

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PENNSYLVANIA PUBLIC UTILITY
COMMISSION**

v.

**PEOPLES NATURAL GAS COMPANY
LLC**

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Docket No. R-2026-3060855

**PREPARED REJOINDER TESTIMONY OF
RITA F. BLACK
DIRECTOR, COMMUNITY ASSISTANCE PROGRAMS
ESSENTIAL UTILITIES**

DATE SERVED: August 3, 2026
DATE ADMITTED: _____

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**PREPARED SURREBUTTAL TESTIMONY OF
RITA F. BLACK**

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Rita F. Black and my business address is located at 375 North Shore Drive,
Pittsburgh, Pennsylvania 15212

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Essential Utilities, Inc. as the Director of Community Assistance
Programs. In this role, I lead assistance programs for Peoples Natural Gas Company LLC
("Peoples", "Peoples Natural Gas", or "the Company"), Aqua Pennsylvania Inc. and Aqua
Pennsylvania Wastewater, Inc. (collectively "Aqua PA"), as well as these companies'
affiliated regulated utilities operating in other states.

**Q. HAVE YOU PREVIOUSLY SUBMITTED DIRECT, REBUTTAL AND
SURREBUTTAL TESTIMONIES IN THIS PROCEEDING?**

A. Yes. My direct testimony is set forth in **Peoples Statement No. 10**, my rebuttal testimony
is set forth in **Peoples Statement No. 10-R**, and my surrebuttal testimony is set forth in
Peoples Statement No. 10-SR.

Q. WHAT IS THE PURPOSE OF YOUR REJOINDER TESTIMONY?

A. I will respond to surrebuttal testimony provided by Bureau of Investigation and
Enforcement ("I&E") witness Vanessa Okum, the Coalition for Affordable Utility Service

1 and Energy Efficiency in Pennsylvania (“CAUSE-PA”) witness Patrick Cicero and Office
2 of Consumer Advocate (“OCA”) witnesses Roger Colton and Brendon Larkin-Connolly.

3
4 **Q. ARE YOU SPONSORING ANY ADDITIONAL EXHIBITS?**

5 A. No.

6
7 **Q. HOW HAVE YOU ARRANGED YOUR SURREBUTTAL TESTIMONY?**

8 A. My testimony is arranged according to the witness testimony to which I am responding.
9 To the extent that I do not address an issue raised in the surrebuttal testimony of another
10 witness, it should not be construed as agreement with that testimony.

11
12
13 **II. RESPONSE TO I&E WITNESS VANESSA OKUM**

14 **Q. IN HER TESTIMONY, MS. OKUM DISCUSSES THE COMPANY’S PROPOSAL**
15 **TO INCLUDE THE COST OF THE LOW INCOME USAGE REDUCTION**
16 **PROGRAM (“LIURP”) SPECIALIST POSITION THROUGH THE UNIVERSAL**
17 **SERVICE RIDER. WOULD YOU LIKE TO RESPOND?**

18 A. Yes. On page 41, lines 14 through 17, Ms. Okum raises a concern that IF Peoples recovered
19 these labor costs through the rider, the Company could make “unverified changes to such
20 costs without the ability of parties to review them for prudence”. I disagree with this
21 concern. All charges recovered through the universal service rider are subject to a detailed
22 audit through the Bureau of Audits. The Company must show documentation of each
23 charge reported on its 1307(e) annual filing as part of these audits. In my opinion, the audit

1 process provides a more thorough review of costs than is available through the base rate
2 process.

3
4 **III. RESPONSE TO CAUSE-PA WITNESS PATRICK CICERO.**

5 **Q. ON PAGE 31 OF HIS TESTIMONY, LINES 9 AND 10, MR. CICERO STATES**
6 **THAT THE PROPOSED INCREASE WOULD “WEAKEN THE**
7 **EFFECTIVENESS OF WEATHERIZATION MEASURES” PROVIDED**
8 **THROUGH THE COMPANY’S LOW INCOME USAGE REDUCTION**
9 **PROGRAM (“LIURP”). DO YOU AGREE?**

10 A. I do not. The usage threshold for participation in the Company’s LIURP is 120 Mcf per
11 year. This is significantly high usage, typically due to lack of insulation in the home, overall
12 age of the housing stock and inefficient appliances. The measures installed through LIURP
13 address the high usage of the home, providing a strong reduction to annual usage and
14 therefore a reduction to the annual charges that is well beyond the proposed increase to the
15 monthly service charge of \$9.20. In its most recent report to the Commission, Peoples
16 LIURP results for 2024 reflected an average reduction of 24.89% in annual usage for
17 homes served. This is important because Mr. Cicero raises concern in his testimony on
18 pages 34 and 35, that while the Customer Assistance Program (“CAP”) participation rate
19 in the 2024 report was 97% for LIURP participants, customers may not remain in CAP.
20 The significant reductions in annual usage continue to provide savings to the household,
21 even while not participating in CAP and these savings are significantly higher than the
22 proposed increase in the monthly customer charge.

