PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265

Public Meeting held September 10, 2026

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

Peoples Natural Gas Company LLC Universal Service and Energy Conservation Plan for 2019-2024	M-2018-3003177
Peoples Gas Company LLC Universal Service and Energy Conservation Plan for 2019-2024	M-2020-3021343
Petition of Peoples Natural Gas Company LLC to Amend 2019-2024 Universal Service and Energy Conservation Plan	P-2024-3052324

ORDER

BY THE COMMISSION:

On March 26, 2026, the Pennsylvania Public Utility Commission entered an Order[1] withholding approval of Peoples Natural Gas Company's January 7, 2026 Amended Petition regarding its 2019-2024 Universal Service and Energy Conservation

[1] On March 26, 2026, the PUC entered two orders at Docket Nos. M-2018-3003177, *et al.*: the March 26 Order as referenced herein is relative to Peoples' CAP auto-enrollment process, www.puc.pa.gov/pcdocs/1920289.pdf, and an order relative to unspent LIURP funding, www.puc.pa.gov/pcdocs/1920283.pdf, which is not relevant in this Order.

Plan (2019 USECP). The March 2026 Order indicated issues that required a review of requested supplemental information and stakeholder comments on issues raised in the Order or any aspect of the Amended Petition.

On April 15, 2026, Peoples filed its Response and a further revised 2019 USECP. In its Response, Peoples further amended its Petition by withdrawing its request to implement a Customer Assistance Program (CAP) auto-enrollment process. On May 5, 2026, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) and the Office of Consumer Advocate (OCA) individually filed comments. This Order approves Peoples' Petition as amended through its April 15 Response.

BACKGROUND

PA PUC, et al. v. Peoples Natural Gas Company LLC (Docket Nos. R-2023-3044549, et al.) (2024 Base Rate Case)

On December 29, 2023, Peoples filed for a general rate increase at Docket No. R-2023-3044549. On May 30, 2024, a Joint Petition for Non-Unanimous Settlement was filed.[2] By Order entered on September 12, 2024, the Commission approved, *inter alia*, the 2024 Base Rate Case Settlement without modification. September 2024 Order at 103, OP #3. The 2024 Joint Petition incorporated the provisions of the Low-Income Stipulation[3] filed separately at the docket on May 30, 2024.

[2] Petitioners included Peoples, the Commission's Bureau of Investigation and Enforcement, the Office of Small Business Advocate, People's Industrial Intervenors, and Pennsylvania Independent Oil & Gas Association.

[3] The parties to the Low-Income Stipulation included Peoples, CAUSE-PA, and the Pennsylvania Weatherization Providers Task Force.

As part of the universal service provisions in the Low-Income Stipulation, Peoples agreed to file a petition at its current USECP docket within 90 days of a final order seeking authorization to amend its USECP to allow Peoples to initiate auto-enrollment of Low Income Home Energy Assistance Program (LIHEAP) recipients with significant balances 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. Low-Income Stipulation at ¶6.

Additionally, Peoples agreed to amend its tariff[4] to state that customers will automatically be enrolled in CAP if the customer has a "significant account balance" and has received a LIHEAP payment within the past two years. This is a change from Peoples' previous tariff language that stated that customers will automatically be enrolled in CAP if the customer has "defaulted on a payment arrangement" and has received a LIHEAP payment within the past two years."[5] Low-Income Stipulation at ¶15.

Peoples December 2024 Petition and Amended Petition (Docket Nos. M-2018-3003177 & M-2020-3021343)

On December 11, 2024, Peoples filed a Petition to Amend its USECP with a proposal to auto-enroll customers in its CAP if they have an account balance exceeding $300 and received a LIHEAP grant within the past two years, permit auto-recertification of LIHEAP recipients, and waive income documentation requirements for LIHEAP

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[4] Even though Peoples' tariff has included a CAP auto-enrollment provision for more than 18 years, Peoples has not auto-enrolled LIHEAP recipients into CAP since its 2009-2011 USECP at Docket No. M-2008-2044646 became effective. Requiring customer consent from LIHEAP recipients before enrolling them in CAP has remained an enforced policy through Peoples current USECP. For example, *see* Peoples 2019 USECP, Docket Nos. M-2018-3003177 and M-2020-3021343 (filed on November 26, 2024), at 7.

[5] Peoples' Supplement No. 2 to Gas – PA PUC No. 47 (effective October 1, 2023), at First Revised page 37.

recipients applying for CAP who received LIHEAP in the past two years. Peoples December 2024 Petition at 3.

On April 24, 2025, the Commission entered an Order (April 2025 Order) denying the Peoples December 2024 Petition. On May 9, 2025, CAUSE-PA filed a Petition requesting reconsideration and/or clarification of the April 2025 Order. On October 9, 2025, the Commission entered an Order on Reconsideration granting CAUSE-PA's Petition, in part, and directing Peoples to consult with stakeholders and file an Amended Petition within 90 days that both aligns the 2019 USECP with its current tariff and addresses the Commission's concerns raised in the April 2025 Order. October 2025 Order at 17.

