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E-File

October 16, 2017

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

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

Dear Ms. Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric") is an original of PPL Electric's Reply Comments in the above-captioned proceeding. These Reply Comments are being filed pursuant to the Order issued on May 10, 2017 at the above referenced docket.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on October 16, 2017, which is the date it was filed electronically using the Commission's E-filing system.

As directed, a word version of these Reply Comments has been sent to RA, PCLAW: LIURP@pa.gov.

If you have any questions regarding these comments, please call me at (610) 774-4254 or Melinda Stumpf, Manager-Regulatory Programs/Business Services for PPL Electric at (484) 634-3297.

Very truly yours,

Amy E. Hirakis

Enclosures

cc via email: Louise Fink Smith
Tiffany Tran
Joseph Magee
Sarah Dewey

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**REPLY COMMENTS OF
PPL ELECTRIC UTILITIES CORPORATION**

I. INTRODUCTION

On May 10, 2017, the Pennsylvania Public Utility Commission (“Commission”) adopted an Order initiating a comprehensive review of the Universal Service Programs of the electric and natural gas utilities serving Pennsylvania. *Review of Universal Service and Energy Conservation Programs*, Docket No. M-2017-2596907 (Order entered May 10, 2017). In the Order, the Commission sought comments from interested stakeholders on priorities, concerns, and suggestions for amending and improving all aspects of the Universal Service and Energy Conservation Programs, including issues of program design, implementation, costs, cost recovery, administration, reporting and evaluation. The Commission also directed its Bureau of Consumer Services (BCS) to hold a stakeholder meeting addressing these issues.

Initial comments were submitted on August 8, 2017. As directed by the Order, BCS held two stakeholder meetings on September 13-14, 2017. Through the comments and the stakeholder meetings, many issues were raised regarding the current state of the universal service programs and suggestions for improvements were offered for consideration. From PPL Electric’s perspective, this process has started a beneficial conversation between the utilities and stakeholders. The Company submits, however, that meaningful and effective changes to the universal service programs will require further discussions between the utilities, stakeholders and

the commission. PPL Electric will continue to participate in this process. In these reply comments, PPL Electric Utilities Corporation (“PPL Electric” or “Company”) responds to several proposals made by other stakeholders in comments and at the stakeholder meetings. The Company notes that it does not respond to every proposal made, but by no means does this indicate that the Company agrees or disagrees with the proposals not addressed. In these reply comments the Company seeks to highlight certain proposals that it believes will significantly impact the scope and/or costs of these programs, or affect how the Company will manage its programs.

II. REPLY COMMENTS

A. Customer Assistance Program (CAP)

1. Universal Payment Plan Design

PPL Electric does not support a requirement that all utilities use the same program design for their CAPs. Each utility serves a distinct service area with unique customer characteristics, and a one-size-fits-all approach cannot accommodate the needs of each utility or their customers. PPL Electric specifically opposes the proposal for the Commission to mandate that utilities utilize the Percentage of Income Programs (PIPs) design for their CAPs.¹ PPL Electric submits that before any specific program design is mandated for all utilities, the impact of such changes on cost and affordability should be fully understood for each utility.

2. Minimum Payments

Although PPL Electric supports utilities maintaining flexibility in designing their CAPs, the Company is agreeable with the OCA’s recommendation that minimum payments should

¹ The Low Income Advocates proposed that utilities be required to utilize the PIP design. See Low Income Advocates at 29-31. The OCA proposed that the CAP Policy Statement state that PIPs are the Commission’s preferred program design. See OCA Comments at 11-12.

continue to be required and that the minimum payments be uniform across utilities. *See* OCA Comments at 13-15.