1 **Q. MOVING ON TO MR. CICERO'S TESTIMONY REGARDING CAP, LET'S**
2 **BEGIN WITH HIS RESPONSE TO YOUR TESTIMONY REGARDING THE**
3 **PROPOSED TARIFF PROVISION PERTAINING TO FRAUDULENT USE OF**
4 **CAP BENEFITS. WOULD YOU LIKE TO RESPOND?**

5 A. Yes, I would. Mr. Cicero continues his recommendation that the Company's Universal
6 Service Advisory Group ("USAG") should be involved in the development of a dispute
7 process specific to this tariff provision and recommends the tariff provision be rejected.
8 As noted in my rebuttal testimony, I welcome the input of the USAG into the Company's
9 processes and programs. Also noted in my rebuttal testimony is clarification that these
10 cases are not handled by our CAP administrator, but are handled with care by a member of
11 our internal team to ensure that customers involved in this process are given every
12 opportunity and sufficient flexibility to provide documentation of their eligibility.
13 Therefore, I disagree that this tariff provision be rejected. Instead, it is my opinion that the
14 tariff provision should be approved, in order to protect non-CAP ratepayers from paying
15 the costs of CAP benefits obtained fraudulently, and the USAG be consulted on the
16 implementation of the provision, following approval, but before implementation.

17
18 **IV. RESPONSE TO OCA WITNESS ROGER COLTON**

19 **Q. ON PAGES 7 AND 8 OF HIS TESTIMONY, MR. COLTON DISCUSSES HIS**
20 **CONCERNS REGARDING AFFORDABILITY FOR LOW-INCOME**
21 **POPULATIONS AS WELL AS THOSE HOUSEHOLDS HE DESCRIBED IN HIS**
22 **DIRECT TESTIMONY – ASSET-LIMITED, INCOME-CONSTRAINED,**
23 **EMPLOYED ("ALICE"). WOULD YOU LIKE TO RESPOND TO THESE**
24 **CONCERNS?**

1 A. Yes, I would. Affordability and providing appropriate safety nets to customers who are
2 struggling economically has long been recognized at Peoples. As I noted on page 28 of my
3 rebuttal testimony, Peoples expanded its CAP eligibility threshold more than a decade ago,
4 beyond the standard definition of 150% of federal poverty level ("FPL") that is utilized by
5 energy CAPs in Pennsylvania, to provide more support to this households in this income
6 group. The Company developed a strong Consumer Education and Outreach Plan
7 ("CEOP"), the current version which is provided as Exhibit A in my direct testimony, to
8 provide a comprehensive approach to outreach with the goal of increasing participation in
9 available programs for income eligible households.

10
11 **Q. ON PAGES 9 AND 10 OF HIS TESTIMONY REGARDING THE GAS BURDEN**
12 **ANALYSIS PREPARED BY COMPANY WITNESS CYNDIE FANG, MR.**
13 **COLTON DISCUSSES THE INCOME USED IN THE ANALYSIS AND STATES**
14 **ON PAGE 10, BEGINNING WITH LINE 1, THAT "THERE IS NO BASIS, IN**
15 **OTHER WORDS, TO DETERMINE THAT THE INCOME INFORMATION**
16 **USED BY MS. FANG IS ACCURATE, LET ALONE TIMELY." WOULD YOU**
17 **LIKE TO RESPOND TO THIS STATEMENT?**

18 A. Yes, I would. As described in my rebuttal testimony, I explained the many opportunities at
19 which customers are asked if they would like to provide their income information. I would
20 like to further clarify that income information is asked from any residential customer
21 starting service with Peoples. This information not only screens customers for eligibility to
22 participate in universal service programs, it also allows the income-eligible customers to
23 avoid certain fees or charges, such as reconnection fees and security deposits. As a result

1 of this initial income screening of all customers who choose to provide their income,
2 Peoples has amassed, over time, income information for more than 400,000 of its
3 customers, as described in Ms. Fang's gas burden analysis. This information is also updated
4 at other points in time when the Company interacts with customers, such as in the
5 negotiation of a payment arrangement. The income information that the Company has
6 obtained is not only reflective of low-income households, but any households who agreed
7 to share income information with the Company. The income used by Ms. Fang in her
8 analysis is the most recent known income information available.

