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E-File

January 16, 2024

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17120-3265

**Re: Initiative to Review and Revise the Existing Low-Income Usage Reduction Program (LIURP) Regulations at 52 Pa. Code §§ 58.1 – 58.18
Docket No. L-2016-2557886**

Dear Secretary Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation (“PPL Electric”) are PPL Electric’s Comments in the above-captioned proceeding. These Comments are being filed pursuant to the May 18, 2023 Secretarial Letter issued in this matter and notice published in the December 2, 2023 *Pennsylvania Bulletin*.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on January 16, 2024, which is the date it was filed electronically using the Commission’s E-filing system.

If you have any questions, please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Michael J. Shafer", is written over a light blue horizontal line.

Michael J. Shafer

Enclosure

cc via email: Patrick Cicero, Esquire
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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Initiative to Review and Revise the :
Existing Low-Income Usage Reduction : Docket No. L-2016-2557886
Program (LIURP) Regulations at :
52 Pa. Code §§ 58.1 – 58.18 :

**COMMENTS OF
PPL ELECTRIC UTILITIES CORPORATION**

I. INTRODUCTION

On December 16, 2016, the Pennsylvania Public Utility Commission (“Commission”) issued a Secretarial Letter announcing its intent to conduct a rulemaking to modify the existing Low-Income Usage Reduction Program (“LIURP”) regulations at 52 Pa. Code §§ 58.1-58.18. In the Secretarial Letter, the Commission identified a number of topics relating to LIURP and posed 14 questions to which the Commission solicited responses from interested stakeholders. The Secretarial Letter directed interested parties to submit their responses within 30 days of the date that the Secretarial Letter was published in the *Pennsylvania Bulletin*, and provided that reply responses were due 30 thereafter.¹ The Commission would consider the responses from the stakeholders in determining the scope of the future rulemaking. Several interested parties, including PPL Electric Utilities Corporation (“PPL Electric” or the “Company”) filed Comments and Reply Comments in response to the Secretarial Letter.

On May 18, 2023, the Commission issued its Notice of Proposed Rulemaking (“NOPR”), setting forth proposed amendments to its LIURP regulations at 52 Pa. Code §§ 58.1-58.18. The

¹ The Secretarial Letter was published in the *Pennsylvania Bulletin* on December 31, 2016. Accordingly, initial responses to the Secretarial Letter were due by January 30, 2017, and reply responses are due by March 1, 2017.

NOPR directed interested parties to file Comments within 45 days following publication in the *Pennsylvania Bulletin* and Reply Comments within 30 days following the due date for Comments. After the Commission received a tolling memorandum from the Office of Attorney General on September 29, 2023, the NOPR was published in the *Pennsylvania Bulletin* on December 2, 2023. Accordingly, Comments are due by January 16, 2024, and Reply Comments are due by February 15, 2024.

PPL Electric appreciates the opportunity to provide its perspective on the proposed amendments to the Commission’s LIURP regulations. PPL Electric is a public utility and electric distribution company (“EDC”) that provides electric distribution services to approximately 1.3M residential customers throughout its service territory, which includes 29 counties and encompasses approximately 10,000 square miles in eastern and central Pennsylvania. PPL Electric provides LIURP services to approximately 3,500 low-income customers per year and has an annual LIURP budget of \$12 million. As a LIURP provider, PPL Electric welcomes the opportunity to help the Commission in its amendment of the LIURP regulations so that these regulations are optimally designed and implemented for the betterment of both the Company’s customers and the recipients of LIURP services.

I. PPL ELECTRIC’S COMMENTS

A. SECTION 58.1. PURPOSE

In Section 58.1 of the Commission’s regulations, the Commission proposes to retitle the regulation “Statement of Purpose” and to “revise the section to explain the purpose of LIURPs, consistent with the statement of purpose currently in § 58.1, with a proposed clarification to reflect that a LIURP may also provide service to a customer with household income between 151%-200% of the federal poverty income guideline level (FPIG) with special needs (i.e., special needs

customer), who does not meet the definition of ‘low-income.’” NOPR, p. 16. Moreover, “throughout the regulation,” the Commission proposes to use “low-income” with a hyphen instead of “low income” without a hyphen and to update the section consistent with the proposed definitions in Section 58.2. *Id.*

PPL Electric agrees with these changes. The Company notes that it already provides LIURP services to customers between 151% and 200% of the FPIG, so the proposed changes do not conflict with PPL Electric’s existing LIURP practices.

