

**PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HARRISBURG, PENNSYLVANIA 17120**

**Review of Universal Service and  
Energy Conservation Programs**

**Public Meeting April 6, 2017  
2596907-CMR  
Docket No. M-2017-2596907**

**JOINT MOTION OF COMMISSIONER DAVID W. SWEET  
AND VICE CHAIRMAN ANDREW G. PLACE**

The Public Utility Code requires that electric and natural gas utilities offer universal service and energy conservation programs that are developed, maintained and appropriately funded to ensure affordability and cost-effectiveness.<sup>1</sup> The portfolio of universal services generally includes Customer Assistance Programs (CAPs), Low-Income Usage Reduction Programs (LIURPs), Customer Assistance and Referral Evaluation Services (CARES) and Hardship Funds. These services are primarily provided to low-income customers;<sup>2</sup> however, some programs, such as CARES, may be available to non-low-income customers who meet certain requirements.

These programs, as outlined in each utility's Universal Service and Energy Conservation Plan, are intertwined with regards to design, budgeting, administration, reporting and evaluation, which is why we believe it is appropriate to incorporate the work currently being done with respect to LIURP and energy affordability matters into a comprehensive review of the entire universal service and energy conservation model.

The Commission has recently begun the process of reviewing two aspects of the universal service and energy conservation programs: (1) LIURP and (2) energy affordability. Specifically, on December 16, 2016, this Commission released a Secretarial Letter seeking informal stakeholder input on a number of questions regarding our existing LIURP regulations at 52 Pa. Code §§ 58.1 – 58.48.<sup>3</sup> This feedback is intended to inform a possible future LIURP rulemaking. Additionally, at the March 16, 2017 Public Meeting, this Commission adopted a Joint Motion directing the Bureau of Consumer Services (BCS) to determine what constitutes an affordable energy burden for Pennsylvania's low-income households and, based on the analysis, to determine whether any changes in the Commission's CAP Policy Statement or other universal service guidelines are necessary to bring the programs into alignment with any affordability recommendations.<sup>4</sup>

Considering the Commission's recent action as part of a broader evaluation of universal service and energy conservation policies, we believe it is important to ensure ample stakeholder feedback throughout all steps of the process. These programs affect all ratepayers, whether through direct assistance to qualifying customers or through the surcharge that funds universal service programs. As

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<sup>1</sup> See 66 Pa. C.S. §§ 2203(8) – regarding natural gas universal service programs - and 2804(9) – regarding electric universal service programs.

<sup>2</sup> Low-income customers are those at 150% or below the Federal Poverty Income Guidelines (FPIG). See the Federal Poverty Guideline - <https://aspe.hhs.gov/poverty-guidelines>.

<sup>3</sup> See *Initiative to Review and Revise the Existing Low-Income Usage Reduction Program (LIURP) Regulations at 52 Pa. Code §§ 58.1 – 58.18* Secretarial Letter, at Docket No. L-2016-2557886, served Dec. 16, 2016.

<sup>4</sup> See *Joint Motion of Vice Chairman Andrew G. Place and Commissioner David W. Sweet*, at Docket No. M-2017-2587711, adopted Mar. 16, 2017.

such, the feedback of stakeholders representing all interests, from low-income customers to consumer interest advocates to utilities, is necessary to ensure any outcomes are cost-effective and in the public interest. Only through collaboration can we address all relevant issues and balance the needs of all stakeholders.

To initiate this comprehensive review, the Commission's Law Bureau shall develop for this Commission's review a report on the statutory, regulatory, and policy frameworks of existing universal service programs and the steps required to initiate any proposed changes. This report will be due within 30 days of the entry date of this Order and will be released publicly.

Additionally, interested stakeholders may file comments on priorities, concerns and suggestions for amending and improving any or all of the universal service and energy conservation programs. Such comments may include, but are not limited to, issues of program design, implementation, costs, cost recovery, administration, reporting and evaluation. These comments should be submitted within 90 days of the entry date of this Order. The comments may also address the contents of the Law Bureau report.

In addition, BCS shall coordinate a stakeholder meeting to allow interested parties to present feedback on the filed comments and on any other priorities, concerns or suggested changes surrounding the universal service and energy conservation programs. This meeting should be held within 60 days after the due date of the aforementioned comments. BCS may reconvene the Universal Service Working Group (USWG),<sup>5</sup> as needed, to solicit stakeholder feedback. The notice of the stakeholder meeting, including any reconvening of the USWG, shall be published in the *Pennsylvania Bulletin* to ensure broader outreach to any parties that may not have previously been involved in the USWG. BCS will be responsible for chairing any collaborative convened.