9
10 **Q. LET'S MOVE ON TO MR. COLTON'S RESPONSE TO YOUR TESTIMONY**
11 **REGARDING THE TARIFF PROVISION THAT RESTRICTS THE USE OF GAS**
12 **FOR RECREATIONAL PURPOSES. MR. COLTON PROVIDES FOUR ISSUES**
13 **THAT HE SAYS YOU DID NOT ADDRESS IN YOUR REBUTTAL TESTIMONY**
14 **PERTAINING TO THIS ISSUE. PLEASE BRIEFLY EXPLAIN THOSE ITEMS**
15 **AND RESPOND TO THEM.**

16 **A.** First, he states that I did not provide an explanation on how the tariff provision would be
17 enforced. He goes on to state that I did not explain how the Company determines the
18 customer is actually using the recreational appliance. He says that I do not quantify the
19 extent of the problem or document the cost of providing the CAP credits is more than the
20 cost of identifying this situation. He then closes this discussion with the statement that the
21 tariff provision proposal should be rejected.

22 As pool heaters are the key appliance for which this provision is targeted, I will
23 explain the Company's process regarding identifying these situations. Natural gas in

1 Pennsylvania is used in a seasonal manner. We see usage begin to climb in the fall, reach
2 its highest point in the coldest part of winter, then gradually reduce in the spring. Summer
3 usage is low in comparison to winter usage and is base load only usage for appliances such
4 as gas stoves, gas dryers and gas water heaters. When high summer usage indicates the
5 presence of a pool heater, or if there is a prior pool heater flag on the account that was
6 present before the customer enrolled in CAP, a letter is sent to the customer advising our
7 records indicate use of a pool heater which is prohibited while participating in CAP.
8 Customers have the ability to restore participation in CAP by providing documentation
9 from their medical provider that the pool heater is necessary. Therefore, if the pool heater
10 were not being used, the customer would not be flagged for removal from CAP. Mr. Colton
11 appears to ignore the enforceable provision in the Company's Universal Service and
12 Energy Conservation Plan ("USECP") on this topic in his testimony. It is not the
13 Company's option to weigh the costs of enforcement of the USECP provision against the
14 cost of CAP credits that may be given when a pool heater is used by a CAP participant.
15 CAP is intended to assist income eligible households obtain necessary natural gas service
16 for home heating, water heating, cooking and laundry purposes, all of which are important
17 needs. Non-CAP customers subject to the Rider should not be asked to subsidize
18 unnecessary uses of natural gas by CAP participants, unless such use is medically required.

19
20 **Q. MR. COLTON ALSO PROVIDED TESTIMONY REGARDING THE SECOND**
21 **PROPOSED TARIFF PROVISION PERTAINING TO THE FRAUDULENT USE**
22 **OF CAP BENEFITS. WOULD YOU LIKE TO RESPOND?**

1 A. Yes. Mr. Colton describes the level of fraudulent use as *de minimis* because I provided
2 one example of what the Company sees as a misuse of CAP benefits and noted that the
3 majority of customers use CAP appropriately. He goes on to conclude that because the
4 Company has not quantified the costs of this behavior along with the costs of implementing
5 this tariff provision, the proposed tariff language should be rejected. He also recommends
6 revisiting Mr. Cicero's recommendation that the USAG be consulted on this issue. As I
7 stated earlier in my response to Mr. Cicero, I do not believe a delay in the tariff language
8 approval is necessary to allow for the engagement of the USAG before the tariff provision
9 is implemented into practice. To delay this tariff provision is to allow customers to obtain
10 benefits to which they are not entitled while non-CAP ratepayers subsidize their behavior.

11
12 **Q. MR. COLTON DISCUSSES HIS CONCERNS REGARDING TERMINATION OF**
13 **CONFIRMED LOW-INCOME ("CLI") HOUSEHOLDS AND CLI HOUSEHOLDS**
14 **CARRYING DEBT ON PAGES 17-19 OF HIS TESTIMONY. WOULD YOU LIKE**
15 **TO RESPOND?**

16 A. Yes. Mr. Colton uses a number of statistics that are reflected in the Universal Service and
17 Collections Report published by the PUC's Bureau of Consumer Services ("BCS") on an
18 annual basis, using data reported by the utilities using the BCS data dictionary. To gain a
19 clear picture of Peoples' statistics and how it compares to its peer utilities for termination
20 rates, it is helpful to look at the three-year review and average termination rate for CLI as
21 provided in the Report.

