

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17105-3265

**Universal Service Coordination
Working Group**

**Public Meeting held November 4, 2010
Docket No. M-2009-2107153**

STATEMENT OF VICE CHAIRMAN TYRONE J. CHRISTY

One of my goals from the time I arrived at the Commission has been to evaluate the opportunities to streamline Pennsylvania's various low-income programs. Our state has numerous customer assistance programs, many of which are administered by different entities. All told, Pennsylvania has spent over \$760 million in 2009 alone on its utilities' Universal Service programs, the Weatherization Assistance Program (WAP) administered by the Department of Community and Economic Development (DCED), and the Low-Income Home Energy Assistance Program (LIHEAP) administered by the Department of Public Welfare (DPW). From a practical standpoint, by coordinating these programs, Pennsylvania can achieve ongoing savings in administrative costs and provide essential services to more of our citizens. As Pennsylvania is continuing to struggle with its state budget, it is imperative that every dollar spent on these types of programs must be delivered as efficiently as possible.

I would like to thank the representatives of the Universal Service Coordination Working Group (Working Group) for the time and effort they have put into evaluating these coordination opportunities and for accomplishing a high level of coordination between Pennsylvania's weatherization programs. Representatives from the gas and electric utilities, the Office of Consumer Advocate, DCED, the Pennsylvania Utility Law Project, Community Legal Services, the Energy Association of Pennsylvania, and Conservation Consultants, Inc., as well as representatives from the Commission's Bureau of Consumer Services and Law Bureau met for extended periods on five different occasions from September 2009 to April 2010 to formulate recommendations for the Commission.¹ The fact that representatives from state agencies, utilities, and other groups with varying interests took the time to meet with a common goal in mind highlights the importance of the Working Group's mission. The Working Group's efforts are truly a great step toward streamlining our various customer assistance programs.

As mentioned, Pennsylvania spends approximately over \$760 million total per year on the utilities' Universal Service programs, the WAP, and LIHEAP alone.² In addition, Pennsylvania's WAP recently received an American Recovery & Reinvestment

¹ The Working Group met for a total on three times on September 1, 2009, October 1, 2009, and November 10, 2009. A Subgroup of the Working Group met on two different occasions, on March 8, 2010 and April 12, 2010, to evaluate coordination of the weatherization programs. For ease of reference, I will refer to the Working Group and the Subgroup as one entity, the "Working Group."

² In 2009, Pennsylvania spent over \$440 million for its Universal Service programs. Although the amount may vary, DCED spends about \$20 million per year on the WAP. While the federal amount allocated for LIHEAP varies from year to year, Pennsylvania received about \$301 million last year and \$307 million for 2008-09. These amounts include federal contingency funds.

Act (ARRA)³ grant of \$252.8 million for three years ending March 2012. Moreover, the electric distribution companies (EDCs) will be spending approximately \$978 million over the next four years given the introduction of Act 129 funds into the EDCs' portfolios of energy efficiency measures for low-income customers.⁴

While a substantial amount of money is spent on customer-oriented programs every year, we have not yet fully capitalized on the amount of coordination and efficiency we need to achieve on a broader scale. Given the recent increase in the amount of money traditionally available for Pennsylvania's programs and the various utilities and state agencies that administer these programs, this was the optimal time for the Commission to form the Working Group with the goal of achieving this broader level of coordination and efficiency. The Working Group's goals have been to maximize the level of coordination between the programs, to ensure that the government spends the program money as efficiently and effectively as possible, and ultimately to reduce the programs' administrative costs.

At this stage, the Working Group has achieved some significant levels of coordination between Pennsylvania's programs. Most notably, the Working Group analyzed specific situations that provide for potential Coordination Referral Opportunities (CROs) between the Low-Income Usage Reduction Program (LIURP), Act 129, traditional WAP, ARRA WAP, and the LIHEAP Crisis Interface Program.⁵ It identified existing coordination efforts as well as situations in which coordination efforts should be facilitated or improved. Today, the Commission adopts the Working Group's recommendation that the program service providers review the coordination opportunities identified in the Working Group's Report and, if applicable and feasible, initiate mechanisms that provide low-income households with all energy conservation measures and services for which they are eligible. The Commission also directs the natural gas distribution companies (NGDCs) and the EDCs to continue to engage in their current coordination efforts and implement any additional applicable CROs that were identified in the Subgroup Report. This is an important accomplishment as the CROs will serve as a framework for each service provider to follow to ensure that low-income households have the opportunity to receive the maximum array of energy conservation measures and services for which they are eligible. The CROs will also assist the LIURP, Act 129, and WAP programs to meet their energy-saving goals.

Additionally, in response to the Working Group meetings and reports, the Energy Association of Pennsylvania prepared a detailed document called the Utility Reference Manual that contains information about the utilities' low-income weatherization and conservation programs. The Utility Reference Manual will be a valuable tool to facilitate

³ American Recovery & Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115 (2009).