B. SECTION 58.2. DEFINITIONS

For Section 58.2 of the Commission’s regulations, the Commission proposes “updat[ing] the existing definitions in the LIURP regulations with current terminology, incorporat[ing] definitions used in 52 Pa. Code §§ 54.72, 56.2, 62.2, and 18 69.262,38 and add[ing] definitions applicable to LIURP as a universal service program.” NOPR, pp. 17-18. The Company offers the following views on certain of those proposed changes.

First, the Commission proposes to add a definition for the term “de facto heating” to the regulations. The proposed definition is the “[u]se of a portable heater as the primary heating source when the primary or central heating system is non-functioning or public utility service has been terminated.” NOPR Annex A, p. 2. However, the term “de facto heating” is not used anywhere in Chapter 58 of the Commission’s regulations. The Company believes the inclusion of a term in the definitions section, only for that term to then not to be used in the Commission’s regulations, will cause confusion and questions the need for this change. If the Commission chooses to keep the proposed term in its definitions, the Commission should, at the very least, clarify whether EDCs will have flexibility in serving these de facto heating customers or whether EDCs must provide full cost services to them even if they are out of oil or have a broken furnace.

Second, the Commission proposes to amend the definition of “special needs customer” to the following:

A customer whose household income is between 151% and 200% of the FPIG with one or more household members who meet any of the following criteria:

- Are age 62 and over or age five and under.
- Need medical equipment.
- Have a disability.
- Are under a protection from abuse order.
- Are otherwise defined as a special needs customer under the public utility’s approved USECP.

NOPR Annex A, p. 6.

PPL Electric recommends that the Commission’s definition of “special needs customer” should track the Pennsylvania Department of Human Services’ (“DHS”) definition of “vulnerable household” to enhance consistency across LIURP and the Low-Income Home Energy Assistance Program (“LIHEAP”). The definition of “vulnerable household” is “[a] household containing at least one member who is elderly (age 60 or over), disabled, or age five and under,” per the 2023 LIHEAP State Plan at Section 601.3. If the Commission’s aim is to be “consistent with the definition of ‘vulnerable household’ in Pennsylvania’s 2023 LIHEAP State Plan at § 601.3,” then the Commission should directly align its definition of “special needs customer” with the DHS definition of vulnerable household. Such alignment across LIURP and LIHEAP will reduce customer confusion and should lead to more efficient and consistent implementation by the EDCs.

C. SECTION 58.3. ESTABLISHMENT OF RESIDENTIAL LOW INCOME USAGE REDUCTION PROGRAM

PPL Electric agrees with the Commission’s proposal to retitle the section as “Establishment and maintenance of a residential LIURP” as well as the proposed amendments to “clarify the responsibility of a public utility to establish and maintain a LIURP for its low-income and special needs customers.” NOPR, pp. 30-31.

D. SECTION 58.4. PROGRAM FUNDING

The Commission proposes to retitle the section as “LIURP budgets” and to clarify that “a LIURP budget can only be revised through a USECP proceeding initiated pursuant to the periodic USECP review process or in response to a petition to amend a USECP earlier than the periodic USECP review process.” NOPR, p. 36. The Commission incorporated that clarification in its proposed revisions to subsection (c) of Section 58.4. *See* NOPR Annex A, pp. 7-8. Also, the new subsection (a.2) of Section 58.4 “sets a maximum annual LIURP budget allowance for special needs customers,” and the revised subsection (c) provides “the factors and expenses that must first be considered to revise a LIURP budget.” NOPR, p. 36; *see* NOPR Annex A, pp. 7-8. Further, the new subsection (d.1) of the regulation “establishes provisions for unspent LIURP funds at the end of a program year and the mechanism for recovering LIURP costs” and updates terms to be consistent with the proposed definitions in Section 58.2. NOPR, p. 36; *see* NOPR Annex A, p. 8. The Commission also proposes changes to subsection (e) of the regulation concerning the recovery of LIURP costs to, among other things, “specif[y] that LIURP costs are allocated among ratepayers” and “clarify that the LIURP funding mechanism for recovery of LIURP costs must be determined in a public utility’s rate proceeding.” NOPR, p. 40; *see* NOPR Annex A, p. 9.

PPL Electric generally agrees with the Commission’s proposed changes. The Universal Service and Energy Conservation Plan (“USECP”) process should be the sole proceeding where the LIURP substantive program provisions are established and adjusted, either through the initial filing of the USECP or petitions to amend the USECP. Such a process ensures consistency, transparency, and due process for all interested parties to be heard on proposed LIURP changes. However, the Company sees a benefit and would like to retain the ability to adjust LIURP budgets outside of rate cases. Notwithstanding, PPL Electric would like clarification on whether the proposed factors set forth in the revised subsection (c) apply when the initial LIURP budget for a

new USECP phase is originally established, when the existing LIURP budget for a USECP phase is being revised, or both.