Terminations – Confirmed Low-Income Natural Gas – 2022-2024

Utility	2022		2023		2024	
	Number	Termination Rate	Number	Termination Rate	Number	Termination Rate
Columbia	6,124	8.7%	5,974	8.3%	6,277	8.9%
NFG	3,260	13.9%	3,268	13.7%	2,895	12.2%
PECO-Gas	5,531	19.1%	6,487	20.9%	570*	2.0%
Peoples	4,253	3.9%	11,815	10.5%	11,502	10.2%
PGW	9,548	8.3%	20,339	15.8%	19,806	15.0%
UGI Gas	4,810	5.7%	5,548	6.2%	5,681	6.4%
Total/Industry Average	33,526	7.8%	53,431	11.6%	46,731	10.2%

*In 2024, PECO suspended terminations for several months due to the implementation of a new operating system, which resulted in a reduction in terminations in 2024.

As shown, Peoples termination rate aligns with the industry average, the latter of which was calculated using an extremely low figure from PECO-Gas due to their suspension of terminations in 2024, indicating that without this abnormality in PECO-Gas' reported statistics, Peoples termination rate would fall below the industry average.

Similarly, with regards to CLI households in debt, it is important to view the entire picture. The data dictionary requires a customer to be reported as 'in debt' using the due date as day zero. Therefore, if a customer is late in making a payment, they are considered in debt. When reviewing the full picture of households in debt, including those that are actively participating in a payment arrangement as well as those that are not in a formal payment arrangement, Peoples has a total in debt percentage of 14.1% as compared to the industry average of 16.8%.

Number of Customers in Debt – Confirmed Low-Income Natural Gas – 2024

Utility	On Arrangement		Not On Arrangement		Total in Debt	
	Number	Percent of Confirmed Low-Income	Number	Percent of Confirmed Low-Income	Number	Percent of Confirmed Low-Income
Columbia	7,246	10.2%	3,211	4.5%	10,457	14.8%
NFG	2,278	9.6%	3,492	14.7%	5,770	24.4%
PECO-Gas	564	2.0%	1,197	4.2%	1,761	6.2%
Peoples	5,911	5.2%	9,947	8.8%	15,858	14.1%
PGW	12,156	9.2%	4,361	3.3%	16,517	12.5%
UGI Gas	23,653	26.6%	2,685	3.0%	26,338	29.6%
Total/Industry Average	51,808	11.3%	24,893	5.5%	76,701	16.8%

Q. MR. COLTON’S CONCLUSION IN THE DISCUSSION OF THESE STATISTICS IS THAT PEOPLES SHOULD BE ENROLLING MORE CUSTOMERS INTO CAP.

A. The statistics discussed in Mr. Colton’s testimony are through 2024. Peoples continues to encourage enrollment into its CAP through the activities described in its Consumer Education and Outreach Plan (“CEOP”) and has succeeded in steadily increasing its enrollment as reflected in the rebuttal testimony of Company witness Carol Scanlon in Peoples Statement No. 13-R.

Q. LET’S MOVE ON TO MR. COLTON’S TESTIMONY THAT PEOPLES DISPROPORTIONALLY DISCONNECTS SERVICE TO COMMUNITIES OF COLOR AND SPECIFICALLY STATES ‘MS. BLACK’S REBUTTAL TESTIMONY IMPLICITLY DENIES THE PRESENCE OF THE RACIAL DISCRIMINATION WHICH I DOCUMENTED IN MY DIRECT TESTIMONY¹.’ PLEASE RESPOND.

¹ See OCA Statement No. 4SR, Page 20, lines 16 through 18.

1 A. I disagree that Mr. Colton has in any way proven that the households disconnected were
2 in fact households of color, therefore he has not documented “the presence of racial
3 discrimination”. As the Company’s data reviewed by Mr. Colton in discovery does not
4 include racial data on its customers because the Company does not obtain such data and
5 the census data used by Mr. Colton in his prior testimony is not specific to households, a
6 direct correlation cannot be drawn. For this reason, my rebuttal testimony focused on the
7 zip codes that he highlighted as being of concern. These zip codes mirror the analysis
8 performed by Peoples Energy Analytics (“PEA”) in the development of its heat maps of
9 vulnerable households to be targeted for increased CAP outreach. Following Mr. Colton’s
10 own hypothesis that the Company should be enrolling more customers into CAP to avoid
11 termination of service, my recommendation, as a result of his analysis, is the application
12 of additional outreach to encourage CAP enrollment, thereby avoiding disconnections.