⁴ The Act 129 Program budgets for the next four years allocate approximately \$246 million to PPL Electric Utilities, \$342 million to PECO Energy Company, \$99 million to Metropolitan Edison Company, \$92 million to Pennsylvania Electric Company, \$27 million to Pennsylvania Power Company, \$78 million to Duquesne Light Company, and \$94 million to Allegheny Power.

⁵ The Crisis Interface Program is operated by DCED and is funded with the transfer of LIHEAP federal block grants for repair-related emergencies during the period of time that the state LIHEAP Crisis Program is open.

weatherization referrals. The document has been shared with LIURP, Act 129, WAP, and ARRA WAP contractors and is also available on the Commission's website.

Moreover, the Commission directs the NGDCs to continue providing high energy usage LIHEAP recipient customer lists to DPW on an annual basis for use by DCED in its ARRA WAP. Given the additional funding available for weatherization services due to ARRA and the large number of jobs that the ARRA WAP agencies are targeted to complete by March 31, 2012, this referral process is necessary to ensure that the maximum number of low-income households receive weatherization services.

While we have already achieved a substantial amount of coordination, there are several opportunities for Pennsylvania to realize even greater levels of coordination going forward. We will shortly have a confidentiality waiver in place that may be used starting this winter. A confidentiality waiver form will be an effective way to ensure that consumers are notified of all programs for which they may be eligible. If a customer signs a confidentiality form, utilities and state agencies will be able to share that customer's information with each other for the purpose of helping to enroll that customer in customer assistance programs.⁶ This document will give individuals the opportunity to receive necessary services for which they qualify and will be particularly beneficial in situations where customers otherwise may not have been aware of the programs or may not have known how to apply for them. A confidentiality waiver that covers all programs can be used on a broad basis and will be essential to develop a statewide database that contains customer eligibility information.

The Working Group also recommended some additional coordination initiatives that I would like to see evaluated and developed further in the future. For instance, I would like to see the Working Group revisit the concept of a data exchange between the utilities and the Department of Public Welfare. While we have achieved coordination among the weatherization-related programs, the exchange of customer information between the utilities and DPW would help facilitate coordination among other customer assistance programs, such as LIHEAP and the utilities' Customer Assistance Programs.

On a larger scale, I believe it would be a tremendous accomplishment if Pennsylvania developed a comprehensive statewide web-based single source of information and eligibility screening initiative. The Working Group envisioned a centralized source of information for state and federal assistance programs that would include eligibility screening, application instructions, and localized information for the administering agency. This would be a long-term project and likely would require high level leadership to drive the coordination, but in the end, this highly sophisticated level of coordination could save Pennsylvania a great deal of money. I urge all of the involved parties to stay focused on this objective.

⁶ I would also like to see extra safeguards and restrictions in place to ensure that customers' information will be used only for program enrollment. For this reason, I believe the utilities and the state agencies, as well as any contractors who may have access to customer information, should execute an agreement with each other that governs the manner in which they will share customer information as soon as possible.

The Working Group's efforts come at an opportune time and coincide nicely with 2-1-1, another major coordination initiative underway in Pennsylvania. On February 11, 2010, the Commission approved the United Way of Pennsylvania's request to designate PA 2-1-1 as the lead implementing agency of the 2-1-1 abbreviated dialing code for providing information and referral services in Pennsylvania. The implementation of a 2-1-1 system in Pennsylvania is an important step toward more effectively coordinating our government-related services by providing a single phone number and internet access for individuals when they are seeking information about assistance in paying their utility bills and weatherization services, as well as information on unemployment compensation, food banks, educational seminars, and other available services. The system will include a comprehensive database of health and human services in Pennsylvania, including those provided by government entities and nonprofit organizations. The 2-1-1 system proposed by PA 2-1-1 will be available 24 hours a day and will provide for a quick response in emergency situations. The United Way of Pennsylvania anticipates that 2-1-1 service implementation will begin in several regions of the state around February 11, 2011, and that all regions will be activated by June 2013.

Based on information from other states and local governments with 2-1-1 systems, it is clear that 2-1-1 will be used regularly by utility customers seeking information about utility bills and service matters. Thus, the coordination that will be achieved through 2-1-1 will further enhance our efforts to coordinate the various utility assistance programs that exist in Pennsylvania.

Overall, we have already achieved a high level of coordination between our customer assistance programs in Pennsylvania. We have realized this level of coordination thanks to the combined efforts of the utilities, state agencies, and other involved entities. It is not very often that so many groups of individuals with varying interests come together to achieve a shared goal of this magnitude. I encourage all of you to continue to work together in the future to reach the optimum level of coordination possible for Pennsylvania.

11-4-10
DATE

Tyrone J. Christy
TYRONE J. CHRISTY, VICE CHAIRMAN