Peoples filed an Amended Petition on January 7, 2026. The Amended Petition requested approval to permit CAP auto-enrollment for LIHEAP recipients who have significant balances and agree to share their LIHEAP income data. Amended Petition at ¶14.

In its March 2026 Order, the Commission directed Peoples to provide additional information on several issues regarding the Amended Petition. Specifically, Peoples was directed to:

- Explain how it will amend its Welcome Letter for auto-enrolled customers to communicate that they may opt-out of CAP within 90 days and have the ability to re-enroll without penalty.
- Address the likelihood 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.
- Provide estimates of anticipated cost reductions related to collection activity and gross residential write-offs through the adoption of CAP auto-enrollments.

- Clarify whether arrears accrued in CAP prior to opting out of the program are eligible for a utility payment arrangement and the steps Peoples will implement to ensure these customers will not be auto-enrolled in CAP again.

March 2026 Order at 17-18.

PEOPLES' RESPONSE

As noted above, Peoples responded on April 15, 2026, with a clarification to its Amended Petition (Peoples Response).[6] Peoples indicated that it had reconsidered its approach to auto-enrollment and had determined that it would not enroll an identified account without permission of the customer. Peoples indicated that it would engage in a proactive CAP enrollment for LIHEAP recipients with significant balances and auto-recertification for LIHEAP data-sharing participants actively participating in CAP. Peoples Response at 2, 4-5.

Peoples' responses to the specific issues raised in the March 2026 Order are as follows:

Welcome Letter for Data Share Enrolled Customers

Peoples provided a revised Welcome Letter for Data Share Enrolled Customers (Exhibit A) which encourages LIHEAP data-sharing customers to enroll in CAP and includes a personalized estimated CAP payment amount, an outline of CAP benefits, and enrollment contact information. Peoples Response at 2; Exhibit A at 7.

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[6] https://www.puc.pa.gov/pcdocs/1923214.pdf at Docket Nos. M-2018-3003177, M-2020-3021343, and P-2024-3052324.

Further, Peoples provided a modified CAP agreement (Exhibit B) that includes new language stating that arrears accrued after CAP enrollment may not be eligible for a payment arrangement established by the Commission. Peoples Response at 2; Exhibit B at 9.

Finally, Peoples provided a revised letter to LIHEAP data-sharing recipients with an alternate gas supplier (Exhibit C). This letter explains that the customer qualifies for CAP but cannot enroll while they have an alternate natural gas supplier. The letter lists the customer's supplier contact information for cancellation, an outline of CAP benefits, and how to enroll in CAP after canceling the contract with the supplier. Peoples Response at 2; Exhibit C at 10.

Tracking Opt-Out and Treatment of CAP Arrears

Peoples reports that, after reconsideration, it no longer proposes to enroll eligible customers into CAP without their permission. Peoples adds that if it proposes auto-enrollment in its forthcoming USECP filing in 2028,[7] 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. Further, Peoples will also provide for tracking and reporting on accounts that opt-out in consideration of CAUSE-PA's recommendation to track the reasons for opt-out. Peoples Response at 2-3.

Estimated Anticipated Cost Reductions

Peoples states that while CAP makes bills more affordable, it does not guarantee consistent customer payment behavior and that some CAP customers will continue to struggle with on-time payments that result in unpaid bills and ongoing collection costs.

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[7] Peoples is required to file its 2029-2033 USECP on April 1, 2028. See *Peoples 2019-2024 USECP Order*, Docket No. M-2018-3003177, *et al*. (order entered on May 12, 2022), at 94, OP #15.

Peoples notes that it uses a “bad debt adjustment factor” in its universal service rider that estimates savings from reduced bad debt above a certain enrollment threshold to lower costs passed on to non-CAP ratepayers. Peoples asserts that any LIHEAP data-sharing participants enrolled through this Petition or future auto-enrollment process will be included in this bad debt offset calculation. Peoples Response at 3-4.

Amended Request to Enroll Customers into CAP

Peoples proposes a modified amendment to its 2019 USECP (Exhibit D) that allows for proactive CAP enrollment engagement with LIHEAP data-sharing participants with balances exceeding $300 and for auto-recertification for LIHEAP data-sharing participants that actively participate in CAP. The proposed amendment states that customers that share their income information with Peoples through LIHEAP data sharing will be proactively contacted by Peoples and offered CAP enrollment. Peoples Response at 4-5; Exhibit D at 7, 10.

STAKEHOLDER COMMENTS

CAUSE-PA Comments

CAUSE-PA disagrees with the clarifications required by the Commission in its March 2026 Order. CAUSE-PA strongly supports Peoples’ auto-enrollment proposal as presented in its January 7 Amended Petition. CAUSE-PA states the proposal would use new data to improve enrollment of struggling customers into CAP which prevents deeper utility debt through an increase in payment coverage and frequency rates, lowering uncollectible expenses. CAUSE-PA avers that utilities should be permitted to utilize LIHEAP data to identify, auto-enroll, and reach thousands of struggling low-income customers with unaffordable energy bills. CAUSE-PA Comments at 6-7.