E. SECTION 58.5. ADMINISTRATIVE COSTS

PPL Electric agrees with the Commission’s proposed changes to Section 58.5 of the regulations to “clarify the different limits associated with LIURP administrative costs and pilot program administrative costs.” NOPR, p. 41. Specifically, the Company agrees that administrative costs should not exceed 15% of an EDC’s annual LIURP budget and that pilot program administrative costs should be exempt from the 15% cap on LIURP administrative costs. *See* NOPR Annex A, p. 9.

F. SECTION 58.6. CONSULTATION

PPL Electric agrees with the Commission’s proposed changes to Section 58.6, which, among other things, amend the regulation “to include persons or entities with experience in the design or administration of energy efficiency and weatherization programs to the list of entities that a public utility may consult with when making proposed modifications to its LIURP or developing a pilot program.” NOPR, p. 42. PPL Electric notes that it has a technical team that it consults any time that the Company is looking to modify its LIURP or develop a pilot program.

G. SECTION 58.7. INTEGRATION

The Commission proposes to remove and reserve subsections (a) and (c) of Section 58.7 because the “[p]rovisions in § 58.7(a) concerning the coordination of program services with existing resources are addressed in §§ 58.7(b) and 58.14c” and the “[p]rovisions in § 58.7(c) concerning the selection of qualified independent agencies is moved to the proposed § 58.14b (relating to use of an ESP for program services).” NOPR, pp. 47-48. Further, the Commission proposes to revise subsection (b) “to clarify that LIURPs must work in conjunction with other

universal service and public/private programs that provide energy assistance or similar assistance to the community” and to clarify “that a public utility, directly or through assigned third-party agency, shall assist LIURP participants in applying for energy assistance programs, such as LIHEAP, for which they may be eligible.” NOPR, p. 47.

PPL Electric disagrees with the Commission’s proposed changes in this section. Although the Company supports efforts to streamline coordination efforts between LIURP and other existing utility programs, the Energy Service Providers (“ESPs”) should not be forced to complete LIURP participants’ applications for LIHEAP and other energy assistance programs. The Company notes that it already undertakes several efforts to assist its customers and enhance coordination across existing programs, including making referrals to LIHEAP and other eligible programs, automatically referring Customer Assistance Program (“CAP”) customers to LIURP, and conducting outreach for customers who receive LIHEAP and could be enrolled in CAP and vice versa. Layering on another obligation to complete the actual applications for customers would further strain the Company’s resources and unnecessarily increase its administrative costs.

Instead, the Company continues to recommend that the Commission create a working group to update coordination procedures, provide guidelines for de facto heat customers, and develop a process for addressing “high energy” customers who use multiple heating sources and that the Commission remove the word “direct” from subsection (b).

H. SECTION 58.8. TENANT ELIGIBILITY

PPL Electric agrees with the Commission’s proposed changes to Section 58.8 of the regulations. Specifically, the Commission proposes to retitle the regulation as “Tenant household eligibility.” The proposed revisions go on to change Section 58.8 by: (1) revising subsection (a) that requires an agreement from a landlord to not raise rent or evict a tenant for at least 12 months after installation of program measures; (2) adding the new subsection (c), which makes the non-

eviction clause an option, rather than a requirement; (3) amending subsections (a)(1) to “incorporate[] modified language from the existing § 58.8(a) requiring a public utility to document the landlord’s agreement for the installation of program measures and includes a new provision that requires the public utility to provide a tenant household with a copy of the landlord’s documented agreement”; (4) amending subsection (a)(2) to “allow[] a tenant household to remain eligible for baseload measures even if the landlord does not approve of more comprehensive measures”; (5) and adding language in subsection (b) “[to] clarify that landlord contributions are voluntary and that the lack of landlord contributions may not prohibit eligible tenant households from receiving LIURP” and “clarify that a public utility is required to document, in writing, conditions relative to the use of voluntary landlord contributions...” NOPR, pp. 54-55.

PPL Electric observes that when it does not receive landlord consent, the Company provides baseload measures and energy education to the tenant-customer, as contemplated by the proposed amendments to Section 58.8(a)(1)-(2). Further, although the Company does not currently collect landlord contributions, PPL Electric believes it would be helpful to document the conditions relative to the use of voluntary landlord contributions in writing if and when that occurs. Lastly, PPL Electric agrees that the non-eviction clause should be an option, as opposed to a requirement, as a condition to receive LIURP services.

