

COMMONWEALTH OF PENNSYLVANIA



DARRYL A. LAWRENCE  
Consumer Advocate

OFFICE OF CONSUMER ADVOCATE  
555 Walnut Street, 5th Floor, Forum Place  
Harrisburg, Pennsylvania 17101-1923  
(717) 783-5048  
(800) 684-6560

 @pa\_oca  
 /pennoca  
FAX (717) 783-7152  
consumer@paoca.org  
www.oca.pa.gov

May 6, 2026

**Via Electronic Filing**

Matthew L. Homsher, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> 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) as filed on April 15, 2026, in response to the Commission's March 26, 2026 Order.<sup>1</sup>

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.<sup>2</sup> 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

---

<sup>1</sup> *Peoples' Natural Gas Company, LLC Petition to Amend its Universal Service and Energy Conservation Plan*, Docket Nos. M-2018-3003177, M-2020-3021343, Order (March 26, 2026)(March 26, 2026 Order).

<sup>2</sup> *Pa. PUC v. Peoples Natural Gas Company*, Docket No. R-2023-3044549, Order at 62-63 (Sept. 12, 2024).

reconsideration of its April 2025 Order. (*October 9, 2025 Reconsideration Order*).<sup>3</sup> 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.”<sup>4</sup>

In response to the *October 2025 Reconsideration Order*, Peoples filed its Second Amended Petition and requested “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.”<sup>5</sup>

In its *March 26, 2026 Order*, the Commission identified further concerns with Peoples’ proposed approach to auto-enrollment of LIHEAP recipients and deferred determination on the merits of the Petition until the Company provided further clarification regarding the Company’s proposal.<sup>6</sup> As discussed below, Peoples’ instant Petition responds to the *March 26, 2026 Order’s* directed additional clarifications about the proposal.

On April 15, 2026, Peoples filed its third Petition. In the further Amended Petition in response to the Commission’s *March 26, 2026 Order*. Peoples’ Amended Petition responds with clarifications requested by the Commission’s March 26, 2026 Order. In particular, Peoples provides further information regarding: (1) “how it will amend its proposed Welcome Letter for auto-enrolled customers to reflect that they may opt-out of CAP within 90 days and have the ability to enroll again without penalty (i.e., 12-month stay-out provision)”; (2) “the feasibility of adopting CAUSE-PA’s recommendation that Peoples track the reasons auto-enrolled customers opt-out of CAP and the timing of the opt-out request relative to the 90-day window”; (3) “estimates of anticipated reductions in costs related to collection activity and gross residential write-offs through the adoption of CAP auto-enrollments;” and (4) “whether arrears accrued in CAP prior to opting out of the program will be eligible for a utility payment arrangement and what steps Peoples will take to guarantee these customers will not be auto-enrolled in CAP again.” Petition at 1.

In response to the *March 26, 2026 Order*, Peoples proposes to amend its approach by changing a key provision: from requiring LIHEAP recipients who consented to data sharing to opt-out of auto-enrollment in CAP and to instead utilize the shared LIHEAP data to *encourage* LIHEAP recipients to enroll in CAP. Petition at ¶ 2. The revision addresses fully the Commission’s opt-out concerns because it switches from an opt-out process to an opt-in education about CAP enrollment. Moreover, Peoples avers that it recognizes the potential impact of accrued arrears for CAP-eligible customers. The Company provides that:

---

<sup>3</sup> *Peoples’ Natural Gas Company, LLC Petition to Amend its Universal Service and Energy Conservation Plan*, Docket Nos. M-2018-3003177, M-2020-3021343, Reconsideration Order (October 25, 2025)(*Oct. 9, 2025 Reconsideration Order*).

<sup>4</sup> *October 9, 2025 Reconsideration Order* at 7.

<sup>5</sup> Second Amended Petition at ¶ 14.

<sup>6</sup> *March 26, 2026 Order* at 17-18.

If the Company proposes auto-enrollment in its forthcoming USECP filing in 2028, it will include a specific provision allowing customers who opt-out to enter into a Company payment arrangement which will include any arrears accrued while participating in CAP.<sup>7</sup>

The Company would also provide for data tracking and reporting for customers who elected to opt-out of CAP.<sup>8</sup> As it has previously, the OCA would continue to support the opportunity for customers to auto-enroll in the program using the LIHEAP data sharing mechanism.

