



Via Electronic Filing:

June 6, 2023

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

RE: 2023 Review of All Jurisdictional Fixed Utilities
Universal Service Programs
Docket No. M-2023-3038944

Dear Secretary Chiavetta:

Enclosed for filing, please find Peoples Natural Gas Company LLC's
Comments to the Pennsylvania Public Utility Commission's 2023 Review of All
Jurisdictional Fixed Utilities Universal Service Programs

Respectfully Submitted

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

2023 Review of All Jurisdictional Fixed
Utilities' Universal Service Programs

: Docket No. M-2023-3038944

**COMMENTS OF
PEOPLES NATURAL GAS COMPANY LLC
MARCH 27, 2023 SECRETARIAL LETTER**

I. INTRODUCTION

AND NOW COMES Peoples Natural Gas Company LLC (“Peoples”) and hereby submits the following Comments to the Pennsylvania Public Utility Commission’s (“PUC” or “Commission”) Secretarial Letter dated March 27, 2023 (“Letter”) regarding further review of utility Universal Service Programs. Through its Letter, the PUC has requested a new review of utility Universal Service Programs by all jurisdictional utilities.

II. BACKGROUND

Peoples is a natural gas utility operating out of the Western Pennsylvania region. Peoples offers multiple Universal Service Programs. Those programs for qualifying customers include a Customer Assistance Program (“CAP”) that provides a discount on the gas bill, a Low-Income Usage Reduction Program (“LIURP”) that provides energy efficiency services, a Hardship Fund program that provides grants to income qualified customers, an Emergency Repair Program (“ERP”) that covers the cost of repair and replacement of failed natural gas heating systems and customer-owned pipelines, and a Customer Assistance and Referral Evaluation Services Program (“CARES”) that provides additional case management assistance to customers with special needs.

Peoples' utilizes different criteria to determine eligibility for each program. For example, the CAP program is income based while LIURP considers income along with an evaluation of gas usage. Further, Hardship Fund eligibility requires a review of additional factors that may include good faith attempts by the customer to pay and proof of a risk of service termination.

While eligibility criteria for each program differs, Peoples' Universal Service Programs are managed in-house through its Community Assistance Programs team. Peoples does partner with the Dollar Energy Fund for CAP program administration assistance and with CLEAResult for administration of its LIURP and ERP.

In its Letter, the PUC has requested comments from interested parties that address the following topics:

- “1) increasing program coordination among all utilities;
- 2) streamlining the eligibility and enrollment process; and
- 3) reducing the number of otherwise eligible consumers from losing low-income benefits due to the verification or re-enrollment process.”

Secretarial Letter at 1. The Commission anticipates that the requested comments will allow for “improvements to the existing programs, including improvements that may be considered in the context of a future rulemaking proceeding.” Secretarial Letter at 2.

III. ROLE OF PEOPLES IN ASSISTANCE PROGRAMS

Peoples continues to work with customers through its various Universal Service Programs to ensure “adequate, efficient, safe, and reasonable’ service to customers.” 66 Pa. C.S. §1501. Peoples not only works with customers to determine eligibility for the various Universal Service Programs, but also works with other Utilities when feasible to help serve customers in a collaborative nature.

IV. PEOPLES' COMMENTS

1. What regulatory barriers are in place that would prevent utilities from having one utility do intake and then having that information provided to other utilities that provide service to that consumer for the purpose of universal service and CAP enrollment?

Currently, each utility must describe their enrollment methods in detail, including partnerships with other utilities to share data or assist with cross-enrollment, in their Universal Service and Energy Conservation Plans ("USECP"). Under current regulatory requirements, utilities cannot change their USECP without filing a petition with the PUC's Bureau of Consumer Services.

Modifying the process by which USECPs can be revised would allow more flexibility and create efficiencies when considering implementing new processes that benefit the consumer, such as using one utility's intake information to enroll in another utility's program.

This modification could enable utilities to collaborate organically, and in a manner tailored to the needs of a specific region that the collaborating utilities serve, and are familiar with due to longstanding customer relationships.

2. What regulatory barriers or other obstacles exist if an outside provider does the intake on behalf of multiple utilities serving the consumer and what solutions exist to overcome any barriers?

Peoples' refers to and incorporates its response to question one (1) regarding regulatory barriers.

Further, to ensure protection of sensitive data, utilities and/or other outside providers must work together on a mechanism to share income data. This could include costs required to implement such a mechanism or process. There are data protection solutions that are relatively simple to implement. For example, Peoples utilizes Dollar Energy Fund ("DEF") as its CAP administrator. There are instances in which sensitive income data must be shared between Peoples and DEF. When necessary, DEF creates a file that is posted to an external secure site provided by Peoples. Peoples can access this file from the site directly. Peoples can also send sensitive data to DEF in the same manner. This prevents emailing of secure information to better protect customer data.

