

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

Public Meeting held March 27, 2025

Commissioners Present:

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

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

BY THE COMMISSION

Before the Pennsylvania Public Utility Commission (Commission) for disposition is the Petition of Philadelphia Gas Works (PGW), filed on January 10, 2025, at Docket No. M-2021-3029323 (January 2025 Petition). PGW seeks approval to resume recertifying customers in its Customer Responsibility Program (CRP)¹ in the spring or summer of 2025. This Order grants the January 2025 Petition.

BACKGROUND

In an Order entered on January 12, 2023, at this docket (January 2023 Order), the Commission approved PGW's 2023-2027 Universal Service and Energy Conservation Plan (2023 USECP) which included expanding the CRP recertification timeframe for

¹ CRP is PGW's Customer Assistance Program.

customers who do not assign a Low Income Home Energy Assistance Program (LIHEAP) grant to PGW annually (*e.g.*, non-LIHEAP participants) from every one year to every two years. PGW 2023 USECP at 8. On January 27, 2023, PGW filed a Petition for Reconsideration requesting reconsideration of specific changes directed in the January 2023 Order. On February 6, 2023, the Office of Consumer Advocate (OCA), the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania (CAUSE-PA), and the Tenant Union Representative Network (TURN) separately filed answers in response to PGW's January 2023 Petition for Reconsideration.

In its March 2023 Order, the Commission granted, in part, and denied, in part, the January 2023 Petition for Reconsideration. Specifically, the Commission directed PGW to, *inter alia*, file and serve a timeline by December 31, 2023, on pending CRP changes, including the modification to the CRP recertification timeframe. March 2023 Order at 24-25, OP #2. The Commission also directed PGW to file and serve monthly updates at this docket regarding its progress on implementing the CRP changes, beginning in January 2024, until it implemented all changes. March 2023 Order at 25, OP #3.

On December 28, 2023, PGW filed and served its December 2023 Petition and an Implementation Timeline for the pending CRP modifications. In the December 2023 Petition, PGW requested, *inter alia*, an extension to delay expanding the CRP recertification timeframe for non-LIHEAP participants until it implements its new Customer Information System (CIS), which it anticipated completing by spring 2025. PGW's proposed implementation timeframe indicated that the other required CRP modifications were either completed or on track to be completed by June 30, 2024.²

PGW contended that transitioning non-LIHEAP participants to a two-year recertification cycle before its new CIS is implemented would require it to manually

² On January 28, February 29, and March 28, 2024, PGW filed status updates regarding its Implementation Timeline at this docket and reported no changes.

review and update customer accounts each month until the new system is ready. PGW asserted that this change would require it to develop new customer communication and retrain staff and that it cannot automate the process due to system limitations. PGW December Petition at 6. If the Commission declined PGW's request for a delay, PGW alternatively proposed that the Commission allow PGW to pause CRP recertifications until implementation of its new CIS. December 2023 Petition at 1 and 6.

On January 18, 2024, TURN and CAUSE-PA (TURN/CAUSE-PA) filed a joint answer, and OCA filed a separate answer in opposition to PGW's December 2023 Petition. TURN/CAUSE-PA and OCA separately recommended that the Commission deny PGW's request for an extension to modify the CRP recertification timeframe. However, neither TURN/CAUSE-PA nor OCA opposed PGW's alternative proposal of pausing all recertifications until its new CIS was implemented. TURN/CAUSE PA January 2024 Joint Answer at 7-9, OCA January 2024 Answer at 3-4, 7-8.

On April 25, 2024, the Commission entered an Order (April 2024 Order) that granted, in part, and denied, in part, PGW's December 2023 Petition. The Commission granted PGW's request for an extension to implement the CRP recertification timeframes for non-LIHEAP recipients but directed it to suspend CRP recertifications for all recipients until the new CIS is implemented and to adopt a staggered schedule when restarting them. April 2024 Order at 4-5,7, 9-11.

PGW filed monthly implementation updates at this docket on May 1, May 30, July 31, September 27, October 31, November 26, December 30, 2024, and January 21, 2025, confirming that the expanded CRP recertification timeline would be implemented along with its new CIS. On February 27, 2025, PGW filed an implementation update indicating it is seeking Commission approval to resume recertifications.