3. Eligibility

PPL Electric has made it a priority to identify and enroll eligible customers into its CAP program. From 2013 to 2016, customer participation in the Company's CAP increased from 37,204 participants to 56,223 participants. PPL Electric continues to look for ways to reach eligible customers and have those customers enrolled into CAP. However, PPL Electric has found one barrier to enrollment being the CAP Policy Statement's requirement that low income customers also be "payment troubled." *See* 52 Pa.Code § 69.261. Under PPL Electric's current Commission-approved Universal Service and Energy Conservation Plan (Plan), part of the eligibility criteria is for the customer to have a payment arrangement within the past twelve (12) months. However, PPL Electric has found that this requirement prevents otherwise qualified low income customers from participating in CAP. The Low Income Advocates recommend that all income-qualified customers be eligible for CAP regardless of whether they are payment troubled. *See* Low Income Advocates Comments at 35-36. PPL Electric endorses the Low Income Advocates recommendation.

PPL Electric also agrees with the OCA's proposal that utilities be consistent with how zero income customers are treated. The Company supports the OCA's recommendation that zero income customers be eligible for CAPS but be required to recertify income on a more frequent basis than other CAP participants. *See* OCA Comments at 21-22. PPL Electric also supports the OCA's recommendation that the CAP Policy Statement be revised to remove the provision that permits customers to be penalized for not applying for LIHEAP if participating in CAP. *See*

OCA Comments at 12-13. This provision limits the pool of eligible customers for CAP and is in direct conflict with the objective to increase participation in CAPs.

B. Hardship Funds

In its comments, the OCA recommended that the Commission require a fundraising component for hardship fund programs and identified methods of solicitation which utilities should use to promote these programs. *See* OCA Comments at 50-52. PPL Electric takes a proactive approach in soliciting funds for its hardship fund. PPL Electric seeks donations from its employees, retirees, and customers. The Company also holds an annual charitable event where the proceeds go to the hardship fund. PPL Electric continues to explore new opportunities to promote and obtain funds for its hardship funds. PPL Electric disagrees with the OCA's suggestion that utilities need to be directed to engage in or utilize any specific marketing activities related to promoting the hardship funds. PPL Electric is always willing to consider proposals from stakeholders regarding ways to increase funding, however the Company should maintain control over how it promotes this program. Further, imposing requirements to perform specific fundraising efforts could increase costs without providing meaningful benefit. PPL Electric is mindful of costs as it administers its hardship fund.

C. CARES

PPL Electric's CARES program provides a referral service to customers facing temporary hardships. Through CARES, the Company attempts to match customers' needs with existing Company and community programs. The program also offers customers CARES credits to help pay their electric bill. Internally CARES is staffed by three individuals, but the Company works with a network of outside agencies to assist customers with their needs. PPL Electric submits that its current format achieves the objectives of this program in the most cost-effective

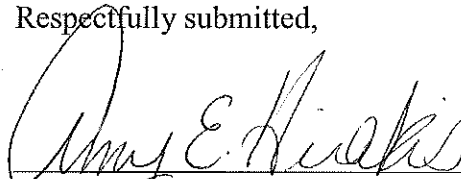
manner possible. Further, PPL Electric uses Community Based Organizations (CBOs) to administer its CAP and hardship program, and these CBOs refer customers participating in these universal service programs to other assistance outside that offered by the Company.

PPL Electric opposes the proposal made by the Low Income Advocates and the OCA to change the scope of this program to create a utility-run social services agency. *See* Low Income Advocates Comments at 45-46; *see* OCA Comments at 57. Under this proposal, PPL Electric would need to hire a social work staff which would add significant costs to this program. PPL Electric also opposes the OCA's recommendation that utilities be required to track outcomes of customers served through CARES. *See* OCA Comments at 58. Tracking customers for this purpose would be labor intensive, costly and possibly conflict with the privacy policies of PPL Electric's CBOs and other community agencies. PPL Electric believes that dollars dedicated to CARES are better spent directly assisting customers in need.

III. CONCLUSION

PPL Electric appreciates the opportunity to participate in the Commission's review of the universal service programs. Through the comments and the stakeholder meetings, many issues were raised that warrant further discussion. PPL Electric looks forward to working collaboratively with the Commission and other interested stakeholders to address these issues surrounding universal service programs.

Respectfully submitted,



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