

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

Public Meeting held March 26, 2026

Commissioners Present:

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

Peoples Natural Gas Company LLC  
Universal Service and Energy Conservation Plan      M-2018-3003177  
for 2019-2024

Peoples Gas Company LLC  
Universal Service and Energy Conservation Plan      M-2020-3021343  
for 2019-2024

**ORDER**

**BY THE COMMISSION:**

On March 3, 2026, Peoples Natural Gas LLC (Peoples) filed a Petition (March 2026 Petition) regarding its 2019-2024 Universal Service and Energy Conservation Plan (2019 USECP) at Docket Nos. M-2018-3003177 and M-2020-3021343.<sup>1</sup> In its March 2026 Petition, Peoples requests approval to transfer \$500,000 of unspent carryover funding from its Low Income Usage Reduction Program (LIURP) to its Emergency

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<sup>1</sup> Peoples Natural Gas Company LLC and Peoples Gas Company LLC have become one public utility, a natural gas distribution company (NGDC) named Peoples Natural Gas Company LLC. *See Joint Application of Peoples Natural Gas Company LLC and Peoples gas company LLC for All of the Authority and Necessary Certificates of Public Convenience to Merge Peoples Natural Gas Company LLC and Peoples Gas Company LLC*, at Docket Nos. A-2021-3029831 & A-2021-3029833 (Order entered on August 25, 2022).

Furnace/Service Line Repair program (EFSLR)<sup>2</sup> to guarantee sufficient funding for EFSLR through the end of the current program year (*i.e.*, September 30, 2026).<sup>3</sup> Peoples further proposes to increase its annual EFSLR budget from \$1.5 million to \$2 million beginning with the next program year and to add language to its USECP that permits any unspent EFSLR funds to carryover from one program year to the next. Peoples requests an expedited review of the Petition by April 1, 2026, to maintain EFSLR funding. On March 13, 2026, the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania (CAUSE-PA) filed a Letter in Lieu of Answer (CAUSE-PA Answer) in support of the March 2026 Petition. By this Order, we approve the March 2026 Petition.<sup>4</sup>

## **BACKGROUND**

Peoples' EFSLR budget was last amended in March 2025. On February 27, 2025, Peoples filed and served a Petition (February 2025 Petition), which was assigned Docket No. P-2025-3053645 and subsequently posted at Docket Nos. M-2018-3003177 and M-2020-3021343, seeking to amend the 2019 USECP to increase the annual EFSLR budget to \$1.5 million for 2025 through 2028. The Commission approved the February 2025 Petition by an Order entered on March 27, 2025 (March 2025 Order).<sup>5</sup>

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<sup>2</sup> Peoples' EFSLR is a permanent program within its LIURP that provides emergency heating system, hot water heater, and/or gas line repairs and/or replacements to customers with income at or below 200% of the FPIG.

<sup>3</sup> Peoples' EFSLR and LIURP operate under separate budgets and prioritize and allocate services differently. Both programs are funded by residential ratepayers and are subject to the universal service reporting requirements at 52 Pa. Code § 62.5 and LIURP regulations at 52 Pa. Code Chapter 58.

<sup>4</sup> Peoples and CAUSE-PA have each referenced a "2024-2028 USECP." We clarify that there is no separate 2024-2028 USECP for Peoples. Peoples 2019 USECP has been extended through 2028.

<sup>5</sup> For a complete history of Peoples EFSLR, please see the March 2025 Order at 2-7.

## SUMMARY OF THE MARCH 2026 PETITION

In the March 2026 Petition, Peoples seeks approval to use unspent LIURP carryover funds for EFSLR services in the current program year and amend its 2019 USECP to increase its EFSLR budget for future program years for the following reasons:

- Since October 1, 2025, Peoples has spent \$1,151,800 of its EFSLR budget, leaving only \$348,200 remaining for the rest of the program year. March 2026 Petition at ¶ 10.
- The Low Income Home Energy Assistance Program (LIHEAP)<sup>6</sup> experienced a delay in opening in 2025, which required customers who would be eligible for LIHEAP's Emergency Services Program to receive assistance from Peoples' EFSLR instead. An estimated \$590,108 was spent on EFSLR services for these LIHEAP-eligible households. March 2026 Petition at ¶ 8-9.
- The transfer of \$500,000 of unspent LIURP carryover from 2025 to EFSLR in 2026 will stabilize funding to its EFSLR for the rest of the current program year and will not result in any changes to the Universal Service Rider. March 2026 Petition Cover Letter at 1.
- Increasing the annual EFSLR budget by \$500,000 for future years will ensure that the EFSLR remains an available safety net for vulnerable households. This annual budget increase will result in an approximately \$0.01 increase per Mcf for customers subject to the reconcilable Universal Service Rider. March 2026 Petition Cover Letter at 1.

