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February 27, 2025

**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

Dear Secretary Chiavetta:

Pursuant to Ordering Paragraph 14 of the Order entered January 12, 2023 in the above-referenced matter, enclosed for electronic filing please find Philadelphia Gas Works' ("PGW") updated Needs Assessment. Copies to be served in accordance with the attached Certificate of Service.

Please contact me with any questions or concerns.

Sincerely,

*/s/ Lauren M. Burge*

Lauren M. Burge  
Enclosure

cc: Certificate of Service (w/enc)

## CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of PGW's Needs Assessment 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*

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Lauren M. Burge, Esq.

Dated: February 27, 2025

**Philadelphia Gas Works  
Needs Assessment**  
Docket No. M-2021-3029323

As directed by the Commission in its January 12, 2023 Order at Docket No. M-2021-3029323, PGW has updated its Needs Assessment based on the Commission criteria<sup>1</sup>:

Accordingly, we direct PGW to file and serve an updated needs assessment on February 28, 2025. The updated needs assessment shall include the following information:

- The number of estimated low-income customers, including a reference to the census data source and a copy of the methodology document used.
- The number [of] PGW customers who heat with natural gas.
- The number of Confirmed Low-Income (CLI) customers.
- The number of CLI customers with usage in highest 50%.
  - Number of these customers that:
    - Received Home Comfort in last 7 years;
    - Have been deferred due to health and safety issues;
    - Are renters.
- The number of CLI customers with usage in highest 30%.
  - Number of these customers that:
    - Received Home Comfort in last 7 years;
    - Have been deferred due to health and safety issues;
    - Are renters.
- The percentage of renters projected to be ineligible due to landlord refusal to participate in Home Comfort.
- The projected number of CLI customers with usage in the highest 50% eligible for Home Comfort.
- The projected number of CLI customers with usage in the highest 30% eligible for Home Comfort.

Needs Assessment

1. *Number of estimated low-income customers*

Please see Table 1 Estimated Low-Income Customers for a breakdown of this information and Appendix for the methodology used.

PGW has approximately 132,191 estimated low-income customers, with 105,851 estimated to be heating customers. The data source used is the American Community Survey (ACS) Public Use Microdata Sample (PUMS) Household data set from the US Census for the State of Pennsylvania<sup>2</sup>. At the time of this analysis, the most recent survey year available is 2023.

2. *The number of PGW customers who heat with natural gas.*

As reported in Table 1, PGW has approximately 418,875 households who heat with natural gas.

3. *The number of Confirmed Low-Income (CLI) customers.*

PGW has approximately 128,732 confirmed low-income customers. The PGW confirmed low income numbers are reported as customers who have either: 1) Been on CRP within the past 2

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<sup>1</sup> Ordering Paragraph 14. That the Philadelphia Gas Works shall file and serve an updated needs assessment on February 28, 2025 at Docket No. M-2021-3029323, consistent with this Order.

<sup>2</sup> <https://www.census.gov/programs-surveys/acs/microdata/access.html>

years, or 2) Received LIHEAP/Crisis within the past 2 years, or 3) Been on a low-income payment arrangement. This aligns with the totals reported on the 2023 Universal Service Programs & Collections Performance report<sup>3</sup>.

4. *The number of CLI customers with usage in highest 50%. Number of these customers that:*
  - a. *Received Home Comfort in last 7 years;*
  - b. *Have been deferred due to health and safety issues;*
  - c. *Are renters.*

Please see Table 2 Home Comfort Eligibility below for a breakdown of this information.

5. *The number of CLI customers with usage in highest 30%. Number of these customers that:*
  - a. *Received Home Comfort in last 7 years;*
  - b. *Have been deferred due to health and safety issues;*
  - c. *Are renters.*

Please see Table 2 Home Comfort Eligibility below for a breakdown of this information.

6. *The percentage of renters projected to be ineligible due to landlord refusal to participate in Home Comfort.*

Please see Table 2 Home Comfort Eligibility below for a breakdown of this information.

7. *The projected number of CLI customers with usage in the highest 50% eligible for Home Comfort.*

Please see Table 2 Home Comfort Eligibility below for a breakdown of this information.

8. *The projected number of CLI customers with usage in the highest 30% eligible for Home Comfort.*

Please see Table 2 Home Comfort Eligibility below for a breakdown of this information.

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<sup>3</sup> 2023 Universal Service Programs & Collections Performance Report <https://www.puc.pa.gov/media/3195/2023-universal-service-report-final.pdf>

Table 1: Estimated Low-Income Customers

Service Status	Total Households	Low-Income	
	#	#	%
<b>PGW Service</b>	<b>506,456</b>	<b>132,191</b>	<b>26%</b>
<i>PGW Heating</i>	<i>418,875</i>	<i>105,851</i>	<i>25%</i>
<i>PGW Non-Heating</i>	<i>87,581</i>	<i>26,340</i>	<i>30%</i>
<b>No Gas Service</b>	<b>181,655</b>	<b>58,714</b>	<b>32%</b>
<i>Included in Rent or Condo Fee</i>	<i>38,799</i>	<i>13,085</i>	<i>34%</i>
<i>Included in Electric Payment</i>	<i>12,356</i>	<i>1,366</i>	<i>11%</i>
<i>No Charge or Gas Not Used</i>	<i>130,500</i>	<i>44,263</i>	<i>34%</i>
<b>All Households</b>	<b>688,111</b>	<b>190,905</b>	<b>28%</b>

There are other methods of determining the low-income population. The BCS Estimated Low-Income methodology determines the low-income population in Philadelphia by using the <150% percentage of households through the ACS 5-year survey. That number (37.61% in 2023) is then multiplied by the PGW customer population (483,706) to determine the estimated low-income total of 181,923.