CAUSE-PA asserts that the approved Low-Income Stipulation in Peoples' 2024 Base Rate Case required Peoples to pursue authorization to amend its 2019 USECP to permit CAP auto-enrollment for LIHEAP recipients with arrearages of at least $300. CAUSE-PA states that ultimately, the Commission agreed with CAUSE-PA in the October 9, 2025 Order that Peoples' USECP must align with its approved tariff and ordered Peoples to confer with stakeholders and file an amended petition that addressed the Commission's concerns while continuing to be consistent with its approved tariff. CAUSE-PA Comments at 1-2, *citing* the October 9 Order at 7.

CAUSE-PA avers that Peoples' amended proposal in the April 15 Response fails to meet the auto-enrollment process envisioned in the Low-Income Stipulation. CAUSE-PA notes its appreciation for Peoples' efforts to simplify a LIHEAP recipient's entry into CAP enrollment. However, CAUSE-PA states that Peoples does not need Commission approval to implement an updated affirmative enrollment process, as it is already authorized. It urges Peoples to immediately adopt this process for all LIHEAP data-sharing participants but stresses that Peoples should not replace attempts to create an auto-enrollment process for LIHEAP recipients with significant arrears. CAUSE-PA Comments at 4-5, *citing* the *2023 Review of All Jurisdictional Fixed Utilities' Universal Service Programs Order* (LIHEAP Data Sharing Order), Docket No. M-2023-3038944 (Order entered on June 13, 2024), at 5.

OCA Comments

OCA states that Peoples' proposed Welcome Letter is a helpful medium for auto-enrolled customers that will encourage CAP enrollment for income-eligible customers who are not currently enrolled. Further, OCA avers that collaboration and input from Peoples' Universal Service Advisory Group will help ensure that the letter is a supportive tool and that these efforts will assist in the identification and enrollment of income-eligible customers into CAP, while also educating customers who purchase gas from natural gas suppliers. OCA Comments at 3.

OCA maintains its support for auto-enrollment of LIHEAP recipients into CAP and encourages Peoples to raise a similar auto-enrollment proposal in its 2028 USECP proceeding. It avers that this process will afford income-eligible customers with an efficient enrollment process that removes administrative barriers and serves the public interest. OCA Comments at 4.

OCA asserts that any cost savings associated with reduced bad debt should directly offset total program costs under the universal service rider and that any proposal should be thoroughly evaluated by the Commission when Peoples files it. OCA Letter at 4.

DISCUSSION

Although Peoples has withdrawn this proposal to implement a CAP auto-enrollment process as part of its 2019 USECP, it can always file a new CAP auto-enrollment proposal that aligns with its tariff and addresses the Commission's questions and concerns raised in the April 2025 and March 2026 Orders. The remaining proposed amendments to its 2019 USECP consist of targeted outreach, expedited enrollment, and auto-recertification of LIHEAP data-sharing participants. As CAUSE-PA notes in its Comments, the Commission has previously authorized utilities to implement these types of changes. In the LIHEAP Data Sharing Order, the Commission granted a temporary waiver of USECP provisions to allow public utilities that choose to participate in LIHEAP data sharing to use a simplified and streamlined process for CAP enrollment and recertification.

CONCLUSION

Accordingly, Peoples' Petition to Amend its 2019 USECP, as modified through its April 15 Response and submitted as Exhibit D, is approved. We also direct Peoples to ensure its next CAP auto-enrollment proposal aligns with its tariff and addresses the Commission's questions and concerns raised in the April 2025 and March 2026 Orders; **THEREFORE,**

IT IS ORDERED:

1. That the January 7, 2026 Amended Petition of Peoples Natural Gas LLC to amend its 2019-2024 Universal Service and Energy Conservation Plan at Docket Nos. M-2018-3003177, M-2020-3021343, and P-2024-3052324, as amended by its April 15, 2026 Response with Exhibit D, is approved.

2. That a copy of this Order be served on all parties to Docket Nos. M-2018-3003177, M-2020-3021343, P-2024-3052324, R-2023-3044549, R-2024-3046932, and R-2024-3047068.

3. That Peoples Natural Gas LLC shall ensure its next CAP auto-enrollment proposal aligns with its approved tariff and addresses the questions and concerns raised in the Orders entered on April 24, 2025 and March 26, 2026 at Docket Nos. M-2018-3003177.

4. That the contact person for this Order is Jennifer Johnson, Bureau of Consumer Services, jennifjohn@pa.gov.

BY THE COMMISSION,

Matthew L. Homsher
Secretary

(SEAL)

ORDER ADOPTED: September 10, 2026

ORDER ENTERED: September 10, 2026