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September 27, 2024

Via Electronic Filing

Rosemary Chiavetta, Secretary
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2023-2027
Submitted in Compliance with 52 Pa. Code § 62.4, Docket No. M-2021-3029323; and
Petition for Emergency or Expedited Order Approving Temporary Modifications to the
Universal Service and Energy Conservation Plan for 2023-2027, Docket No. P-2024-3048856

Dear Secretary Chiavetta:

Enclosed for electronic filing please find a Petition of Philadelphia Gas Works for Modifications to the Hardship Funds Program, with regard to the above-referenced matters. Copies to be served in accordance with the attached Certificate of Service.

Sincerely,

/s/ *Lauren M. Burge*

Lauren M. Burge

Enclosure

cc: Certificate of Service (Email Only)

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of PGW's Petition for Modifications of the Hardship Funds Program in its USECP upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

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/s/ *Lauren M. Burge*

Lauren M. Burge, Esq.

Dated: September 27, 2024

had not distributed matching bill credits (i.e., write-offs) to these customers. Further, PGW discovered that UESF was no longer accepting Hardship Grant applications from PGW customers. Because UESF was not distributing grants that were promised to certain customers and was no longer accepting applications, qualifying customers did not have access to Hardship Grant funds as described under PGW's USECP to assist them in avoiding termination or having service restored.

To address this situation, on May 3, 2024, PGW filed a Petition for Emergency or Expedited Order Approving Temporary Modifications to Hardship Fund Program in Universal Service and Energy Conservation Plan for 2023-2027 ("May 3rd Petition"). The May 3rd Petition included a proposed Appendix O to PGW's USECP, which provided for temporary additions to the USECP, including allowing for a non-UESF administrator of PGW's Hardship' Funds Program, allowing PGW or its designee to serve as the interim administrator, and ensuring that customers who were approved for Hardship Grants in 2023 received the full amounts promised by USEF and PGW's matching bill credits.

In its May 9, 2024 Tentative Order, the Commission tentatively approved PGW's Petition to amend the Hardship Fund provisions in its USECP as specified in the proposed Appendix O, through December 31, 2024. As part of this approval, the Commission adopted various reporting requirements and directed PGW to file and serve a petition to rescind, retain, or modify its Hardship Fund provisions by October 1, 2024. As discussed herein, PGW has complied with the Commission's directives, has identified the Energy Coordinating Agency as the new short-term administrator for the Hardship Fund program, and is in the process of identifying a long-term administrator. PGW now submits this Petition seeking to modify its USECP to reflect these changes going forward, as required by the Tentative Order.

II. PROCEDURAL HISTORY

1. On October 29, 2021, PGW filed its proposed 2023-2027 USECP. After receiving additional information and stakeholder comments, the Commission entered an Order adjudicating the USECP on January 12, 2023 (“*January 12 Order*”).

2. On January 27, 2023, PGW filed a Petition for Reconsideration of the *January 12 Order*.

3. On March 16, 2023, the Commission entered its Order on Reconsideration, in which PGW’s Petition for Reconsideration was granted in part and denied in part (“*March 16 Order*”).

4. On July 11, 2023, PGW filed its Further Revised USECP for 2023-2027 which incorporated the required changes pursuant to the *January 12 Order* and the *March 16 Order*.

5. Specifically regarding Hardship Funds, PGW’s USECP provides that:

PGW provides Hardship Funds by matching grants paid by the Utility Emergency Service Fund (“UESF”) to customers whose service is terminated or in danger of being terminated. PGW funds are provided in the form of a matching bill credit of up to approximately \$750. Also, PGW receives customer contributions to UESF through the Dollar Plus program throughout the year; PGW expects to do outreach to customers for contributions to Dollar Plus. Contributions received are forwarded to UESF so that it can provide additional grants.²

6. As explained in the USECP, since “hardship funds are matching bill credits, the actual number of grants and the amount of credits provided will depend upon the number of grants and level of funding provided by UESF.”³

7. On May 3, 2024, PGW filed a Petition for Emergency or Expedited Order

² PGW’s 2023-2027 USECP at 29.

³ *Id.*

Approving Temporary Modifications to Hardship Fund Program in Universal Service and Energy Conservation Plan for 2023-2027 to address the fact that UESF was not distributing grants that were promised to certain customers in 2023 and was no longer accepting applications from PGW customers.

8. PGW's May 3rd Petition included a proposed Appendix O, which provided Temporary Additions to address specific portions of pages 29-34 in its USECP, on an interim basis. The provisions in Appendix O proposed to: (i) allow a non-UESF administrator of PGW's Hardship' Funds Program; (ii) replace UESF as the entity paying Hardship Grants to customers whose service is terminated or in danger of being terminated; (iii) designate PGW (or its assignee) as the interim administrator and payor of the Hardship Funds Program, effective immediately; (iv) redeploy unpaid matching grants to customers whose Hardship Grants were already approved by USEF in 2023, such that both the amounts promised by USEF and PGW's matching bill credits are provided to these customers; and (v) modify the total program budget to remove UESF grant amounts. PGW submitted that these temporary changes would allow its customers to continue receiving Hardship Funds as intended under the USECP.

9. On May 7, 2024, the Commission issued a Secretarial Letter denying PGW's request for an emergency order, finding that the criteria for issuance of an emergency order had not been met.

