*

In its April 2024 Order, the Commission directed Columbia to refund security deposits, with an applicable interest, collected from customers who are income-eligible for CAP. Further, the Commission directed Columbia to only apply the security deposit to the account balance as a credit with the customer's informed consent. April 2024 Order at 27.

#### 2. *Columbia's Request*

In its Petition for Reconsideration, Columbia states that the directive in the April 2024 Order would require it to refund most, if not all refunds directly to the customer. Columbia submits that this process would be time-consuming and expensive. Columbia states that this would require a multi-step manual process that could take up to three weeks to complete and customers would be unable to enroll in CAP until their security deposit refund check is issued and cashed.<sup>4</sup> Columbia requests that the Commission amend its April 2024 Order and allow Columbia to refund security deposits via a bill credit, instead of issuing this refund via check as directed. Petition for Reconsideration at 4-5.

#### 3. *Stakeholder Comments*

CAUSE-PA recommends the Commission deny reconsideration of Columbia's request. CAUSE-PA submits that Columbia's proposed alternative falls short of meeting the requirements of the law, specifically that low-income customers have the option of

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<sup>4</sup> According to Columbia, "[i]t requires coordination with Columbia's Accounts Payable and Vendor teams and requires the creation of a separate and distinct vendor for each customer to which a refund will be issued. . . . Columbia will continue to offer customers without arrears a refund of their security deposit by check, which is the Company's current practice." Petition for Reconsideration at 4.

receiving a direct refund of a previously collected security deposit. CAUSE-PA contends that further clarification of the April 2024 Order regarding the process for issuing security deposit refunds is needed to prevent harm to low-income customers.

CAUSE-PA asserts that when low-income customers apply for CAP, it is likely because they are unable to keep up with their bills. CAUSE-PA notes that delays in processing CAP applications for low-income customers can cause additional financial hardships and increase the risk of service termination. CAUSE-PA submits that it is vital that refunding security deposits to low-income customers does not result in delays to CAP enrollment. CAUSE-PA Answer at 7.

CAUSE-PA avers that the following clarifications of the Commission's April 2024 Order will prevent unnecessary delays in processing CAP applications, while preserving the right of low-income customers to receive a full refund of an improperly collected security deposit. Specifically, CAUSE-PA recommends that the Commission clarify its April 2024 Order as follows:

- Affirm that without prior informed consent, Columbia cannot apply a security deposit refund pursuant to section 56.53(f) to a CAP customer's prior account balance;
- Clarify that Columbia may issue a security deposit refund pursuant to section 56.53(f) as an account credit, to be applied to a CAP participant's future CAP bills;
- Require that Columbia must provide subsequent written notice to CAP participants after applying a refund to inform them of the option to request a direct refund (via check) of any remaining credit balance; and
- Prohibit Columbia from delaying CAP enrollment or interrupting program benefits for households that subsequently request a direct refund via check.

CAUSE-PA Answer at 8.

CAUSE-PA suggests that these clarifications could resolve Columbia's process concerns without changing the legal conclusions in the Commission's April 2024 Order. CAUSE-PA notes that these clarifications would align with the Commission's previous directive and focus on applying refunded deposits to future bills rather than overdue balances. CAUSE-PA asserts that allowing Columbia to apply a refunded deposit as an account credit, with subsequent notice to the participant of the option for a direct refund, would help avoid potential CAP enrollment processing delays outlined in Columbia's petition. CAUSE-PA argues that this process would be efficient and wouldn't require applying the refund to a past due balance, noting that this approach would maintain customers' rights to receive a direct security deposit refund in accordance with relevant regulatory requirements. CAUSE-PA Answer at 9.

CAUSE-PA reiterates that Chapter 14 prohibits public utilities from collecting security deposits from households that are income-eligible for CAP and that when a utility learns that a deposit was incorrectly collected from a low-income customer, it must be refunded to that customer. CAUSE-PA asserts these funds belong to the customer and not the public utility and submits that they should not be leveraged as a cost-control measure. CAUSE-PA submits that customers should have the final decision in whether a returned security deposit is sent directly to them or applied to their asked-to-pay amount. CAUSE-PA submits that its proposed clarification would ensure that the customer remains in control of how their security deposit funds are applied, while also addressing the procedural issues raised by Columbia in its Petition for Reconsideration. Further CAUSE-PA notes that its proposed clarifications are also consistent with Commission-approved settlement terms in Columbia's 2021 base rate proceeding at Docket Number R-2021-3024296.<sup>5</sup> CAUSE-PA Answer at 9-10.

