

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17105-3265

2023 Review of All Jurisdictional Fixed Utilities' Universal Service Programs Public Meeting held March 16, 2023
3038944-CMR
Docket No. M-2023-3038944

JOINT STATEMENT OF COMMISSIONER JOHN F. COLEMAN JR. AND
COMMISSIONER RALPH V. YANORA

Before us today is the Joint C-Motion of Vice Chairman DeFrank and Commissioner Zerfuss requesting comments, review, and potential revisions to the Pennsylvania Public Utility Commission's (Commission) universal service policies for electric distribution companies (EDC), natural gas distribution companies (NGDC), jurisdictional water utilities, and incumbent local exchange telecommunications companies.

As noted in the Joint C-Motion, the Commission recently completed a two year, comprehensive review of universal service policies, practices, procedures, and impacts. This review resulted in amendments to the Customer Assistance Program (CAP) Policy Statement effective March 21, 2020. The Commission also implemented at that time a pilot Universal Service and Energy Conservation Program (USECP) filing schedule making proposed USECPs effective for at least five years.

We do not support another review of universal service policies and programs at this time. We are not persuaded that the Joint C-Motion will cover new ground, different from the recent universal service proceedings, relevant water proceedings, or initiatives by the Pennsylvania Department of Human Services (DHS) in this area. We do not support asking all jurisdictional fixed utilities to file comments in response to questions that are premature, duplicative, or overly broad. It is not prudent to direct limited resources to repeat tasks so recently completed or nearly completed.

The EDCs and NGDCs have been submitting carefully crafted universal service plans in response to the amended CAP Policy Statement. The Commission's Bureau of Consumer Services has been working diligently to review these filings. The Commission is about midway through its schedule for reviewing and approving these plans. The EDCs and NGDCs should concentrate their efforts on designing and implementing these new universal service plans, while stakeholders and the Commission should concentrate on reviewing and evaluating the same.

In addition to the universal service plans, the Commission has an ongoing rulemaking regarding the Commission's regulations for Low-Income Usage Reduction Programs (LIURP). The Commission received reply comments on updating the LIURP regulations back in 2017. The proceeding was then deferred, pending amendment of the CAP Policy Statement. Commission, utility, and stakeholder resources should be refocused on the LIURP proceeding.

With respect to jurisdictional water utilities, the major water utilities have recently received approval, or are in the process of seeking approval, for ratepayer-funded low-income programs similar to EDC and NGDC universal service programs. Again, we should allow these programs to be fully implemented and evaluated before shifting the focus to further changes.

On the question of sharing customer information, this issue is currently being addressed by DHS. We know from a recent meeting of the LIHEAP Advisory Committee that DHS plans to implement data sharing of household information to utilities (with customer consent) beginning with the 2023-2024 LIHEAP season.

We are also concerned that the Joint C-Motion does not solicit any input on universal service costs. In the universal service and relevant water proceedings, affordability issues and the need for cost control have been repeatedly raised by the Office of Consumer Advocate (OCA). We unreservedly acknowledge the need for utilities to assist payment troubled customers in Pennsylvania. At the same time, like the OCA, we must recognize that the burden to pay for these programs falls on residential customers. In 2021, a total of almost \$457 million was spent on the USECPs of the energy utilities, a \$95 million increase from 2020's spending of \$362 million.

We are concerned about the increasing burden USECPs place on the "ALICE" utility customers of our state. The United Way defines ALICE individuals and households as Asset Limited, Income Constrained, Employed.¹ It provides as examples cashiers, waiters, childcare providers, and other members of our essential workforce. These families struggle to earn enough to make ends meet and stay afloat, and through that effort, maintain an income just above the Federal Poverty Level benefit cutoff and, as such, they do not qualify for payment assistance. The United Way points out that this type of hardship is pervasive and disproportionately affects families of color and single parents. It also notes that those under 25 and over 65 years of age are more likely to be considered ALICE customers. The proposed Joint C-Motion champions the unlimited expansion of universal service programs without consideration of the costs these programs place on hard-working yet struggling families.

Customer Assistance Programs were originally implemented in the face of increasing uncollectible costs and were intended to benefit all customers: low-income, payment troubled customers received a lower bill, the payment of which would lower a utility's uncollectibles and in turn provide for stable, if not lower, rates for all customers. We should not lose sight of this original purpose. In this same vein, the General Assembly will soon begin its review of Chapter 14 of the Public Utility Code. Chapter 14 was also implemented to reduce utilities' uncollectible accounts. The Commission should be cautious of usurping policy prerogatives that belong to the elected legislative and executive branch officials.

A goal of the Commission is to balance the needs of all ratepayers. The Commission should administer universal service programs in a way that assists low-income, payment troubled customers, while paying close attention to the financial impact these programs may have on residential customers as a whole. We cannot agree to a review, and possible expansion, of these

¹ <https://www.unitedforalice.org/demographics/pennsylvania>

programs that does not consider the needs of Pennsylvania families that are working, essential, and struggling. For these reasons, we will be dissenting from the Joint C-Motion.



JOHN F. COLEMAN, JR.
COMMISSIONER



RALPH V. YANORA
COMMISSIONER

Date: March 16, 2023