

COMMONWEALTH OF PENNSYLVANIA



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January 30, 2025

Via Electronic Filing

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

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

Dear Secretary Chiavetta:

Attached for electronic filing, please find the Office of Consumer Advocate's Answer to Philadelphia Gas Works' Petition in this proceeding.

Copies have been served on the parties as indicated on the enclosed Certificate of Service.

Respectfully submitted,

/s/ Christy Appleby
Christy Appleby
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Enclosures

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Certificate of Service

CERTIFICATE OF SERVICE

Philadelphia Gas Works Universal Service :
And Energy Conservation Plan for : Docket No. M-2021-3029323
2023-2027 Submitted in Compliance with :
52 Pa. Code § 62.4 :
:

I hereby certify that I have this day filed electronically on the Commission’s electronic filing system and served a true copy of the following document, the Office of Consumer Advocate’s Answer to Philadelphia Gas Works’ Petition, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below.

Dated this 30th day of January 2025.

SERVICE BY E-MAIL ONLY

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Dated: January 30, 2025

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ANSWER OF THE
OFFICE OF CONSUMER ADVOCATE

I. INTRODUCTION

On January 10, 2025, Philadelphia Gas Works (PGW or the Company) filed its Petition to request that the Pennsylvania Public Utility Commission (Commission) modify its April 25, 2024 Order in the instant case regarding recertifications for non-LIHEAP customers enrolled in PGW’s low-income Customer Assistance Program, the Customer Responsibility Program (CRP). *See 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, Order (April 25, 2024)(*April 25 Order*). PGW requests that the Commission permit PGW to resume recertifications in the spring or summer of 2025 instead of when the Company completes the “total system replacement” of its new Customer Information System (CIS) as previously planned. Petition at 1, ¶ 10. PGW proposes to restart recertifications on a staggered basis by processing up to 1,000 recertifications per week until all recertifications have been completed. Petition at ¶ 17.

In PGW’s 2023-2027 Universal Service and Energy Conservation Plan (USECP or Plan) Order, the Commission approved PGW’s proposal to expand the recertification timeline for CRP participants that do not receive a Low Income Home Energy Assistance Program (LIHEAP) grant

from every year to every two years. Petition at 1. PGW subsequently filed on December 28, 2023 a Petition for Extension of Implementation Timelines for Three Changes to its Customer Responsibility Program, requesting additional time to implement certain changes due to delays in the CIS implementation. In its December 28, 2023 Petition, PGW proposed to either delay implementing the expanded recertification timeline for non-LIHEAP CRP customers until the new CIS goes live, or alternatively, to pause all recertifications until the CIS is in place. Petition at ¶ 6. On April 25, 2024, the Commission approved the proposal to temporarily pause all CRP recertifications until the new CIS is implemented and then to adopt a staggered schedule to resume CRP recertifications once the new CIS is in place. Petition at 1; *See April 25 Order*.

In in the instant Petition, PGW confirms that it has suspended all recertifications since April 29, 2024, but provides that the CIS implementation is anticipated to be further delayed from the Spring of 2025 until possibly Spring 2026. Petition at 2, ¶ 8. PGW requests a modification of the *April 25 Order* to begin recertifications for non-LIHEAP and non-zero income customers in the spring to summer of 2025 because the Company states that it “has growing concerns that customers will become unfamiliar with the recertification process requirements and thus has been working to make a change in its current” CIS. Petition at 2, ¶ 9.

Although PGW states that changes are normally inadvisable during a CIS implementation, PGW still proposes to make the change now to take recertifications off their current hold. Petition at 2. PGW proposes to resume CRP recertifications beginning in the spring of 2025 by implementation the change to expand the recertification timeframe for non-LIHEAP CRP customers from every year to two years. Petition at 2. PGW states “[t]his will allow the restart process to be fully implemented prior to the new CIS going live, and the new CIS will then subsequently continue the normal process.” Petition at 2.

For the reasons set forth below, the Office of Consumer Advocate (OCA) opposes PGW's proposal. The OCA recommends that PGW's proposal be denied. Instead of a potentially costly and short-lived implementation of a fix to PGW's current CIS, the OCA recommends that PGW implement a notice process to remind customers of their obligations within CRP to recertify their household and income information as well as update PGW with any interim changes. The notice process will likely be a less expensive alternative and achieve the goal of reminding CRP participants of their obligation to reverify their income.