10. On May 9, 2024, the Commission issued a Tentative Order tentatively granting PGW's May 3rd Petition, recognizing the "urgent need to address this situation," and finding that it was "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

calendar year."⁴ No party filed an objection to the Tentative Order, and it became effective through December 31, 2024.⁵

11. The Tentative Order approved temporary modifications to PGW's USECP as outlined in the proposed Appendix O. Further, the Commission directed PGW to: (1) file and serve a status report when it has selected a new administrator for its Hardship Fund program, identifying the name and contact information of the vendor; (2) file and serve a petition to rescind, retain or modify its Hardship Fund provisions by October 1, 2024; (3) file and serve monthly status reports on the 2023 Hardship Fund grants to the 344 eligible customers who did not receive their approved grants; (4) 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; and (5) 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.⁶

12. Beginning in May 2024, PGW has filed and served monthly status reports as required by the Tentative Order.⁷ As detailed in these reports, PGW has selected the Energy Coordinating Agency ("ECA") as the new short-term administrator of its Hardship Fund program, effective August 19, 2024. Additionally, the 344 eligible customers that UESF had approved for Hardship Fund grants in 2023 but who did not receive their approved grants, have

⁴ Tentative Order at 8.

⁵ *See Id.* at 11, Ordering Para. 2 and 6.

⁶ Tentative Order at 9.

⁷ As discussed herein, PGW has complied with the Tentative Order's requirements as detailed in the monthly status reports filed at this docket. With the filing of this Petition as required by the Tentative Order, PGW's understanding is that its reporting obligations have been completed, and it will not be filing further monthly status reports regarding the Hardship Fund program.

now had their grants paid in full by PGW.⁸

III. PROPOSED MODIFICATION

13. PGW's USECP currently reflects that UESF is administering PGW's Hardship Fund Program; however, this is no longer the case. PGW has selected ECA to replace UESF and serve as the program administrator in the short term and also will be issuing an RFP seeking a long-term administrator. Through this Petition, PGW submits that its USECP for 2023-2027 should be modified to reflect that UESF is no longer the administrator and that ECA is currently administering the program. Further, once PGW has selected a long-term administrator for the program, the Company proposes to notify the Commission of this selection within 30 days of the effective date of any agreement with a new long-term administrator.

14. Specifically, PGW proposes to include a Revised Appendix O (attached) with its USECP to reflect these changes. Revised Appendix O provides as follows:

- a. Allow for a non-UESF administrator of PGW's Hardship Funds Program.
- b. Designate ECA as the administrator and payor of the Hardship Funds Program, effective as of August 19, 2024, until further notice to the Commission.
- c. Provide that once PGW has identified a long-term administrator for the program, PGW will notify the Commission of the identity of the new administrator and the effective date of their administration, within 30 days of the effective date.

15. Under the 2024 Budget, as shown below, PGW will continue the issuance of

⁸ See PGW's August 2024 Hardship Fund Status Report, filed Aug. 29, 2024.

matching bill credits, up to \$750 per customer.

Budgeted Description	Budgeted Amount
Administrator Operating Budget	\$260,149
PGW Contribution	\$695,500
Pilot Program	\$100,000
Customer/employee contributions (PGW)	\$2,000
Total Calendar Year 2024 Budget	\$1,057,649
Average annual participation***	725

***Annual participation 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.

16. PGW submits that these modifications are in the public interest and will ensure that Hardship Funds remain available to customers in significant need, whose income is at or below 175% of the Federal Poverty Level (“FPL”) and whose service has been terminated or is in danger of being terminated.⁹ PGW’s proposed amendments will allow qualifying customers to once again have consistent access to these grants to help maintain or restore service.

17. For the reasons discussed above, PGW submits that granting this Petition is in the public interest as it will ensure continued access to Hardship Funds and provide the benefits intended by the current USECP.

⁹ See PGW’s USECP for 2023-2027 at 29-31.

IV. CONCLUSION

For the foregoing reasons, PGW respectfully requests that the Commission grant this Petition and approve the proposed modifications to PGW's USECP for 2023-2027 as provided in the Revised Appendix O.

Respectfully Submitted,

/s/ Lauren M. Burge

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Dated: September 27, 2024

Counsel for Philadelphia Gas Works

Further Revised Universal Service and Energy Conservation Plan 2023-2027
Philadelphia Gas Works
Effective: [TBD], 2024

Revised Appendix O: Modifications to Hardship Funds Program (pages 29-34)

1. A non-UESF administrator may administer PGW’s Hardship Funds Program.
2. The Energy Coordinating Agency (“ECA”) shall be the administrator and payor of the Hardship Funds Program effective August 19, 2024 and until further notice to the Commission.
3. PGW will be issuing an RFP for a long-term administrator to administer the Hardship Funds Program. Once PGW has identified the long-term administrator, PGW will notify the Commission of the identity of the new administrator and the effective date of their administration, within 30 days of the effective date.
4. The total program budget for 2024 is modified to remove UESF grant amounts:

Budgeted Description	Budgeted Amount
Administrator Operating Budget	\$260,149
PGW Contribution	\$695,500
Pilot Program	\$100,000
Customer/employee contributions (PGW)	\$2,000
Total Calendar Year 2024 Budget	\$1,057,649
Average annual participation***	725

***Annual participation 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.

VERIFICATION

I, Denise Adamucci, hereby state that: (1) I am the Senior Vice President for Customer Service & Regulatory Affairs for Philadelphia Gas Works (“PGW”); (2) I have reviewed the statements set forth in the foregoing Petition as to their accuracy; and (3) the facts set forth therein are true and correct to the best of my knowledge, information and belief. I understand that statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: September 27, 2024

/s/ Denise Adamucci

Denise Adamucci

Senior Vice President for Customer & Regulatory Affairs

Philadelphia Gas Works