Peoples does note increased barriers to using a single outside provider to administer all Universal Service programs. A single provider would have to receive and coordinate the use of data that expands beyond customer income in order to assess program eligibility. The data sharing and assessment would be more complex than the relationship that Peoples has with DEF as it would involve expanded data. A single provider would also have to

assess each utilities criterion for Universal Service Program eligibility as each Utility uses different criteria (including income criteria) to determine Universal Service Program eligibility.

Further, if a third-party provider is responsible for all programs and all jurisdictional utilities, there is a risk of inequity of cost allocation. Utilities service various regions that have different weather variations and economic characteristics. As a result, certain utilities will inevitably have more customers enrolled in certain programs than others and it will be difficult to determine how costs should be allocated to a single third-party provider serving various utilities with diverse regional and customer needs.

The collaboration of utilities who share service regions would result in fewer barriers than if a single statewide third-party provider administered programs for all utilities.

3. How can consumer consent be built into the intake process that permits the utility doing the intake to provide the enrollment information to the other utilities serving the consumer?

While consent is an important consideration, the process of obtaining consent should be as simple as possible for the consumer and the utility. Verbal consent by the customer, documented on the account of the utility or agency that has obtained the income documentation, should be sufficient to allow for sharing of data for the purposes of enrollment or recertification into other utility programs. Income documentation should only be shared if it qualifies a customer for assistance and obtaining consent could be as simple as, "Would you like Peoples to share your income information with other utility programs that you may be eligible for?"

4. Is an automatic enrollment program feasible where any mechanism through which an electronic exchange of information between a utility and a state social service agency confirms the eligibility of public benefits whether or not the information is expressly authorized by the household? If express authorization is needed, rather than automatic enrollment, can that express authorization be provided one time in a uniform application rather than on a utility-by-utility basis using separate applications?

Simplifying enrollment is in the best interest of the enrollee as it ensures the customer is receiving the benefit of programs for which they are eligible and in need. If a customer receives a Low-Income Home Energy Assistance Program ("LIHEAP") grant, this customer is typically eligible for the utility's CAP as well. Particularly for customers with arrears, enrollment in CAP, with a letter that allows the customer to opt out if they wish, streamlines the process for the customer, allowing them to gain quick access to their utility program through their single application for LIHEAP.

Requiring express authorization is a barrier to enrollment. Customers often do not accept phone calls from their utility, have phone mail boxes that are unable to take messages, or are concerned by callers offering them benefits they did not apply for, thereby missing the opportunity to participate in CAP. Peoples supports authorization on applications that allow a customer to receive enrollment benefits, such as providing the option on LIHEAP applications.

5. Should CAPs be administered statewide across all utility service territories rather than on a utility-by-utility basis? If so, what are the barriers to accomplishing this and what are the benefits and drawbacks to this approach? If not, what are the benefits and drawbacks of continuing to administer the programs on a utility-by-utility basis?

Peoples does not support a statewide administration model. As noted in earlier responses, Peoples utilizes a third-party provider that also administers other utility programs. Each utility's programs have different eligibility requirements, including what income is considered in allowing a customer to participate. For example, Peoples' program follows the Chapter 14 definition of income and therefore excludes income and benefits for minors. However, some utilities follow different income requirements. And, this is just one example of a difference that could lead to acceptance in one utility program and a rejection for another.

Further, Peoples believes it is important that each customer's application and circumstances be reviewed in their entirety to ensure customers are treated fairly and all aspects of their situation are considered. For example, under Peoples' CAP guidelines, a customer who previously participated in CAP and voluntarily chose to leave the program, is not permitted to enroll for one year. However, there are instances in which Peoples chooses to allow a customer to re-enroll, before the one year stay-out period is complete, due to circumstances such as limited ability to understand the benefit the customer had declined at the time they declined it, impairments, receiving LIHEAP Crisis grants to restore service, etc. Utilities have the full picture of a customer's situation and are in the best position to review eligibility.

Since the inception of the Universal Service Programs, Peoples, like other utilities, have had the opportunity to continuously assess Universal Service Programs in order to better serve its respective territories. Peoples does not want to lose the opportunity for Peoples to continue to act innovatively with its customer base as a whole and on a case by case basis when necessary. Statewide administration would jeopardize this continued opportunity for Peoples to work directly with the community.

6. What changes would be required to EDCs' and NGDCs' existing, Commission-approved universal service and energy conservation programs to incorporate improvements and could changes be addressed in a streamlined fashion?