I. SECTION 58.9. PROGRAM ANNOUNCEMENT

In Section 58.9 of the regulations, the Commission proposes to retitle the section as “LIURP outreach” and make changes to reflect the “way people access information and the demographics of a public utility’s service territory.” NOPR, p. 57. Specifically, the Commission proposes to “[a]dd additional advertising requirements to a public utility’s program activities through a wider range of media outlets and platforms, including social media” and to “[a]dd a requirement that a public utility advertise LIURP in languages other than English when census

data indicate that 5% or more of the residents of the public utility’s service territory are using that language.” *Id.* The Commission also moves language between subsections (a) and (b). *Id.*, pp. 57-58.

PPL Electric generally agrees with the Commission’s proposed changes, as the Company already provides targeted outreach to customers who are potentially eligible for LIURP. However, PPL Electric respectfully requests that the Commission revise the requirement to advertise LIURP services in languages other than English only to specific counties that have a non-English speaking population of 5% or greater. This would promote the most efficient use of limited LIURP resources. Additionally, the Company requests that the Commission clarify when the public utility must review census data to evaluate whether “5% or more of the residents of the public utility’s service territory are using the other language.” NOPR Annex A, p. 11. For example, is such review conducted annually when the public utility reviews its customer records to identify customers who may be eligible for LIURP, as directed by the amended Section 58.9? Such clarification will help ensure that public utilities comply with the amended Section 58.9, if finalized in its proposed form.

J. SECTION 58.10. PROGRAM ANNOUNCEMENT

In Section 58.10, the Commission proposes, among other things: (1) retitling the section “Prioritization of program services”; (2) amending subsection (a)(1) “to include CAP shortfall as one of the factors that a public utility is required to consider when prioritizing eligible customers by usage level and to incorporate a new prioritization factor based on the number of consecutive service months a customer resided at a dwelling”; (3) amending subsection (a)(1) to permit “public utilities to consider factors that tend to facilitate utility bill reduction when prioritizing eligible customers by opportunities for utility bill reduction”; (4) amending subsection (a)(2)’s provisions concerning the priority that should be given to customers who have the same standing under

subsection (a)(1); (5) removing subsection (c) and incorporating its language about spending a percentage of the LIURP budget on special needs customers into the proposed Section 58.4(a.2) and increasing the percentage from 20% to 25%; (6) “adding a new § 58.10(d) that clarifies the prohibition of restricting LIURP participation to customers enrolled in CAPs”; and (7) adding “a new § 58.10(e) that requires a public utility to document its prioritization protocols in its USECP.” NOPR, pp. 60-61.

PPL Electric disagrees with the changes to subsections (a)(1) and (a)(2) of Section 58.10. Specifically, PPL Electric disagrees that the CAP shortfall should be considered when prioritizing LIURP jobs. Prioritization of jobs should be based on when the customer applies for the program. Currently, PPL Electric uses a proactive approach and refers newly enrolled CAP customers to the Company’s WRAP program. If a customer does not take advantage of these services at that time, it should not fall on the utility to later prioritize that customer once it becomes a crisis. This will lead to customers who voluntarily applied for LIURP to get pushed back in the priority line. PPL Electric also recommends that the Commission provide flexibility in scheduling and prioritizing jobs when serving high-usage baseload customers. Public utilities are in the best position to understand how to most effectively schedule LIURP jobs, and a mandated prioritization schedule will only make the scheduling process less efficient.

In addition, PPL Electric does not support prioritizing services based on the size of arrearage or household income under subsection (a)(2). High pre-program arrears (“PPAs”) should be addressed in CAP, and a reduction in monthly usage after an arrearage already exists does not impact PPAs. Additionally, PPAs can accumulate from prior residences, not the residence that is being service through LIURP. For all these reasons, the Company believes that

prioritization should be based on the timing around receipt of the LIURP application, rather than focusing on other, potentially unrelated, factors.

K. SECTION 58.11. ENERGY SURVEY

For Section 58.11 of the regulations, the Commission proposes, among other things: (1) retitling the section “Energy audit”; (2) replacing subsection (a)’s “provision requiring program measures installed be based on the result of energy savings derived from a simple payback of seven years or less or a 12-year payback criterion for more comprehensive program measures” with a new provision in subsection (d)(2); (3) adding a subsection (c) to “prohibit[] a public utility from using the same ESP to conduct an energy audit at a dwelling and to install follow-up program measures determined necessary during that energy audit”; (4) clarifying in the new subsection (d)(1) that “a program measure is appropriate if it is not already present or is not performing effectively”; (5) clarifying in the new subsection (d)(2) that “a program measure is determined to be appropriate if its estimated energy savings derived from the installation of all program measures would exceed its costs over its expected lifetime”; and (5) adding a subsection (e) that “provides flexibility in situations where a program measure may be determined necessary for the long-term health, safety, and comfort levels of dwelling occupants.” NOPR, pp. 64-65.

