

COMMONWEALTH OF PENNSYLVANIA



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January 28, 2026

Via Electronic Filing

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

RE: Peoples' Natural Gas Company, LLC Petition to Amend its Universal Service and Energy Conservation Plan, Docket Nos. M-2018-3003177, M-2020-3021343;

OCA Letter in Lieu of Answer

Dear Secretary Homsher,

The Office of Consumer Advocate (OCA) files this Letter in Lieu of Answer in support of Peoples Natural Gas Company LLC's (Peoples) Amended Petition for its Universal Service and Energy Conservation Plan (USECP), filed on January 7, 2026 (Amended Petition) with the Commission in the captioned docket. Peoples amended its Petition in response to the Commission's October 2025 Reconsideration in this matter.

On December 11, 2024, Peoples filed its initial Petition that sought authorization to initiate the auto-enrollment of LIHEAP (Low Income Home Energy Assistance Program) recipients with significant balances in excess of \$300 into its CAP, to permit auto-recertification, and to waive income documentation requirements for CAP applicants that have received LIHEAP in the last two years pursuant to the Settlement of Peoples' base rate proceeding. *Pa. PUC v. Peoples Natural Gas Company*, Docket No. R-2023-3044549, Order at 62-63 (Sept. 12, 2024). The Commission denied Peoples' Petition, without prejudice, and identified concerns with Peoples' proposal. On May 9, 2025, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) filed a Petition for Reconsideration.

On October 9, 2025, the Commission issued its Order on Reconsideration, granting partial

reconsideration of its April 2025 Order. (*October 2025 Reconsideration Order*). In relevant part, the Commission’s Reconsideration Order provided that the “Peoples USECP must align with its approved tariff” and directed Peoples “to consult with interested stakeholders and submit an amended Petition to Amend its USECP within 90 days of the entry date of this Order that addresses the Commission’s concerns.” *October 2025 Reconsideration Order* at

In advance of the filing of this Amended Petition, Peoples reached out to both the OCA and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) to collaborate on the substance of the draft Petition. The OCA appreciates Peoples’s willingness to collaborate in advance of filing its Amended Petition. As stated above, the OCA files this Letter in Lieu of Answer to support the proposed Amended Petition.

The OCA believes that the Amended Petition addresses the concerns raised by the Commission’s Orders. In its Amended Petition, Peoples requests:

permission to implement auto-enrollment for accounts with significant balances that have received LIHEAP, so long as those households have given permission to share their income data with the Company in the current program year. This ensures that the income information is up-to-date and avoids the use of stale information. This would be implemented using a two-prong approach. First, the Company will auto-enroll such accounts when identified during the review of its existing weekly report. Second, the Company will review accounts received through the data-sharing process to determine if CAP auto-enrollment is beneficial.

Amended Petition at ¶ 14. Peoples maintains the original \$300 threshold as proposed in its December 2024 Petition. Peoples also consulted with the Universal Services Advisory Group (USAG) and confirmed with the USAG that a \$300 balance threshold is appropriate to use because “it indicates the account had an account balance of at least \$500 at the time of the receipt of LIHEAP as the minimum LIHEAP grant is \$200. A \$500 gas bill is indicative of multiple months of insufficient payments and points to the household’s struggle to maintain utility service.” Amended Petition at ¶ 17.

In its Amended Petition, the Company identifies that it has implemented a weekly report providing a listing of residential accounts that have received a LIHEAP payment within the current week and are not currently participating in CAP. Using this report, the Company conducts direct outreach, typically via phone and/or email, to gain permission of the LIHEAP recipient to enroll the account into CAP. Accounts then would be prioritized for direct outreach based on current outstanding balance. Amended Petition at ¶ 13.

Peoples also proposes that customers who are auto-enrolled in CAP will receive a welcome letter specific to the auto-enrollment process, identifying their participation in CAP and then providing additional information about how to opt-out of enrollment. Petition ¶ 19. Peoples will continue to work with input from the Universal Services Advisory Group in the development of the welcome letter. Amended Petition at ¶ 19.