The Commission's CAP Policy Statement describes design elements, the process by which a utility develops its CAP, and the steps a utility must take to update its CAP proposal with the Commission, which include serving copies of the proposal with the BCS and stakeholders for review and input prior to Commission approval. CAPs are fully described, including eligibility, enrollment, budgets and interaction with other Universal Service programs in each utility's USECP. Peoples' current USECP, which was filed with BCS on July 1, 2018, was approved by the Commission in May of 2022. During this four-year period, Peoples was unable to implement any of the changes or improvements proposed in its original filing, nor any of the additional changes that were proposed by Peoples in January of 2020 following the Commission's 2019 Affordability Proceeding. These proposed changes included a reduction in CAP payments for low income customers from 8% to 10% of income to 4% to 6% of income, along with other important affordability improving measures. Other utility USECPs approved more recently have followed a more efficient process which will hopefully continue so that important changes for vulnerable households will not be delayed.

In addition to filing USECPs, utilities must also engage a third party to provide an independent evaluation of its programs, one year before the USECP is filed. This is a costly endeavor in both ratepayer dollars and utility resources needed to support the evaluation process. The information learned from this process typically does not exceed that which is known through annual Universal Service reporting to BCS. Peoples proposes the third-party evaluation process be eliminated. As noted above, it is costly both in dollars and resources and typically does not generate significant proposed changes to utility USECPs. Not only are utility programs subject to review by BCS through annual reporting requirements, these programs are also the subject of extensive data requests during base rate proceedings.

There is also a lengthy process to make changes to an existing USECP, delaying the implementation of improvements and benefits. Over the years, utilities have been required to increase the detail provided for every process and procedure related to these programs in the utility's USECP. As a result, even small changes to processes now require a petition before implementation. Peoples would suggest this process should be streamlined by allowing utilities to work with their Universal Service advisory groups to identify changes that would best serve customers and to file updates to their USECPs reflecting those changes, which would take effect within 60 days if there is no response from BCS or other regulatory stakeholders raising a concern about the proposed change. This change would allow utilities to implement improvements that benefit the customer, using input gained from stakeholders that closely represent utility consumers, in a timely manner. This method would encourage generation of new ideas which would benefit program

participants, streamline processes and provide more transparency to stakeholders in a timely manner.

7. What additional consumer education and outreach could be undertaken to make more low-income consumers aware of the benefits that may be available to them?

In addition to utility specific outreach activities, which are documented in their annual Consumer Education and Outreach Plan (“CEOP”) filings, Peoples would recommend increased outreach efforts by other sources such as the PA PUC Office of Communications and Department of Human Services (“DHS”). These entities are trusted resources and customers are often more willing to engage with a program they have learned about from more than one source. Peoples also encourages utility collaboration, and it routinely takes place among the Western Pennsylvania utilities. Earlier this year, the Western PA natural gas, electric and water providers worked together on a flyer with the Greater Pittsburgh Food Bank that included utility program information and QR codes. These flyers were placed in roughly 14,000 food boxes, reaching families and seniors in need of support. This type of collaboration is not only cost-effective, but increases the awareness of and trust in utility program offerings.

8. Can recertification periods in the existing CAP Policy Statement at Section 69.265(8)(viii) be extended so that otherwise eligible consumers do not lose benefits solely due to the fact that they timely failed to recertify their eligibility? Can the default provisions in the existing CAP Policy Statement at Section 69.265(9) be modified to reduce the chances that otherwise eligible consumers do not lose benefits solely due to the failure to comply with one of the articulated default provisions?

Peoples does not support the extension of recertification periods. Under the current requirements, most customers, dependent on their income type, must recertify every two to three years. These time periods are longer than historical limits that required recertification every year in some circumstances. While extensions can be beneficial to allowing customers to maintain participation, they can also delay removal of ineligible customers who are receiving benefits funded by other ratepayers. In order to maintain the important balance between assisting those with limited incomes appropriately and maintaining affordable rates for the consumers who fund these programs, the existing recertification periods should be maintained.

9. Can the default provisions in the existing CAP Policy Statement at Section 69.265(9) be modified to reduce the chances that otherwise eligible consumers do not lose benefits solely due to the failure to comply with one of the articulated default provisions?

The default provisions are appropriate requirements to participation and all enrollees are notified of the provisions when they initially qualify for CAP. Peoples will note that the great majority, if not all, of the customers who default on CAP do so under the failure to

recertify provision and not due to the other default provisions. For example, Section 69.265 (9)(iii) provides for default for failure to report changes in income or household size. Peoples does not dismiss a customer for failure to notify the Company of changes. When changes are known, the customer's CAP participation and CAP payment are evaluated to determine if they still qualify and if so, what the appropriate payment would be for their current household income status. Customer are only dismissed if their income exceeds participation guidelines.

Further, this issue of amending/ changing the recertification and default provisions has been examined on multiple occasions including as recently as 2019. Each time changes are made, or in the process of being made, the utility incurs costs. Peoples is of the position that more time is needed to continue to work through the 2019 amendments to determine whether additional changes and/or amendments are necessary before more costs are incurred.