PPL Electric agrees with some of these changes. Specifically, for subsection (a), PPL Electric agrees that an energy “audit” should be conducted instead of a “survey” and that removing “onsite” from the regulation provides the ESP flexibility to conduct a virtual energy audit, which can be cheaper and more convenient for customers. The Company also agrees with the changes to subsection (d)(1)-(2) governing when program measures should be installed.

However, PPL Electric strongly disagrees with subsection (c). The Commission should not prohibit public utilities from allowing the same ESP who performed the energy audit to then

install program measures. PPL Electric provides priority lists for scheduled jobs and uses the inspection process to ensure that the measures provided are following the priority lists. Further, as noted in Section I.Q, *infra*, PPL Electric already does not use the same ESP that installs the program measures to conduct the post-installation inspection. PPL Electric reviews priority measures when approving job invoices. Using multiple ESPs could also potentially increase the time and expense of completing jobs and, by extension, reduce the number of jobs that the Company can perform. Therefore, existing processes already provide a reliable construct for auditing the installation of program measures and ensuring that those audits are conducted correctly.

L. SECTION 58.11A. FUEL SWITCHING

The Commission proposes a new Section 58.11(a) titled “Fuel switching,” which “provides requirements related to a public utility using LIURP funds for fuel switching between electric and natural gas.” NOPR, p. 65. Under the proposed Section 58.11a

(a) LIURP funds may be used for program measures that involve fuel switching between electric and natural gas under either of the following conditions:

(1) When the public utility provides both electric and natural gas utility service to the LIURP participant.

(2) If the primary heating source provided by another public utility is determined to be inoperable or unrepairable or if the cost to repair would exceed the cost of replacement and both public utilities agree in writing that fuel switching is appropriate.

(b) The public utility shall document these conditions.

NOPR Annex A, p. 14.

PPL Electric agrees, in part, with the fuel switching process outlined in subsection (a)(2). However, the Company observes that costs related to fuel switching as proposed will fall onto the electric utilities because inoperable gas/oil systems will produce little to no usage for LIURP

services. Also, public utilities need direction from the Commission on how the written agreement will work when partnering with other utilities, and how disputes will be resolved if the partnering utilities cannot reach an agreement.

M. SECTION 58.12. INCIDENTAL REPAIRS

The Commission proposes retitling Section 58.12 “Incidental repairs and health and safety measures” along with several substantive changes. Specifically, “[t]he proposed § 58.12(a) requires a public utility to identify in its USECP the criteria used for performing incidental repairs and health and safety measures.” NOPR, p. 72. “Services provided by incidental repairs and health and safety measures would be identified separately in proposed §§ 58.12(a)(1)-(2).” *Id.* Also, “[t]he proposed § 58.12(b) requires a public utility to set separate allowance limits for incidental repairs and health and safety measures through a USECP proceeding.” *Id.* Furthermore, “[t]he proposed § 58.12(c) establishes requirements under which a public utility may defer a dwelling that does not meet the criteria for incidental repairs or health and safety measures or that exceeds the maximum budget allowance” and “also requires a public utility to provide written notification to customers when the dwelling is deferred and require the public utility to track deferred dwellings for a period of at least three years.” *Id.*

PPL Electric agrees with the proposed changes to Section 58.12. The criteria for performing incidental repairs and health and safety measures should be set forth in the USECP. Moreover, the Company notes that it already: (1) provides separate allowance limits for incidental repairs and health and safety measures; and (2) informs the customer in writing about why the work has been deferred. The Company also agrees with tracking a list of deferred dwellings for at least three years. Notwithstanding, as the Company stated in its Comments on the Secretarial Letter, the focus of LIURP should remain mainly on reducing energy and, in certain circumstances,

increasing the health, safety and welfare of household members as related to their energy use; not repairing other general defective housing conditions.