13
14 **Q. MR. COLTON ALSO RESPONDS TO YOUR TESTIMONY ON THE TOPIC OF**
15 **BUDGET BILLING AND STATES THAT YOU DID NOT ‘ADDRESS THE NEED**
16 **FOR INCREASED MARKETING²’**

17 A. Marketing of budget billing is not an issue in this proceeding, nor was an issue to which I
18 was responding in my rebuttal testimony. My testimony regarding budget billing, as
19 provided on page 19 of my rebuttal testimony, was in response to concerns raised by Mr.
20 Colton and Mr. Cicero that seasonality of bills has a negative impact on low-income
21 customers that are not participating in CAP. I responded by noting that budget billing, the
22 method by which any residential customer, regardless of income, can spread their annual

² See OCA Stmt. No. 4SR, page 21, lines 7 and 8.

1 gas bills evenly across the year to better manage their household budget is an available
2 option to smooth out the impacts of seasonality. Budget billing is widely publicized by
3 Peoples through a number of methods including bill inserts, the Company's website, digital
4 and social media advertising and email campaigns. I would also note that customers
5 contacting Peoples are regularly offered budget billing.

6
7 **Q. FINALLY, MR. COLTON DISCUSSES THE ISSUE OF SPREADING**
8 **UNIVERSAL SERVICE COSTS RECOVERED THROUGH THE RIDER TO**
9 **ADDITIONAL CLASSES. REGARDING YOUR TESTIMONY ON THIS TOPIC,**
10 **HE STATES, "IT IS, HOWEVER, IMPORTANT THAT MS. BLACK OFFERS NO**
11 **DISPUTE OF THE NEED TO MAKE SUCH CHANGES"³. WOULD YOU LIKE**
12 **TO RESPOND TO HIS STATEMENT?**

13 A. My rebuttal testimony on the topic of sharing the costs of universal service programs to
14 other classes of customers is provided on page 24. Prior to leading universal service
15 programs for Peoples, I was a rates analyst for the Company, responsible for preparing the
16 Company's cost recovery filings pertaining to universal service costs. As a result, I am
17 familiar with both the history of cost recovery as well as the rider which is currently in use.
18 In my rebuttal testimony, I responded to two aspects of other parties' direct testimony on
19 this issue. In particular, I confirmed that 4.25% of costs pertaining to CAP were shared
20 with non-residential ratepayers prior to the implementation of the Company's universal
21 service rider. I then stated that the Company acknowledged the desire of some parties in
22 this proceeding to spread costs beyond the residential class, in reference to the testimony

³ See OCA Stmt. 4SR, page 22, lines 16 and 17.

1 of other parties on this issue, but that such a change would require an evaluation of the
2 feasibility of this change, including considering potential IT impacts. I did not opine the
3 appropriateness of such a change, therefore my testimony should not be viewed as having
4 agreed to a 'need' to make such a change.

5
6 **V. RESPONSE TO OCA WITNESS BRENDAN LARKIN-CONNOLLY.**

7 **Q. REGARDING THE PROPOSED TARIFF PROVISION PERTAINING TO**
8 **CUSTOMERS OBTAINING CAP BENEFITS TO WHICH THEY ARE NOT**
9 **ELIGIBLE, PLEASE RESPOND TO THE RECOMMENDATION OF MR.**
10 **LARKIN-CONNOLLY AS PROVIDED IN HIS SURREBUTTAL TESTIMONY.**

11 A. Mr. Larkin-Connolly recommended "a defined standard of proof, advance notice and a
12 customer appeal process before any reversal or repayment obligations take effect⁴." It has
13 always been the Company's approach to provide sufficient notice to customers and to allow
14 the customers to provide evidence of their eligibility to avoid a reversal of benefits. As
15 noted earlier in my testimony, the Company commits to working with the USAG in
16 defining a process that balances the needs of both the affected customer and the non-CAP
17 ratepayers who are impacted by any inappropriate use of CAP benefits.

18
19 **VI. CONCLUSION**

20 **Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY AT THIS TIME?**

21 A. Yes. I reserve the right to supplement my testimony as additional issues arise during the
22 course of this proceeding. Thank you.

⁴ See OCA Stmt. 5SR, page 10, lines 1 and 2.