II. ANSWER

The OCA recommends that PGW's proposed resumption of recertifications should be denied and that a notice only process for reminders of recertification be implemented. Much of the same objective to remind customers of the obligation to recertify may be achieved through reminder notifications. The OCA does not agree that it is appropriate at this time, with the current system being replaced, that it is cost-effective to implement a temporary fix.

As PGW states in its Petition, the Company is in the process of a "total system replacement" of its CIS. Petition at ¶ 10. The total system replacement means that the "[u]se of PGW's current CIS will cease and system modifications have been stopped in preparation for the new system to go live." *Id.* PGW specifically states that "it appreciates the risk and internal costs of implementing the system changes necessary to restart recertifications now." In spite of these large scale changes and prohibitions against further modifications, PGW proposes to restart recertifications in order to "avoid potential customer confusion" and that otherwise "if recertifications are not restarted, its non-CRP customers will be forced to inappropriately absorb the costs of CRP customers who may no longer qualify for program benefits." Petition at 13.

PGW claims that the proposed resumption of recertifications is reduce the costs for CRP customers who may no longer qualify for program benefits. What PGW fails to acknowledge in its Petition is that PGW's proposed fix to begin recertification of CRP customers will also come with a cost. Although PGW cautions in its Petition that CIS fixes should not be implemented prior to the go live date of the new system, PGW does not provide any information about what the potential risks to the current or future CIS are from implementing the change. Such costs may, in fact, exceed any purported savings from resumption of recertifications.

As the Company avers in its Petition, the Company would be going to the expense of reprogramming its existing CIS, which will be eliminated potentially in the next year (possibly Spring of 2026. Petition at ¶ 12. While the CIS system implementation has already far exceeded the Company's originally proposed timeline, implementing a recertification process now is an unnecessary investment of time and money in a process that will be abandoned with the launch of the new CIS. The OCA does not believe that PGW has shown that the benefits outweigh the costs of the investment in the existing CIS system for CRP customers or for non-CRP customers.

If PGW has concerns about CRP customers needing to be reminded of CRP program rules, the OCA believes that concern could be addressed far more cost-effectively via written notice without creating a temporary recertification process. PGW states that it plans to use a process of recertification that includes a letter notifying the customer 45 days in advance that recertification is required; a telephone call reminding the customer to recertify; and a second letter reminding the customer to recertify two weeks before the recertification deadline. Petition at ¶ 19. PGW could provide a similar notice process to customers about the need for recertification.

Moreover, PGW's Petition overstates the problem. In support of its Petition, PGW cites to the increase in the number of CRP customers due to the lack of recertifications, but the numbers

presented by PGW represent the *total* number of CRP participants, not the total number impacted by the recertification process fix (non-LIHEAP CRP participants). PGW states that in April 2024, there were 55,636 customers, and in December 2024, there were 64,481 customers. Petition at ¶ 13. Nearly 10,000 of those customers also appear to be new enrollees who would not be eligible for recertification for two years under the Company's approved Plan proposal. The proposed fix is designed to address a subset of the total number of CRP customers, non-LIHEAP recipients, but PGW's Petition overstates the problem. LIHEAP recipients can still have their income eligibility affirmed by the Company.

The OCA respectfully requests that PGW's Petition be denied as not in the public interest. A more cost-effective solution would be to implement a notice procedure for the need to recertify until the new CIS can be implemented.

III. CONCLUSION

The Office of Consumer Advocate respectfully requests that PGW's Petition be denied. The OCA recommends that PGW instead implement a process of providing customer reminder notices to recertify.

Respectfully Submitted,

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Dated: January 30, 2025

/s/ Christy M. Appleby
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VERIFICATION

I, Patrick M. Cicero, hereby state that the facts set forth in the Office of Consumer Advocate's Answer to the Petition, are true and correct (or are true and correct to the best of my knowledge, information, and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: January 30, 2025

Signature:



Patrick M. Cicero
Consumer Advocate

Address:

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