N. SECTION 58.13. USAGE REDUCTION EDUCATION

For Section 58.13 of the regulations, the Commission proposes, among other things: (1) retitling the section “Energy conservation education”; (2) retitling § 58.13(b) as “LIURP budget”; (3) replacing, in subsection (b), “the requirement that an energy conservation program that exceeds \$150 per recipient be ‘pilot tested for 1 year’ and ‘be measured for the incremental contribution to energy savings that the education produces in addition to the cost effectiveness of that contribution’” with a requirement that “an energy conservation education program that exceeds \$150 per recipient be approved through a USECP proceeding”; (4) amending subsection (d) “to require a public utility to provide energy conservation education activities in a language or method of communication appropriate to its target audience, providing all LIURP recipients with an equal opportunity to access energy resources”; (5) replacing, in subsection (d)(3), the current term “occupant or owner” with “owner, landlord, or tenant”; (6) adding a new subsection (d)(4) titled “Post-installation education,” which “requires that energy conservation education be provided by phone or in-person to recipients of program measures whose energy usage increased within 12 months post-installation.” NOPR, pp. 75-77.

PPL Electric generally agrees with the changes related to energy conservation education, but suggests that the post-installation education should be more targeted. In particular, PPL Electric will reach out to customers when their usage increases by 10% in the 12 months post-installation alerting them to the usage increase. The Company will also send post-installation letters to customers who see a usage decrease of 10% to recognize the change. Targeted outreach will result in the most efficient use of LIURP resources.

O. SECTION 58.13A. LIURP PILOT PROGRAM

The Commission also proposes a new Section 58.13a titled “LIURP pilot programs” to “provide direction regarding the development and evaluation of LIURP pilot programs” and “codify the long-standing practice of approving LIURP pilot programs through a USECP proceeding.” NOPR, pp. 77-78.

PPL Electric agrees with the addition of the new Section 58.13a to the Commission’s regulations.

P. SECTION 58.14. PROGRAM MEASURE INSTALLATION

The Commission proposes amendments to Section 58.14 intended to “clarify and update the existing provisions regarding the installation of program measures for residential space-heating, water-heating and baseload customers.” NOPR, p. 79. Among other things, the Commission proposes adding subsection (d) and requiring that “program measures installed have a minimum of a one-year warranty covering workmanship and materials.” *Id.*, p. 80.

PPL Electric agrees with the proposed changes to Section 58.14.

Q. SECTION 58.14A. QUALITY CONTROL

The Commission proposes adding a new section, Section 58.14a, titled “Quality control,” which “incorporates language moved from the existing § 58.14(b) concerning quality control standards for LIURPs.” NOPR, p. 80. Specifically, the new section sets forth requirements about:

- (a) Quality control standards for installation of program measures and evaluation of ESP performance.
- (b) Frequency of post-installation inspections.
- (c) Installation of program measures, post-installation inspections, and documentation in a USECP.
- (d) Complaint Process for customers
- (e) Who may not perform a post-installation inspection.

- (f) Investigating increases in consumption post-installation of program measures.
- (g) Documentation required from an ESP.
- (h) Documentation retention.

Id., pp. 80-81.

PPL Electric agrees with the updates to the quality control requirements. The Company further notes that with respect to the proposed Section 58.14a(b), PPL Electric already performs inspections on at least 10% of completed full cost jobs as well as 5% of baseload jobs. Also, concerning the proposed Section 58.14a(e), PPL Electric does not use the same ESP for installation and inspection and will continue this practice. Additionally, the Company currently communicates with customers whose energy usage has increased by more than 10% after 12 months of usage, as would be required under the proposed Section 58.14a(f).

R. SECTION 58.14B. USE OF AN ESP FOR PROGRAM SERVICES

The Commission proposes to add a new Section 58.14b titled “Use of an ESP for program services.” NOPR, pp. 83-84. The Commission states in its NOPR that the regulation “establishes the use of an ESP to perform program services for a public utility LIURP” and sets forth the minimum qualifications for ESPs and a requirement to select ESPs through a competitive bid process. *Id.*, p. 84. Further, under the proposed subsection (c), the public utility must contract with more than one ESP, if applicable, and file and serve a justification if only one ESP is selected. *See id.* Subsection (d) provides that a public utility can prioritize contracts with community-based organizations (“CBOs”) that meet its ESP qualifications. *See id.*

PPL Electric agrees with the addition of Section 58.14(b). The Company requires its ESPs to have Building Performance Association (“BPA”) certifications and uphold service level

agreements. The Company evaluates current contractors on an annual basis to ensure they are performing at a quality level.

S. SECTION 58.14C. INTER-UTILITY COORDINATION

The Commission proposes to add a new Section 58.14(c) regarding “Inter-utility coordination,” which “incorporates modified language moved from [the] existing § 58.14(c)” and sets forth certain parameters around inter-utility coordination, including spending and training for such coordination. NOPR, pp. 84-85.