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<sup>5</sup> As part of the universal service provisions approved by the Commission in the 2021 Rate Case Settlement, Columbia agreed, *inter alia*, that it would (1) refund all security deposits being held for confirmed low-income customers within 60 days; and (2) review currently held security deposits on a semi-annual basis and issue a bill

#### 4. Resolution

Both the statute and Commission regulations prohibit requiring a cash deposit for public utility service from customers who are confirmed to be eligible for a CAP. *See* 66 Pa.C.S. § 1404(a.1)<sup>6</sup> and 52 Pa. Code § 56.32(e)<sup>7</sup>. Commission regulations also state that a public utility must “refund a deposit, along with any applicable interest, within 60 days upon determining that the customer or applicant from whom a deposit was collected is not subject to a deposit ... .” *See* 52 Pa. Code § 56.53(f).

Columbia argues that issuing security deposit refunds to customers would be a costly multi-step manual process that could delay CAP enrollments by approximately three weeks. This argument is new to this proceeding, and we find it meets the standard for reconsideration. However, we find this argument does not justify permanently waiving the statutory and regulatory requirements outlined above. The directive in the April 2024 Order is consistent with Commission directives in recent USECP proceedings, including the proceeding for Philadelphia Gas Works’ (PGW) 2023-2027 USECP at Docket No M-2021-3029323, PPL’s 2023-2027 USECP at Docket No M-2022-3031727, and Duquesne Light Company’s (Duquesne) 2020-2025 USECP at Docket No M-2019-3008227.<sup>8</sup>

CAUSE-PA has recommended allowing Columbia to apply security deposits as a bill credit to a CAP account as long as the household is sent a letter notifying them they

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credit or refund for any deposit previously collected from a confirmed low-income customer. 2021 Rate Case Settlement (filed on December 16, 2021) at 11-12, ¶¶44-45.

<sup>6</sup> 66 Pa.C.S. § 1404(a.1) provides that “no public utility may require a customer or applicant that is confirmed to be eligible for a customer assistance program to provide a cash deposit.”

<sup>7</sup> 52 Pa. Code § 56.32(e) provides that “a public utility may not require a cash deposit from an applicant who is, based upon household income, confirmed to be eligible for a customer assistance program. An applicant is confirmed to be eligible for a customer assistance program by the public utility if the applicant provides income documents or other information attesting to his or her eligibility for state benefits based on household income eligibility requirements that are consistent with those of the public utility’s customer assistance programs.”

<sup>8</sup> *See* PGW 2023 USECP Order, Docket No M-2021-3029323 (order entered on January 12, 2023) at 28, PPL 2023 USECP Order, Docket No M-2022-3031727 (order entered on February 9, 2023) at 55-56, and Duquesne 2020 USECP Order (order entered on April 14, 2022) at 57.

can request a refund of the security deposit by check. While sending such a letter to the household would ostensibly give them a choice in deciding whether to apply the security deposit to their account or receive a refund, it is not a substitute for the informed consent required by the Commission in other USECP proceedings. Without a household's consent to apply the security deposit to the utility account, the public utility should refund the security deposit via check.

Accordingly, this aspect of Columbia's Petition for Reconsideration is denied. We agree with CAUSE-PA that CAP benefits should not be delayed due to security deposit refund processing. Further, we note that it does not seem reasonable to delay protections afforded under CAP until a customer cashes a check for the security deposit refund. Therefore, we direct Columbia to (1) suspend collection activity immediately when a customer is determined to be eligible for CAP but cannot be enrolled due to a pending security deposit refund, and (2) provide retroactive CAP benefits (*i.e.*, CAP credits and arrearage forgiveness) back to the date the customer would have been enrolled in CAP for customers determined eligible for CAP whose enrollment is delayed due to a security deposit refund. The Commission encourages Columbia to develop an automated process to address security deposit refunds to avoid delays in enrolling customers into CAPs.

*B. H&S Pilot Program and ERP Reporting Requirements*

*1. Background*

In its April 2024 Order, the Commission directed Columbia to report H&S Pilot program and ERP data each calendar year, beginning in 2025, by or before April 1 through the duration of its 2024 USECP. April 2024 Order at 63 and 71-72.