In order to address the Commission's concerns regarding customers who are enrolled with a natural gas supplier, Peoples proposes that the Company:

will not auto-enroll these accounts into CAP. Instead, the Company will send a letter to the household explaining that the account is eligible for CAP enrollment and that CAP participants are not permitted to purchase their gas supplies from alternative suppliers. A draft copy of the letter the Company would send to these eligible customers is attached as Exhibit A hereto. Peoples will continue to collaborate with stakeholders to refine and finalize these communications if this petition is approved.

Amended Petition at ¶ 15.

In addition, Peoples responded regarding the Commission's concern that the hardship fund grant should be used. Amended Petition at ¶ 18. Peoples raised this issue with its USAG and the group, including the OCA, agreed that maintaining the hardship benefit for future use in the program year is an important resource and that should be maintained. Amended Petition at ¶ 18. As Peoples notes, when enrolling in CAP, the customer would be eligible to defer their entire account balance and receive arrearage forgiveness; therefore, the customer may not need a hardship fund grant. Amended Petition at ¶ 18. Enrollment of customers in CAP instead of use of the hardship fund grant maintains the grant program for customers who may have exhausted other options and preserves the one-time per year grant for those circumstances.

The OCA filed a Letter in Lieu of Answer in support of the Company's initial Petition and the OCA continues to support Peoples' Amended Petition. The OCA believes that the Amended Petition addresses the concerns identified by the Commission in its October 2025 Reconsideration Order, including providing in the Exhibits A and sample communications. The Peoples proposal utilizes the LIHEAP data sharing information in three ways. Peoples currently uses the DHS data to conduct direct outreach to non-CAP customers to gain permission to enroll the account into CAP. Peoples proposes through this Petition to auto-enroll of LIHEAP recipients with a balance of \$300 after the application of the LIHEAP grant. Amended Petition at ¶ 14. Peoples is engaging its IT team to develop the ability to use the data for purposes of recertification of LIHEAP recipients and to waive the income documentation requirements for CAP applicants that have received assistance in the last two years. Amended Petition at ¶ 17.

This approach will help to improve enrollment of income-eligible customers in CAP to receive a more affordable bill, the potential for arrearage forgiveness of balances, and a more streamlined recertification process to avoid unnecessary duplication of income documentation. In addition, the OCA also agrees that the proposed \$300 threshold is reasonable and should be adopted. The minimum LIHEAP grant is currently \$200 so a \$300 threshold following application of the LIHEAP grant is a reasonable threshold to use for auto-enrollment. Customers will also be provided information on how to opt-out if the customer does not wish to be enrolled.

In response to the Commission's *October 2025 Reconsideration Order*, Peoples has engaged with the USAG. Peoples has further proposed to continue to collaborate on the welcome letter to ensure that customers are fully informed about the benefits of CAP and about their rights

and responsibilities as CAP participants. The welcome letter will be an important tool and input from the Universal Services Advisory Group will help to ensure that the letter is a helpful tool for auto-enrolled customers.

Auto-enrollment of LIHEAP recipients will provide income-eligible a streamlined enrollment process into CAP and should be approved as in the public interest for the reasons set forth in the Amended Petition.

Sincerely,

/s/ Christy M. Appleby
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Senior Assistant Consumer Advocate
PA Attorney I.D. # 85824

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CERTIFICATE OF SERVICE

Re: Peoples Natural Gas Company LLC :
Universal Service and Energy Conservation : Docket No. M-2018-3003177
Plan for 2019-2024 :
: :
Peoples Gas Company LLC :
Universal Service and Energy Conservation : Docket No. M-2020-3021343
Plan for 2019-2024 :
: :
Petition of Peoples Natural Gas Company LLC- : Docket No. P-2024-3052324
to Amend 2019-2023 Universal Service and Energy :
Conservation Plan :
:

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate’s Letter in Lieu of Answer, 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 28th day of January 2026.

SERVICE BY E-MAIL ONLY

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Dated: January 28, 2026

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