



CITY OF PHILADELPHIA

August 8, 2017

By First Class Mail

Secretary Rosemary Chiavetta
Pennsylvania Public Utility Commission
400 North Street, 2nd Floor North
Harrisburg, PA 17120

Re: Review of Universal Service and Energy Conservation Programs, Docket No: M-2017-2596907

Dear Secretary Chiavetta:

Please accept the enclosed Comments of Cynthia Figueroa, Commissioner of the Philadelphia Department of Human Services for filing in the above-captioned proceeding.

Respectfully submitted,

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Director Housing and Child Welfare Initiative
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Before the Pennsylvania Public Utility Commission

Review of Universal Service and Energy
Conservation Programs

: Docket No. M-2017-2596907
:

Comments of

Cynthia Figueroa, Commissioner

Philadelphia Department of Human Services

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August 8, 2017

Thank you for this opportunity to share comments with the Pennsylvania Public Utility Commission (PUC or Commission) on the importance of the Universal Service Programs to families in the child welfare system.

I am Commissioner of the Philadelphia Department of Human Services (DHS or Department) which is Philadelphia County's child welfare agency. While there is little doubt of the importance of Universal Service Programs to low income families generally, few are aware of their importance to families in the child welfare system who are among society's most vulnerable. Utility shut off and high utility bills can put children's safety at risk necessitating placement in foster care. Likewise, difficulty in restoring utility service can add to costly delays in family reunification. I appreciate the opportunity to share recommendations which I believe will help ameliorate these serious challenges.

The mission of DHS is to provide and promote safety, permanency, and well-being for children and youth at risk of abuse, neglect and delinquency in Philadelphia. In FY17, we anticipate the Department will receive over 34,000 calls of to the child abuse hotline with 2,500 newly identified children accepted for DHS services. Currently 6,000 Philadelphia children are living in out-of-home settings including foster care or kinship care with friends or relatives. Our goal is to ensure every child and youth secures a safe and permanent home as promptly as possible. In FY17, it is anticipated that over 2,000 children and youth in DHS care will be discharged into a permanent home.

The families in the child welfare system are living with extreme levels of poverty which result in financial pressures that can spiral out of control with dire consequences. Of the calls made to the Department's 24-hour hotline and investigated for possible abuse or neglect in Philadelphia, around 10% of families have housing issues so severe they put the safety of children at risk and necessitate the child's out-of-home placement. Of these, unaffordable utility bills and utility service terminations are the most common issues necessitating out-of-home placement.

In far too many cases the families we encounter engage in dangerous practices, out of necessity, to try to remain in their homes. They rely upon unsafe heating sources such as space heaters or kitchen stoves to stay warm when the gas is turned off. When electric service is off, they use candles for light, exposing children, families to the risk of fire. When the family lacks the resources to restore power or heat and has no other place to go, DHS must make a determination to place the child in foster or kinship care in order to ensure the safety of the child. We need to remove children if the conditions of the home are uninhabitable and create a safety threat.

Furthermore, access to utility service can cause costly delays in securing safe and adequate housing for a child to be reunified with his or her parent. As many as 40% of Philadelphia families ready to be reunified are delayed because of difficulty finding safe, affordable housing. While getting utilities turned back on is only one issue they face, it can be a significant barrier, particularly when combined with high rental costs. The end result is that the child remains in foster care for a longer period of time, further disrupting the child's home life and family stability.

Seventeen percent of the Department's emergency funding available to help family reunification and stabilize housing goes to unpaid utility bills accrued by child welfare involved families. Unfortunately, in far too many cases, the Department's emergency funding, even when combined with other potential funding sources such as LIHEAP and utility hardship funds, remains insufficient to pay the amount required for utilities to be restored. Along with the emotional cost of delays, the annual cost of foster care in Philadelphia is \$25,000 per child making delays in family reunification of serious economic impact as well.

The Department recognizes and appreciates the Commission's interest in improving utility universal service programs, and believes several concrete steps can be taken, in conjunction, to improve family stability, and avoid the high costs of foster care that are currently being incurred in Philadelphia due to unaffordable utility bills.

Primarily, low-income customers' bills, under current utility Customer Assistance Programs, are not affordable. Struggling families such as those involved in the child welfare system cannot

afford to pay up to 17% of monthly household income that the Commission's CAP policy statement currently authorizes PGW and PECO to charge for gas and electric service. With rent burdens in the majority of extremely low income homes in Philadelphia over 50%, meeting the 17% threshold is simply unattainable. I am aware that our neighboring states, New York and New Jersey, both establish more reasonable thresholds of customers' ability to afford gas and electric service. In both states, low-income families' energy burdens are set at 6% of monthly household income. DHS believes Pennsylvania should similarly establish a 6% energy burden for low-income families, which would result in significantly more opportunity for struggling families to maintain service and remain together in their homes.

In addition, I believe solutions are needed to eliminate the current utility debt many families have accrued that currently threaten utility service or make reconnecting service financially impossible forcing DHS to make difficult decisions to ensure the safety of children. Because many low-income Philadelphia families in the child welfare system have accrued large utility debt, in part due to the difficulty of meeting the 17% threshold along with other household expenses, providing more affordable bills going forward will be inadequate to ensure utility services. Upon establishing new affordable energy burdens, the Commission should ensure that low-income customers are provided an opportunity to earn forgiveness of all accumulated debt, even if it is attributable to unpaid customer assistance program bills.


Utility assistance programs and hardship funds may have a particularly meaningful impact when available to assist a family in jeopardy of losing custody of minor children. The loss of service is not to be taken lightly for any customer. But the inability of families with children to afford to maintain utility service places significant legal and financial obligations on the child welfare system. The Department believes it would be appropriate for the PUC to consider establishing standards for affordability program terms and/or emergency assistance opportunities with the express goal of ensuring that utility service loss does not continue to present such a significant risk to family unity. Thank you for this opportunity to share comments on these vitally important programs.



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