10. Should utilities be required to develop and use standardized CAP forms and CAP procedures? What are the barriers, if any, of establishing a common application?

Implementing standard applications, without allowing one form to be used to enroll in multiple programs, does not improve the enrollment process or reduce barriers to enrollment. And, given that some utilities require more information than others, a common form would likely be lengthier and perhaps more difficult to manage than some utilities' currently simplified forms. Further, Peoples finds that customers are moving towards online forms and are enrolling via phone and do not have an interest in paper forms that can be difficult to understand and submit. The Zero Income Form, which was developed in 2019 as a result of input from utilities and other stakeholders during the PUC's Affordability review, is a simple and standard form that is likely being used by all utilities. The Zero Income Form was successfully implemented across all utilities because of its Plain Language and limited number of fields to complete. A CAP application, by comparison, is likely to be more complicated, require a higher level of detailed information, and if developed as a standard form for all utilities, could become lengthy, similar to the LIHEAP application. At the May LIHEAP Action Committee meeting, DHS shared information showing that rejections have increased by 21% over last year's levels. The top five reasons for rejection included not providing required income documentation and not submitting household composition information. Peoples suggests that the form of the LIHEAP application may be a factor in the high level of rejections due to incomplete or insufficient information.

Peoples believes that a standard CAP application may increase barriers to participation in its programs, rather than eliminate them. And, there are system modification costs for utilities and third-party administrators to implement a change to current applications that would be passed along to ratepayers. Peoples does support collaboration among utilities to find commonalities wherever possible, including developing similar forms and formats.

11. What other additions or changes to the existing CAP Policy Statement should be made to increase eligibility, enrollment and maintenance of CAP benefits?

Peoples has no additional recommendations at this time.

12. Should the CAP Policy Statement be amended to include jurisdictional water public utilities, and, if so, what barriers if any exist to doing so and how can those barriers be overcome?

Peoples has no comment.

13. If a coordinated enrollment process could be achieved with respect to CAP, could that same process be applied to identify eligibility for a utility's Low-Income Usage Reduction Program (LIURP) or eligibility for receipt of hardship fund grants?

LIURP eligibility is determined not only by income, but also household usage. Household usage is not readily available to a customer applying for income-based programs and therefore would require that applications for all income-eligible customers be screened by the receiving utility for LIURP. This could be a significant resource burden for some utilities and will likely yield few LIURP enrollments. For example, on an annual basis, roughly 35,000 customers of the Peoples' companies participate in CAP, however LIURP participation is roughly 1% of those customers given limitations on the usage thresholds that must be met to participate, along with the acceptance of LIURP services by the household, which can often be challenging.

Similar to LIURP participation, Hardship Fund participation is not as simple as qualifying based on income. As Hardship Funds are limited, applicants must meet other requirements, beyond proving income eligibility. Depending on the time of year, they may need to show financial crisis need (i.e. termination notice or be without utility service). They may also need to make a good faith payment within 90 days of submitting their application.

For the reasons noted above, while efforts to share income information to qualify customers for CAPs would be beneficial, programs such as LIURP and Hardship Fund should continue to be administered wholly by the utility providing such programs, under the guidelines and requirements that utility has instituted.

14. What changes are required to the Commission's existing policies or regulations to incorporate improvements?

Peoples recommends that USECPs be scaled back to focus on the key components of Universal Service programs such as eligibility, funding, participation and program goals. Descriptions of general processes and procedures should be limited. For example, in prior

USECPs, Peoples' Hardship Fund section included eligibility requirements, funding levels and participation projections and noted that during some months of the year, a termination notice or lack of active service would be additionally required. In the approval process of its current USECP, Peoples was required to note specifically which months require a termination notice and which months do not. This has taken away the ability of Peoples to modify those provisions as best suits its customers and its funding levels on an ongoing basis. The current USECP process, requiring heavy details in the Plan and petitions to modify the Plan, discourage continuous improvement.

V. **CONCLUSION**

While opportunities to collaborate at a regional level when operating their Universal Service Programs could improve efficiency for the utility and the Customer, broader approaches including mandatory collaboration, single third-party operation, and/or State administration of all programs could create multiple barriers as noted above. Peoples is of the opinion that the management responsibility of the Universal Service Programs should remain at the discretion of each respective utility. Further, collaborative efforts should develop organically and regionally.

With regard to simplifying the administration process, loosening the USEPC revision requirements would allow each utility to adjust and simplify its process as needed based on regional and economic trends that affect each utility differently.

Peoples appreciates the opportunity to offer comments on the Commission's Universal Service Programs Letter and asks that the Commission consider its comments. Peoples will continue to work with the Commission and collaborate with other utilities and organizations on these issues. Please direct any questions with regard to these comments to the undersigned.

Respectfully Submitted,



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