As discussed in the methodology section below, this number is higher than what is reported in Table 1 because the percentage applied in Table 1 is sourced using the American Community Survey (ACS) Public Use Microdata Sample (PUMS) Household data set from the US Census for the State of Pennsylvania.

As explained in the ACS user guide, “The ACS PUMS is a weighted sample. Weighting variables must be used in order to calculate estimates which represent the actual population. Weighting variables are also needed to generate accurate measures of uncertainty, such as the standard error or margin of error.”<sup>4</sup>

Table 2: Home Comfort Eligibility

	Usage	
	Highest 50%	Highest 30%
<b>Number of customers</b>	64,155	38,496
<b>Received Home Comfort in last 7 years</b>	14,145	14,145
<b>Deferred due to health and safety issues</b>	584	503
<b>Are renters</b>	31,484	18,892
<b>Projected number of CLI customers eligible for Home Comfort</b>	39,285	18,724
<b>% of Renters projected to be ineligible due to landlord refusal to participate</b>	88.43%	

<sup>4</sup> [https://www2.census.gov/programs-surveys/acs/tech\\_docs/pums/2018\\_2022ACS\\_PUMS\\_User\\_Guide.pdf](https://www2.census.gov/programs-surveys/acs/tech_docs/pums/2018_2022ACS_PUMS_User_Guide.pdf)

## Appendix: Methodology

PGW's service area is limited to the City of Philadelphia and PGW is the only gas distribution utility within the City of Philadelphia. Since the City of Philadelphia is coextensive with the County of Philadelphia, the county of Philadelphia represents the entirety of PGW's service area, and this area is not shared with any other gas utility distribution company. Estimating the number of low-income gas utility customers in PGW's service area is therefore entirely analogous to estimating the number of low-income gas utility customers in the county of Philadelphia.

The data source used is the American Community Survey (ACS) Public Use Microdata Sample (PUMS) Household data set from the US Census for the State of Pennsylvania.<sup>5</sup> The most recent survey year available is 2023.

The purpose of PGW's needs assessment is to provide a current estimate of low-income households in the county (a relatively large geography by Census data standards). Given this, and the Census advice below, the 1-year data file is appropriate.

- 1 Year Estimates - Best used when:
  - Currency<sup>6</sup> is more important than precision
  - Analyzing large populations

The Pennsylvania PUMS data is subdivided into Public Use Micro Area (PUMA) geographic regions as defined by the 2020 decennial census. Philadelphia is comprised of eleven PUMAs (03216,03221-03225,03227-03231).<sup>7</sup> Only data for these eleven PUMAs are included.

The household level data is then filtered along the following criteria:<sup>8</sup>

- Type of Housing Unit: Only includes Housing Unit Type "Housing Unit" (this excludes "Institutional Group Quarters" and "Non-Institutional Group Quarters")<sup>9</sup>
- Cost of Gas: Any customer with a valid cost of gas. This excludes:
  - Gas Cost included in rent or condo fee
  - Gas Cost included in electricity payment
  - No charge or gas not used

Data on Household Income and Household Size are used to compute each household's percentage of poverty level in comparison to the FPL guidelines<sup>10</sup>

Using the provided survey weights, a count of the remaining households after the above filtering is used as the estimate of the number of low-income households in PGW's service area. As explained in the ACS user guide:<sup>11</sup>

"The ACS PUMS is a weighted sample. Weighting variables must be used in order to calculate estimates which represent the actual population. Weighting variables are also needed to generate accurate measures of uncertainty, such as the standard error or margin of error."

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<sup>5</sup> Data available at <https://www.census.gov/programs-surveys/acs/microdata/access.html>

<sup>6</sup> As utilized in this bullet point, *currency* refers to how current or recent the data is, not money.

<sup>7</sup> Source: <https://www.census.gov/geographies/reference-maps/2020/geo/2020-pumas.html>

<sup>8</sup> Data Dictionary available at [https://www2.census.gov/programs-surveys/acs/tech\\_docs/pums/data\\_dict/PUMS\\_Data\\_Dictionary\\_2023.pdf](https://www2.census.gov/programs-surveys/acs/tech_docs/pums/data_dict/PUMS_Data_Dictionary_2023.pdf)

<sup>9</sup> In the 1-year ACS file, all households in the Philadelphia PUMAs are listed as "Housing Units". The count for both institutional and non-institutional group quarters is zero.

<sup>10</sup> FPL guidelines as according to the Department of HHS: <https://www.healthcare.gov/glossary/federal-poverty-level-fpl/>

<sup>11</sup> [https://www2.census.gov/programs-surveys/acs/tech\\_docs/pums/2018\\_2022ACS\\_PUMS\\_User\\_Guide.pdf](https://www2.census.gov/programs-surveys/acs/tech_docs/pums/2018_2022ACS_PUMS_User_Guide.pdf)

The data also provides information on heating fuel allowing the estimate to distinguish between heating and non-heating gas utility households.