On January 10, 2025, PGW filed its January 2025 Petition. In the January 2025 Petition, PGW reports that its new CIS will not be ready by spring 2025 and requests Commission approval to restart CRP recertifications using a manual process to implement the new 2-year CRP recertification timeline for non-LIHEAP, non-zero income customers beginning in the spring or summer of 2025.

On January 30, 2025, OCA and TURN/CAUSE-PA separately filed answers to the January 2025 Petition (OCA January 2025 Answer and TURN/CAUSE-PA January 2025 Joint Answer).

SUMMARY OF THE PETITION

In its January 2025 Petition, PGW notes that it is currently in the process of replacing its CIS and, until recently, anticipated implementing its new CIS in the spring of 2025. PGW now expects the CIS implementation timeline to extend beyond this date, possibly up to a year. January 2025 Petition at 5.

PGW notes that continuing to pause CRP recertifications until the CIS implementation date will result in CRP customers receiving program benefits for a prolonged period without recertifying their eligibility. PGW reports that since it established a pause in CRP recertifications, consistent with the April 2024 Order, CRP enrollment has increased by over 9000 customers from April 2024 to December 2024 (*i.e.*, from 55,636 to 64,841). PGW is concerned that the ongoing pause in CRP recertifications could make CRP customers unfamiliar with the process, potentially losing program benefits due to failure to respond when recertifications resume. In addition, PGW submits that without restarting recertifications, non-CRP customers, many of whom may have low to moderate incomes, will bear the financial burden of supporting ineligible CRP participants who continue to receive benefits. January 2025 Petition at 5-6.

PGW requests that the Commission approve the restart of CRP recertifications in the spring or summer of 2025, ahead of the new CIS implementation. PGW submits that recertifications will initially be processed manually by PGW employees at a rate of up to 1,000 per week, following the approved process and timeframes in its 2023 USECP. PGW states this will include implementing the recertification timeline for non-LIHEAP CRP customers from one year to two years, as directed in the January 2023 and March 2023 Orders. Once PGW's new CIS is operational, the recertification process will be automated. January 2025 Petition at 6.

PGW submits that it plans to follow its 2023 USECP-approved recertification process, which includes (1) sending a letter 45 days before the recertification deadline, notifying the customer of the requirement; (2) making a reminder phone call 30 days before the deadline; and (3) sending a second reminder letter two weeks before the deadline. PGW notes that customers must provide the recertification documents outlined in the 2023 USECP, which can be submitted online (including by a smart device), by fax, by mail, and at Neighborhood Energy Centers. January 2025 Petition at 6, citing PGW's 2023 USECP at 12.

PGW proposes to continue filing monthly status reports until the CRP recertification process resumes. PGW submits that this approach is in the public interest by ensuring CRP participants respond to recertification requests and remain eligible for the program. PGW additionally notes that resuming recertifications will help prevent non-CRP customers from bearing the costs associated with ineligible CRP participants remaining in the program. January 2025 Petition at 7-8.

STAKEHOLDER ANSWER

OCA opposes PGW's request and recommends the Commission deny PGW's January 2025 Petition. OCA argues that implementing a temporary fix for the current CIS is unnecessary and costly, especially since PGW will replace its CIS soon. OCA suggests that PGW remind customers of their recertification obligations via letters and phone calls, which would be more cost-effective and achieve the same goal. OCA also contends that PGW overstates the issue by citing increased CRP customers without distinguishing between new enrollees and those affected by the recertification changes. OCA January 2025 Answer at 4-5.

OCA maintains that approval of PGW's January 2025 Petition is not in the public interest and recommends implementing a "notice-based" solution instead of restarting recertifications before the new CIS is operational. OCA January 2025 Answer at 6.

TURN/CAUSE-PA also oppose PGW's January 2025 Petition, arguing that restarting recertifications amid the CIS transition would create confusion, operational challenges, and unnecessary costs. TURN/CAUSE-PA note that PGW had previously stated that implementing the changes to the CRP recertification timelines before implementing its new CIS would be costly and inefficient. TURN/CAUSE-PA January 2025 Joint Answers at 5, *citing* PGW's December 2023 Petition at 2.