Peoples also attached a revised Welcome Letter to its Petition to respond to the opt-out concerns and requests to provide education about payment arrangements and natural gas shopping. The Welcome Letter reflects the Company's proposed change to its approach. In particular, the Company's Amended Petition states that the Company will endeavor to receive customer consent prior to enrollment in CAP and will provide access to "upfront education and information regarding CAP, prior to enrollment."<sup>9</sup> The Welcome Letter also reflects that the customers will be invited to participate and will continue to include the estimated CAP payment and information regarding how the customer can contact Peoples to enroll.<sup>10</sup> The Welcome Letter also provides to recipients an estimated CAP payment and explains how customers can contact Peoples to enroll. Along with the changes noted in the Welcome Letter, the CAP Agreement has also been modified to inform customers of the impact of CAP on future Commission-approved payment arrangements. The letter to CAP eligible households who are currently purchasing gas from an NGS was also modified to add the email address option for contact and the letter also includes a copy of the CAP agreement to inform customers about their rights and responsibilities before they choose to enroll.<sup>11</sup>

The OCA has appreciated Peoples' collaborative approach with interested stakeholders throughout the development of this proposal and the educational materials and CAP agreement. The OCA also has been involved with the development of the materials through the Universal Services Advisory Committee. The OCA agrees with Peoples that 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 and will specifically solicit enrollment in CAP customers who would otherwise be income-eligible for CAP and are not currently enrolled in CAP. The OCA also supports the additional revisions to the CAP agreement and an educational letter to customers who are purchasing natural gas supply from an NGS.

Finally, in response to the Commission's March 26, 2026 Order, Peoples also provided "estimates of anticipated reductions in costs related to collection activity and gross residential write-offs through the adoption of CAP auto-enrollments."<sup>12</sup> Peoples provided the requested information from the most recent Universal Services Report, as follows:

---

<sup>7</sup> Petition at ¶ 2.

<sup>8</sup> *Id.*

<sup>9</sup> Petition at ¶ 1.

<sup>10</sup> *Id.*

<sup>11</sup> Petition at ¶ 1.

<sup>12</sup> Petition at 1, ¶ 4.

To address the issue of anticipated cost savings of CAP, the Company's universal service rider includes a bad debt adjustment factor. This bad debt adjustment factor is a method by which the Company estimates anticipated reductions in bad debt from CAP participation above a certain level of enrollment, the floor of which is reviewed in each base rate proceeding, to reduce the costs borne by non-CAP residential ratepayers for the reduction in bad debt that results from more affordable bills to participants. Any customers enrolled through the proposed data-share process described in this Amended Petition, or through a potential auto-enrollment process in the Company's next USECP, will be counted in the enrollment figures used in the bad debt offset calculation.<sup>13</sup>

As the OCA set forth in its previous Letter in Lieu of Answer to the Second Petition, the OCA continues to maintain that auto-enrollment of LIHEAP recipients will provide income-eligible customers with a more streamlined enrollment process into CAP and should be approved as in the public interest. The OCA believes that administrative barriers should be eliminated in order to facilitate customer enrollment in CAP. The OCA would support Peoples again raising a similar auto-enrollment proposal in its 2028 USECP. The OCA agrees that any cost savings associated with reduction in bad debt should be considered as a part of the calculation of the costs of the program through the rider and any proposal should be reviewed at the time of the Company's filing. However, in consideration, of the Commission's *March 26, 2026 Order* identified concerns and Peoples' further Amended Petition to address the Commission's identified concerns, the OCA believes that Peoples' Amended Petition and associated revisions to the Welcome Letter will provide a benefit to consumers and should be approved as in the public interest.

Sincerely,

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

Counsel for:  
Darryl A. Lawrence  
Consumer Advocate

cc: Certificate of Service  
Joseph Magee, Bureau of Consumer Services ([jimagee@pa.gov](mailto:jimagee@pa.gov))  
Lori Mohr, Bureau of Consumer Services ([laumohr@pa.gov](mailto:laumohr@pa.gov))  
Louise Fink Smith, Esq., Law Bureau. ([finksmith@pa.gov](mailto:finksmith@pa.gov))  
Office of Special Assistants ([ra-osa@pa.gov](mailto:ra-osa@pa.gov))

---

<sup>13</sup> Petition at ¶ 4.

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 6th day of May 2026.

**SERVICE BY E-MAIL ONLY**

Allison Kaster, Director  
Bureau of Investigation & Enforcement  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
West Harrisburg, PA 17105  
akaster@pa.gov

/s/ Christy M. Appleby  
Christy M. Appleby  
Assistant Consumer Advocate  
PA Attorney I.D. # 85824  
CAappleby@paoca.org

Elizabeth R. Marx, Esquire  
PA Utility Law Project  
118 Locust Street  
Harrisburg, PA 17101  
pulp@pautilitylawproject.org

Counsel for:  
Darryl A. Lawrence  
Consumer Advocate

Meagan Moore, Esquire  
Peoples Natural Gas Company LLC  
375 North Shore Drive  
Pittsburgh, PA 15212  
Meagan.moore@peoples-gas.com

Office of Consumer Advocate  
555 Walnut Street  
5<sup>th</sup> Floor, Forum Place  
Harrisburg, PA 17101-1923  
Phone: (717) 783-5048  
Fax: (717) 783-7152  
Dated: May 6, 2026

Steve Gray, Senior Supervising Assistant  
Office of Small Business Advocate  
P.O. Box 3625  
300 North Second Street, Suite 1102  
Harrisburg, PA 17101  
sgray@pa.gov

Joseph L. Vullo, Esquire  
1460 Wyoming Avenue  
Forty Fort, PA 18704  
jlvullo@bvrrlaw.com