

BURKE VULLO REILLY ROBERTS

ATTORNEYS AT LAW

1460 Wyoming Avenue
Forty Fort, PA 18704
Phone (570) 288-6441 + Fax (570) 288-4598

*Formerly Burke & Burke
Thomas F. Burke, Sr. (1932-1972)*

www.bvrrlaw.com

JOSEPH L. VULLO
jlvullo@bvrrlaw.com

October 16, 2017

e-filed

Ms. Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
PO Box 3265
Harrisburg, PA 17105-3265

Re: Comments of the Commission on Economic Opportunity
Review of Universal Service and Energy Conservation Programs
Docket M-2017-2596907

Dear Secretary Chiavetta:

Please allow this correspondence to serve as reply comments by the Commission on Economic Opportunity pursuant to the May 10, 2017 Opinion and Order (Order) in which the Commission initiated a comprehensive review of Universal Service and Energy Conservation Programs (USECP). CEO's prior comments and reply comments submitted pursuant to this proceeding and the Commission's review of the Low-Income Usage Reduction Program regulations at L-2016-2557886 are not repeated here but are incorporated herein by reference.

CAP customers should be encouraged but not required to apply for LIHEAP or Hardship Funds

Section 69.265(9)(iv) of the CAP Policy Statement allows for a customer to be penalized for failure to apply for LIHEAP. CEO believes that this provision allowing for a penalty should be removed from the CAP Policy Statement. Because of the limited, block grant LIHEAP funding available, requiring more applicants for such funding would not increase the amount of funding available to Pennsylvania utility customers. The same would be true for Hardship funding so there should be no requirements for a customer to apply for such funding.

Rate cases are an appropriate forum in which to raise and address universal service and energy conservation issues

The Electric Choice Act provides that "The commission shall ensure that universal service and energy conservation policies, activities and services are appropriately funded and available in each electric distribution territory." 66 Pa. C.S. §2804(9). The Gas Choice Act also provides that "The commission shall ensure that universal service and energy conservation policies, activities and services are appropriately funded and available in each natural gas distribution service

territory.” 66 Pa. C.S. §2203(8).

Some parties have recommended that rate cases are not the appropriate forum in which to raise or address universal service issues. PPL Electric states in its comments that it “does not believe that a distribution rate proceeding is the appropriate forum to address universal service-related issues.” Such an argument ignores the Commission’s statutory requirement to ensure that universal service and energy conservation programs are appropriately funded and available; an increase in rates would necessarily impact the issue of whether universal programs are appropriately funded. In other words, rates increase as the result of a distribution rate case and therefore the appropriateness of funding of programs that would help low-income customers deal with those increased rates are a necessary part of the Commission’s charge to ensure that those programs are appropriately funded and available. Those low-income customers should not be made to wait for the company’s filing, review and approval of its triennial universal service plan for programs that would help them deal with the rate increase.¹ Further, oftentimes in a distribution rate case a utility seeks to increase the fixed portion of a residential customer’s bill by seeking an increase in the monthly service charge. An increase in the fixed portion of a residential customer’s bill decreases the motive and ability of a customer to conserve and reduce his or her bill. Such a situation oftentimes necessitates that additional funding be provided to help the customer conserve energy and reduce their utility costs.

The Use of Community-Based Organizations

In its August 8, 2017 comments the Office of Consumer Advocate recommends that, as it relates to CAP program administration, utility companies should increase the use of community-based organizations in the outreach and intake initiative for CAP. CEO supports OCA’s recommendation. In making its recommendation OCA cites the statutory requirements contained in both the Electric and Gas Choice Acts that:

The commission shall encourage the use of community-based organizations that have the necessary technical and administrative experience to be the direct providers of services or programs which reduce energy consumption or otherwise assist low-income customers to afford electric (gas) service.

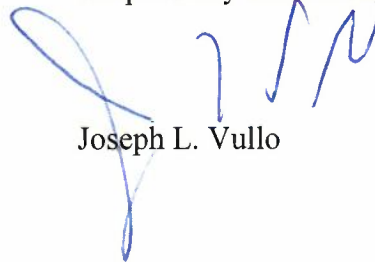
Electric Choice Act at 66 Pa. C.S. Section 2804(9); Gas Choice Act at 66 Pa. C.S. Section 2203(8). OCA also submits that ‘customers working with a CBO will be able to access the full suite of services and benefits they need.’ (OCA August 8, 2017 Comments at page 42.)

In both the initial LIURP review proceeding (No. L-2016-2557886) and in this Universal Service review proceeding coordination of programs and benefits are expressed goals. The need to reach more customers in a more efficient manner is also stressed as an important outcome of these

¹ Some parties have suggested that the time period covered by the USECP be increased beyond three years which would result in a larger time period between a rate increase and adjustments to the funding of universal service programs that would help low-income customers deal with an increase in rates.

proceedings. CEO contends that using community-based organizations in all universal service programs can help maximize participation, coordinate benefits, reach broad demographics and coordinate across programs. CBOs are oftentimes subcontractors in a utility company's CAP, LIURP and hardship programs and are in a unique position to work with their low-income customers across programs to produce greater participation and efficiency. These organizations also serve low-income customers in non-utility related areas such as housing, food banks and veteran services. The knowledge and access to the low-income communities in their areas allow CBOs to help utilities reach a broad group of people that in turn provides an opportunity to reach more customers in their universal service programs. In short, more people can be reached in a more efficient manor through the use of community-based organizations and the universal service regulations should express the preference that local, experienced community based organizations be used in the implementation and administration of a company's universal service programs.

Respectfully submitted,



Joseph L. Vullo

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