TURN/CAUSE-PA disagree with PGW's claim that the recertification pause is inflating CRP enrollments, arguing that the enrollment increases could be due to economic factors or enhanced public awareness. Further, TURN/CAUSE-PA note that the Commission directed PGW in the April 2024 Order to establish a staggered recertification timeline after implementing its new CIS to minimize confusion. TURN/CAUSE-PA maintain that this remains the best approach and urge the

Commission to deny PGW's Petition. TURN/CAUSE PA January 2025 Joint Answer at 7-9.

DISCUSSION

In the April 2024 Order, the Commission directed PGW to suspend CRP recertifications until it implemented its new CIS because the alternative was to maintain the current process of recertifying non-LIHEAP CRP customers annually.³ The Commission noted its concern that maintaining a one-year recertification timeframe until spring 2025 could result in eligible customers being unnecessarily removed from CRP. The Commission, therefore, found it reasonable and in the public interest to temporarily pause CRP recertifications until PGW's CIS is implemented and the new recertification timelines are established. The Commission also directed PGW to adopt a staggered schedule to restart CRP recertifications following its CIS implementation consistent with its operational needs. April 2024 Order at 4-5.

At the time of the April 2024 Order, the Commission understood PGW's CIS system would be operational in the spring of 2025. Additionally, at the time, PGW asserted that it would not be able to implement the directive of modifying the recertification timeframes for non-LIHEAP CRP customers from every one year to every two years until it implemented its CIS. However, PGW now indicates that it can meet the directive of the January 2023 and March 2023 Orders to recertify non-LIHEAP and non-income CRP customers once every two years through a manual procedure. Further, PGW has proposed a staggered schedule of manually initiating up to 1,000 weekly recertifications based on the recertification process outlined in its 2023 USECP.

³ As noted above, PGW had proposed that the Commission allow PGW to pause CRP recertifications until implementation of its new CIS as an alternative. December 2023 Petition at 1 and 6.

We find PGW's proposal in the January 2025 Petition reasonable. Therefore, we are not inclined to require PGW to maintain its suspension on CRP recertifications until its new CIS is implemented, as OCA and TURN/CAUSE-PA recommend. We are not persuaded that allowing PGW to implement a manual CRP recertification process consistent with its 2023 USECP will necessarily be confusing for CRP customers, inefficient or costly. We share PGW's concerns that failure to recertify CRP customers regularly can make eligible customers less likely to respond to recertification notices and lose their CRP benefits as well as result in non-CRP ratepayers paying for benefits for customers who are no longer income-eligible for CRP, which is not in the public interest.

Accordingly, we approve PGW's request to resume CRP recertifications on a manual basis in the spring of 2025. PGW is directed to implement a staggered manual recertification schedule, as described in its January 2025 Petition, no later than June 30, 2025. PGW is also directed to provide quarterly updates on the status of its CRP recertification to its universal service advisory committee, consistent with the requirements of the April 2024 Order. Finally, PGW shall file and serve a letter at this docket when it implements its CIS and automated recertifications. *See* April 2024 Order at 11, OP # 5.

CONCLUSION

Accordingly, the Commission hereby grants PGW's January 2025 Petition to restart CRP recertifications in the spring of 2025. PGW shall continue filing and serving monthly implementation status reports until the CRP recertification process resumes and provide quarterly updates on the status of its CRP recertifications to its USAC;
THEREFORE,

IT IS ORDERED:

1. That the Petition filed by Philadelphia Gas Works on January 10, 2025, is granted.
2. That Philadelphia Gas Works shall restart Customer Responsibility Program recertifications on a staggered schedule of approximately 1,000 per week no later than June 30, 2025.
3. That Philadelphia Gas Works shall continue filing monthly implementation status reports until the Customer Responsibility Program recertification process resumes.
4. That Philadelphia Gas Works shall provide quarterly updates to its universal service advisory committee on the staggered Customer Responsibility Program recertifications.
5. That Philadelphia Gas Works shall file and serve a letter at this docket within 30 days of the implementation of its Customer Information System.
6. That this Order be served on all parties of record at Docket No. M-2021-3029232.

7. That the contact persons for this proceeding are Norma Bowman, Bureau of Consumer Services, nobowman@pa.gov; Erin Tate, Law Bureau, etate@pa.gov; and Louise Fink Smith, Law Bureau, finksmith@pa.gov.

BY THE COMMISSION,

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

Rosemary Chiavetta
Secretary

(SEAL)

ORDER ADOPTED: March 27, 2025

ORDER ENTERED: March 27, 2025