PPL Electric agrees with inter-utility coordination provisions outlined in the proposed Section 58.14(c).

T. SECTION 58.15. PROGRAM EVALUATION

For Section 58.15 of the LIURP regulations, the Commission proposes several amendments, including retitling the section “LIURP reporting and evaluation” and setting forth several detailed reporting requirements. The Company offers comment on the following reporting and other requirements set forth in the proposed amendments to Section 58.15.

First, PPL Electric agrees with the proposed amendment to Section 58.15(1), which requires public utilities to report “[a]ctual LIURP production and spending data for the recently completed program year and projections for the current program year by February 28.” NOPR Annex A, p. 22. The Company notes that this data is currently provided in the LIURP productivity report.

Second, PPL Electric supports the proposed amendment to Section 58.15(2), which directs the public utility to submit the universal service program data by April 1, consistent with 52 Pa. Code §§ 54.75 and 62.5.

Third, PPL Electric disagrees with the proposed amendment to Section 58.15(3). Under that proposed subsection, a public utility must report:

Statistical data on LIURP jobs completed in the preceding program year by April 30, including:

(i) The number of LIURP jobs including the number and type of dwelling, the number of each job type completed, the number of fuel-switching jobs, the number of deferred dwellings, the number of previously deferred dwellings that received program services during the program year, the number of inter-utility coordinated LIURP jobs and the number of LIURP jobs coordinated with other weatherization programs.

(ii) The total LIURP costs including, material and labor costs of measures installed, administrative costs, inter-utility trainings, coordinated trainings and outreach, health and safety, incidental repairs, energy conservation education and cost to serve special needs customers.

(iii) Overall percent of energy usage reduction and energy usage reduction by job type.

(iv) The total number of CAP households and number of special needs households.

(v) The budget and actual spending for each LIURP pilot program, number of jobs by job type, duration of the pilot, results and measures implemented through the pilot.

(vi) An explanation if more than 10% of the annual LIURP budget remains unspent.

NOPR Annex A, pp. 22-23.

The Company does not see the value in tracking and reporting the information that would be required under subsection (3)(i)-(iv), given the significant time and expense that PPL Electric would have to incur for such data to be tracked and reported. PPL Electric would like to better understand how this information is intended to be used to improve LIURP offerings. Given the time and expense involved in gathering this information there should be a clear nexus to improving LIURP from such tracking. Moreover, regarding subsection (3)(vi), PPL Electric generally agrees with providing an explanation if more than 10% of the annual LIURP budget is unspent. However

the Company proposes including the explanation of unspent LIURP funds in the LIURP productivity report which is due at the end of February each year.

Fourth, PPL Electric agrees with the proposed Section 58.15(4)'s requirements.

U. SECTION 58.16. ADVISORY PANELS

The Commission proposes several amendments to Section 58.16, including retitling the section "LIURP advisory committee" and incorporating changes to "provide greater flexibility for a public utility to collaborate with stakeholders by allowing a public utility to combine the functions of its LIURP advisory committee with its existing USAC." NOPR, p. 89. Furthermore, the amended Section 58.16 "requires a public utility to meet with stakeholders at least semiannually to consult and receive advice regarding its LIURP services." *Id.*

PPL Electric agrees with the proposed changes to Section 58.16. In fact, the Company currently meets with its USAC twice a year.

V. SECTION 58.17. REGULATORY REVIEW

The Commission proposes to retitle Section 58.17 "Modifications of a LIURP" and "replace 'Commission approval' in the existing regulation with 'USECP proceeding' to reflect that a public utility electing to modify its program services or its LIURP budget must do so through a USECP proceeding." NOPR, p. 91.

PPL Electric supports the Commission's proposed changes with respect to making substantive program changes to LIURP. However, the Company sees a benefit to allowing LIURP budget changes outside of a USECP proceeding. Additionally, the Company requests clarification that this section only applies to LIURP budgets, and not other universal service programs.

W. SECTION 58.18. EXEMPTIONS

The Commission proposes to retitle the section as “Waiver” and to add clarifying language about how a public utility’s petition for waiver of a provision in this chapter of the Commission’s regulations must be filed in a USECP proceeding. NOPR, pp. 91-92; NOPR Annex A, p. 24.

PPL Electric agrees with the proposed changes.

X. SECTION 58.19. TEMPORARY SUSPENSION OF PROGRAM SERVICES

Lastly, the Commission proposes adding a “new § 58.19 regarding temporary suspension of program services that establishes notification and reporting requirements if a public utility suspends or plans to suspend its program services.” NOPR, p. 92. Under that proposed regulation:

(a) A public utility shall notify the Commission at its current USECP docket if it needs to suspend all or part of its program services for 30 days or longer. Notice 25 must be filed and served prior to suspension of program services or within 5 days after suspension of program services if prior notice was not possible. The notice must include the reason for suspension and the estimated timeline for resumption of program services.