Following the meeting held by BCS, reply comments may be filed to address not only the previously-filed comments, but also anything discussed at the stakeholder meeting. These reply comments should be filed within 30 days of the stakeholder meeting. BCS, in consultation with the Law Bureau, is directed to prepare a report for this Commission's information that will summarize the feedback provided in the comments and reply comments, as well as any provided at the stakeholder meeting. The report should also provide a summary of all options proposed by stakeholders. This report should be submitted within 45 days of the due date of the reply comments and will be released publicly.

The feedback and results of the review of our LIURP regulations and energy burden levels, as well the reports from Law Bureau and BCS, will be considered by the Commission with a determination to be made regarding appropriate future actions, such as an *en banc* hearing, an Advanced Notice of Proposed Rulemaking or a revised Policy Statement.

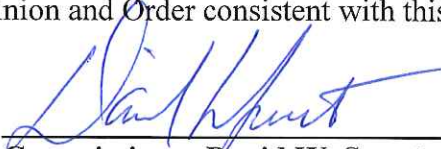
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<sup>5</sup> The Universal Service Working Group (USWG) was initiated via Commission Order in 2009 with a directive to develop recommendations to coordinate residential Universal Service programs under the Commission's jurisdiction and to coordinate those programs with other state assistance programs, such as the Weatherization Assistance Program implemented by the Pennsylvania Department for Community and Economic Development. *See Universal Service Coordination Work Group*, at Docket No. M-2009-2107153 (Order entered June 11, 2009). It should be noted that any reconvening of the USWG will not constitute reconvening of its previous directives.

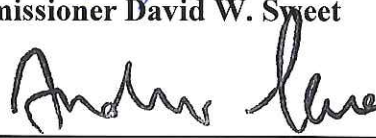
**THEREFORE, WE MOVE THAT:**

1. The Commission's Law Bureau draft a report, to be submitted to the Commission within 30 days of the entry day of the Order, outlining the statutory, regulatory, and policy frameworks of existing universal service programs and the processes required to initiate any proposed changes resulting from this comprehensive review. This Staff report will be released publicly at this docket.
2. Stakeholders submit written comments, at this docket, within 90 days of the entry date of the Order outlining their priorities, concerns and suggested changes to the universal service and energy conservation programs.
3. The Commission's Bureau of Consumer Services coordinate a stakeholder meeting, to be held within 60 days after the due date of the written comments, to solicit feedback on the filed comments and on any other priorities, concerns or suggestions for amending and improving universal service and energy conservation programs.
4. Stakeholders submit, at this docket within 30 days of the stakeholder meeting, written reply comments that may address anything in the previously-filed comments, as well as anything discussed at the stakeholder meeting.
5. The Commission's Bureau of Consumer Services, in consultation with the Commission's Law Bureau, prepare a report, within 45 days of the due date of the reply comments, summarizing all filed comments and any feedback from the stakeholder meeting. The report should also provide a summary of all options proposed by stakeholders.
6. The Commission's Secretary's Bureau insert a copy of all comments filed at Docket Nos. L-2016-2557886 and M-2017-2587711 into this docket.
7. The Opinion and Order be served on electric distribution companies, natural gas distribution companies and city-owned natural gas utilities with universal service and energy conservation program requirements; the Commission's Bureau of Investigation and Enforcement; the Office of Consumer Advocate; the Office of Small Business Advocate; the Industrial Energy Consumers of Pennsylvania, Met-Ed Industrial Users Group, Penelec Industrial Customer Alliance, Penn Power Users Group, Philadelphia Area Industrial Users Group, PP&L Industrial Customer Alliance and West Penn Power Industrial Intervenors (collectively, Industrial Customer Groups); the Pennsylvania Utility Law Project; the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania; the Energy Association of Pennsylvania; the Dollar Energy Fund; Community Legal Services; the Community Action Association of Pennsylvania; the Tenant Union Representative Network; the Commission on Economic Opportunity; the Action Alliance of Senior Citizens of Greater Philadelphia; the Pennsylvania Department of Community and Economic Development; and the Pennsylvania Department of Human Services.
8. The Opinion and Order be published in the *Pennsylvania Bulletin*.
9. The Office of Special Assistants draft an Opinion and Order consistent with this Motion.

**Date: April 6, 2017**

  
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Commissioner David W. Sweet

**Date: April 6, 2017**

  
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Vice Chairman Andrew G. Place