## *2. Columbia's Request*

In its Petition for Reconsideration, Columbia requests that the Commission amend this directive to allow filing of the H&S Pilot program and ERP reports by April 30 of each year to align with its annual LIURP report filing. Petition for Reconsideration at 6.

## *3. Stakeholder Response*

CAUSE-PA states that it does not oppose Columbia's request. CAUSE-PA Answer at 5.

## *4. Resolution*

Columbia asserts that the Commission and stakeholders would be better served by having the H&S Pilot program and ERP reports due on April 30, when the annual LIURP report is filed, rather than on April 1. This argument is new to this proceeding, and we find it meets the standard for reconsideration. We have no opposition to Columbia's proposal to submit the H&S Pilot program and ERP reports at the same time it submits its annual LIURP reports on April 30, rather than April 1. Accordingly, this aspect of Columbia's Petition for Reconsideration is approved.

## **CONCLUSION**

Accordingly, the Commission hereby grants, in part, and denies, in part, the Petition for Reconsideration filed by Columbia on April 19, 2024. We approve Columbia's request to submit H&S Pilot program and ERP reports, consistent with the April 2024 Order, but are changing the due date from April 1 to April 30 each year. We deny Columbia's request to apply security deposits collected from CAP-eligible customers to customer bills without express consent instead of refunding them. We direct Columbia to suspend collection activity and provide retroactive CAP benefits (*i.e.*, CAP credits and arrearage forgiveness) to customers determined eligible for CAP whose enrollment is delayed due to a security deposit refund; **THEREFORE,**

**IT IS ORDERED:**

1. The Petition for Clarification and Reconsideration under 66 Pa. C.S. § 703(g) and 52 Pa. Code § 5.572 filed by Columbia Gas of Pennsylvania, Inc. on April 19, 2024, is granted, in part, and denied, in part, on the merits, consistent with this Order.
2. That Columbia Gas of Pennsylvania, Inc.’s request for the Commission to amend its April 19, 2024 Order and allow Columbia to refund security deposits via a bill credit is denied.
3. That Columbia Gas of Pennsylvania, Inc. shall issue customers retroactive CAP benefits if refunding their security deposit results in a delay in their CAP enrollment date.
4. That Columbia Gas of Pennsylvania, Inc. shall suspend collection activity for any customer determined eligible for CAP whose enrollment is delayed due to the refunding of their security deposit.
5. That Columbia Gas of Pennsylvania, Inc.’s request to file its Health and Safety Pilot Program and Emergency Repair Program reports by April 30 of each year, in conjunction with other reports due that day, is approved. This report must be filed on April 30 each year at Docket No. M-2023-3039487, beginning in 2025, for the duration of its 2024–2028 Universal Service and Energy Conservation Plan and must be consistent with the directives in the April 4, 2024 Order.

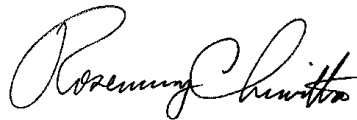
6. That Columbia Gas of Pennsylvania, Inc. shall implement all other aspects of its approved 2024-2028 Universal Service and Energy Conservation Plan consistent with the timeline established in the April 4, 2024 Order at this docket.

7. That Columbia Gas of Pennsylvania, Inc. shall file and serve a further Revised 2024-2028 Universal Service and Energy Conservation Plan consistent with this Order and the April 4, 2024 Order within twenty (20) days of the entry date of this Order, including identifying the process for addressing delays for CAP enrollments due to security deposit refunds.

8. That Columbia Gas of Pennsylvania, Inc. shall provide its further Revised 2024-2028 Universal Service and Energy Conservation Plan electronically in Word®-compatible format to Norma Bowman, Bureau of Consumer Services, [nobowman@pa.gov](mailto:nobowman@pa.gov); Stephanie Wilson, Law Bureau, [stepwilson@pa.gov](mailto:stepwilson@pa.gov); and Louise Fink Smith, Law Bureau, [finksmith@pa.gov](mailto:finksmith@pa.gov).

9. That the Commission's Bureau of Consumer Services, with the assistance of the Commission's Law Bureau, will evaluate the further 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 April 4, 2024 Order.

**BY THE COMMISSION,**



Rosemary Chiavetta  
Secretary

(SEAL)

ORDER ADOPTED: July 11, 2024

ORDER ENTERED: July 11, 2024