(b) A public utility that has suspended its program services shall file and serve monthly status updates at its current USECP docket if the suspension of program services exceeds 30 days. The status updates must include an estimated timeline for resumption of program services.

NOPR Annex A, pp. 24-25.

PPL Electric supports the proposed Section 58.19.

II. ADDITIONAL QUESTIONS

In its NOPR, the Commission concludes by setting forth some additional questions for comment. The Company appreciates the opportunity to answer those questions as follows:

- 1. Question A – Has LIURP proven to be an effective means to help customers with extremely high arrearage balances (e.g., \$10,000 or more) maintain utility service and pay down this debt?**

No, there is no evidence to correlate LIURP weatherization with the ability for customers with extremely high arrearage balances to maintain utility service and pay down debt. As explained *supra*, this could be because the arrearages may have accumulated prior to the LIURP job. In order to address arrearages and pay down debt, CAP is the best method, since in full and on-time payments also allow customers for arrearage forgiveness.

2. Question B – Would offering LIURP to customers with high utility account balances and unusually high monthly average bills result in a decrease in the cost of collection efforts and a decrease in uncollectible write-offs? If so, what eligibility criteria may apply?

See answer to Question A, *supra*. Not necessarily. Although weatherization measures can help address the cause of high monthly usage going forward, CAP, which includes arrearage forgiveness for in full and on time payments would do more to resolve high balances for eligible customers.

3. Question C – At what arrearage accumulation point or points should a public utility intervene to assist a customer reduce the household's monthly bill to make the bills more affordable before the customer accumulates a balance of \$10,000 or greater? What criteria could the public utility use to identify customers who could benefit from LIURP treatment to minimize extremely high balances (e.g., amount of arrearage accumulating, age of housing and ability to provide conservation treatment, amount of average monthly bill compared to ability to pay, history of good faith payments, and the like)? Should the accumulation point be based on household income level or FPIG tier? What should the point or points be?

Public utilities should not wait until balances of \$10,000 or more are accumulated to intervene in affordability issues. As mentioned earlier in the Company's response to changes to Section 58.10, PPL Electric generally disagrees with prioritizing LIURP jobs based on arrearage size. The most efficient way to serve the LIURP eligible population is on a first come first serve basis with the utility having the ability to prioritize when appropriate. Weatherization efforts

support long-term efficient use of energy and are beneficial to all income eligible customers, regardless of arrearage size. CAP is the best tool to address a customer's large arrearage balance.

4. Question D – How can coordination with other programs (e.g., Act 129) help customers with high arrearage balances who are income-ineligible for LIURP?

PPL Electric already closely coordinates its WRAP offerings with its Act 129 Low Income program. The Company will look to see how the programs can be used together to deliver the greatest benefit to the customer. An example of this coordination is utilizing health and safety dollars from LIURP to enable the customer to receive additional Act 129 measures.

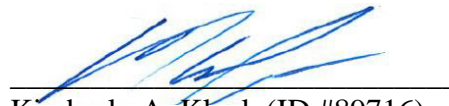
5. Question E – What other avenues should be considered, in combination with or separate from LIURP, to help public utility customers maintain service if they have arrearage balances near or exceeding \$10,000? What programs exist or could be recommended to address the existing arrearage for customers income-eligible for CAPs so as not to burden ratepayers with write-offs of accumulated arrearages in the future?

PPL Electric believes that the Commission and interested parties need to better understand how a residential customer has accumulated such a high balance of arrears. In the Company's experience, some drivers of those arrearages are customers breaking payment arrangements and failing to apply for CAP or recertify for CAP; it is not necessarily tied to the need for weatherization improvements in the home. Also, having a medical certificate and initiating customer disputes/complaints, whether informal or formal can prolong the periods during which customers do not pay their bills and collection on those arrearages are put on hold. Although the Company agrees that protections for at-risk customers should be in place and that customers should have the right to pursue their claims in an appropriate forum to resolve verified disputes, the Commission may want to reevaluate its consumer protection methods that have allowed customers to reach such high, un-repayable balances.

III. CONCLUSION

As stated above, PPL Electric supports the Commission's efforts to update the existing LIURP regulations and appreciates this opportunity to provide input on the NOPR. PPL Electric looks forward to working with the Commission and other stakeholder as this process moves forward.

Respectfully submitted,



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