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<sup>6</sup> Pennsylvania's Department of Human Services (DHS) administers the LIHEAP Crisis Interface program, which provides heating-related emergency repair service to qualifying households. DHS 2026 LIHEAP State Plan at C-2-C6. [https://www.pa.gov/content/dam/copapwp-pagov/en/dhs/documents/services/assistance/documents/heating-assistance\\_liheap/2026-liheap-state-plan.pdf](https://www.pa.gov/content/dam/copapwp-pagov/en/dhs/documents/services/assistance/documents/heating-assistance_liheap/2026-liheap-state-plan.pdf).

Peoples also proposes to replace pages 23-24 of its currently effective 2019 USECP with the version provided as Exhibit A reflecting an increased budget for its EFSLR for each remaining program year of its 2019 USECP. The revised pages also include language that will permit Peoples to carryover any unused EFSLR funds from one program year to the next. March 2026 Petition at ¶ 13.

Peoples reports that it consulted with representatives from the Office of Consumer Advocate (OCA) and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) and states that they support its proposal to stabilize current funding using LIURP carryover and to increase the annual EFSLR budget to \$2 million per program year to ensure eligible homeowners and renters continue to receive these emergency services. March 2026 Petition Cover Letter at 2. The March 2026 Petition was served on OCA and CAUSE-PA. On March 13, 2026, CAUSE-PA urged the Commission to grant the March 2026 Petition. CAUSE-PA Answer.

## **DISCUSSION**

It is the responsibility of the Commission to ensure that universal service and energy conservation programs (*i.e.*, customer assistance programs, LIURPs, customer assistance referral and evaluation programs, hardship funds, and other approved universal service programs) are appropriately funded and available to low-income customers in each natural gas distribution company (NGDC) service territory. 66 Pa.C.S. § 2203(8) (relating to standards for restructuring of natural gas utility industry). The Commission is also required to determine if NGDCs are meeting the general goals of universal service and energy conservation programs. 52 Pa. Code § 62.3 (relating to universal service and energy conservation program goals).

Peoples originally established the EFSLR budget levels for program years 2019 through 2024 based on a 3% annual increase to account for rising material and labor costs. Peoples exceeded its 2024 EFSLR budget and required an additional \$392,234

from the 2025 EFSLR budget to cover program costs incurred during the 2024 program year. March 2025 Order at 9. Peoples now reports that it has already expended approximately 77% of the \$1.5 million EFSLR budget within the first three to four months of the current program year.

We recognize that nearly 40% of EFSLR spending during the current program year was attributed to external factors, specifically the delayed opening of LIHEAP Emergency Service Program. However, the record also reflects that EFSLR demand also exceeded the 2024 budget by approximately 37%. This suggests that the current \$1.5 million annual budget may provide limited flexibility to accommodate external factors such as LIHEAP delays, inflation rates, and seasonal fluctuations. We agree with Peoples that, at the current spending pace, it is unlikely that the existing EFSLR budget will be sufficient to sustain program services for the remainder of the program year and that it provides little margin to address external factors over the duration of its USECP. Further, we are persuaded that Peoples' proposal would provide greater program stability.

Based on Peoples preliminary LIURP spending and production data provided to the Commission in February 2026 as required by 52 Pa. Code § 62.5.(a)(2)(ii)(A) (relating to annual residential collection and universal service and energy conservation program reporting requirements) and 52 Pa. Code § 58.15a (relating to LIURP reporting and evaluation) – in which Peoples projected LIURP carryover from 2025 may exceed \$1 million, we find no cause for concern regarding Peoples' proposal to allocate \$500,000 of unspent 2025 LIURP funds to the 2025 EFSLR budget. We also have no objection to Peoples proposal to increase future EFSLR budgets from \$1.5 million to \$2 million annually through 2028. Additionally, we support Peoples' proposal to carryover unspent EFSLR funds from one program year to the next, as this approach may help to mitigate the impact of unforeseen external factors that may affect EFSLR demand. Accordingly, we conclude that approving Peoples' proposal is reasonable and in the public interest.

## CONCLUSION

For the reasons set forth above, the March 2026 Petition to Amend its 2019 USECP, filed on March 3, 2026, is granted; **THEREFORE,**

### IT IS ORDERED:

1. That the Petition filed by Peoples Natural Gas LLC to amend its 2019-2024 Universal Service and Energy Conservation Plan filed on March 3, 2026, at Docket Nos. M-2018-3003177 and M-2020-3021343, is approved.
2. That the contact person for this Order is Regina Carter, [regincarte@pa.gov](mailto:regincarte@pa.gov).

**BY THE COMMISSION,**



Matthew L. Homsher  
Secretary

(SEAL)

ORDER ADOPTED: March 26, 2026

ORDER ENTERED: March 26, 2026