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via Electronic Filing

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
400 North Street, Filing Room
Harrisburg, PA 17120

RE: Initiative to Review and Revise the Existing Low-Income Usage Reduction Program (LIURP) Regulations at 52 Pa. Code §§ 58.1-58.18
Docket No. L-2016-2557886

Dear Secretary Chiavetta:

Please accept for filing the Joint Comments of the Commission on Economic Opportunity and Pennsylvania Weatherization Providers Task Force in regard to the above referenced matter. If you need anything further to effect filing, please advise.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "J. Vullo".

Joseph L. Vullo

JLV/jar
encl.

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

INITIATIVE TO REVIEW AND REVISE THE :
EXISTING LOW-INCOME USAGE REDUCTION: DOCKET NO. L-2016-2557886
PROGRAM (LIURP) REGULATIONS AT 52 PA. :
CODE §§58.1-58.18 :

**JOINT COMMENTS OF THE COMMISSION ON ECONOMIC
OPPORTUNITY AND PENNSYLVANIA WEATHERIZATION PROVIDERS TASK
FORCE**

I. INTRODUCTION

These comments are being submitted jointly by the Commission on Economic Opportunity (CEO) and the Pennsylvania Weatherization Providers Task Force (Task Force). These comments will address a single issue- the proposed amendment of Section 58.4 that would change the long-standing practice of addressing LIURP funding in rate cases.

CEO and the Task Force have been active in numerous matters before the Pennsylvania Public Utility Commission (Commission). In addition to being active in this current proceeding, CEO and the Task Force have intervened in rate cases, Act 129 matters, Universal Service and Energy Conservation Plan submissions and general rule making proceedings.

CEO is a community action agency located in and serving low-income households in Luzerne County. CEO operates the U.S. Department of Energy and PA Department of Economic and Community Development's (DCED) Weatherization Assistance Program (WAP). CEO is the subcontractor for the Low-Income Usage Reduction Programs (LIURP) of PPL Electric and, UGI Utilities (Gas & Electric). In addition, CEO administers both the Customer Assistance Programs (CAP) and utility hardship programs for the companies listed above. CEO is also the

Pennsylvania Department of Human Services contracted operator of the crisis component of the Low-Income Home Energy Assistance Program (LIHEAP) in Luzerne and Wyoming Counties.

As indicated above, CEO has a long history of being involved in Commission proceedings and becomes involved to ensure that low-income households' utility costs are contained through counseling, payment assistance and conservation programs. Due to its historical administration of these programs CEO understands the direct benefits these programs produce for the low-income households in its service territory. These benefits can be measured through decreased electric and gas usage, which leads to a decrease in costs for low-income families. Programs such as CAP and LIURP allow low-income families, senior citizens and the vulnerable of our communities to remain in their homes. It is crucial that these programs remain adequately funded and available, particularly when an increased energy burden is imposed on low-income rate payers through rate increases.

The PA Weatherization Providers Task Force is a network of 37 organizations providing energy conservation services in each of the Commonwealth's 67 counties. The Task Force entities provide a dual role of not only administering the Low-Income Usage Reduction Program (LIURP) but also the Department of Community and Economic Development Weatherization Assistance Program. Task Force providers are Community Based Organizations (CBO's) that have the experience and community presence to meet the home energy conservation needs of the low-income households of our communities.

II. COMMENT: PRECLUDING THE CONSIDERATION OF LIURP FUNDING IN RATE CASES WOULD VIOLATE THE LEGISLATIVE MANDATE TO THE COMMISSION TO ENSURE THAT UNIVERSAL SERVICE PROGRAMS ARE 'APPROPRIATELY FUNDED AND AVAILABLE.'

In these initial comments, CEO and the Task Force will address a single issue—the proposed amendment of Section 58.4 that would change the long-standing practice of addressing LIURP funding in rate cases. If adopted, the effect of the Commission's proposal will mean that in proceedings where rates increase it will not allow conservation funding to increase, or even be addressed; rate increases could be approved but funding that would help low-income ratepayers lessen the burden of those rate increases through conservation would not even be considered.

If adopted, this proposal would represent a change to the last standing practice of addressing LIURP funding in rate cases, which has been done for decades with the Commission's approval, would mean that the Commission approves a rate increase for ratepayers but precludes from consideration funding that would allow low-income ratepayers means by which they can reduce their bill through conservation measures. The Commission adopting such a proposal would put the interests of the utility companies above those of low-income ratepayers.

The Commission is proposing to add to its LIURP regulation the following:

(a.1) *General.* A public utility shall propose annual LIURP budgets for the term of a proposed USECP that is filed with the Commission for review and approval. Upon approval of the USECP by the Commission, the public utility shall continue providing program services at the budget level approved in the USECP unless the LIURP budget is revised in a future USECP proceeding.

Proposed amendment to 52 Pa. Code 58.4 subsection (c) proposal would provide that "A revision to a LIURP budget is accomplished in a USECP proceeding."

The Electric Choice Act provides that “The commission shall ensure that universal service and energy conservation policies, activities and services are appropriately funded and available in each electric distribution territory.” 66 Pa. C.S. §2804(9). The Gas Choice Act also provides that “The commission shall ensure that universal service and energy conservation policies, activities and services are appropriately funded and available in each natural gas distribution service territory.” 66 Pa. C.S. §2203(8).

CEO and the Task Force contends that the Commission would violate its legislated mandate in both the Electric and Gas Choice Acts to ensure that universal service and energy conservation programs are ‘appropriately funded and available’ should it adopt the proposed changes regarding universal service programs, in this case LIURP.

Attachment A represents just a partial listing of rate cases in which the parties addressed LIURP funding and an increase in LIURP funding was approved by the Commission. In addition to the consideration and approval of LIURP funding in those rate cases, additional universal service issues, including but not limited to Customer Assistance Programs and hardship funding, were addressed, considered and in some cases approved by the Commission. The only universal service issue proposed to be precluded in rates cases at this time is LIURP funding.

In its October 3, 2019, Order filed to No. M-2019-3012601, the Commission increased the time period covered by a USECP from three years to five years and set forth a filing schedule for the subject utility companies to file their USECP.s The Commission indicated in that Order that increasing the time period covered by the USECP plan was a ‘pilot universal service and energy conservation plan (USECP) filing schedule.’ (October 3, 2019 Order p. 1). The filing schedule set forth in that Order would indicate that the ‘pilot’ program will be in place for some time, long beyond the time typically covered by a pilot program.

The latest filing dates set forth in that October 3, 2019 Order requires Duquesne to file its USECP on November 1, 2024 for a period that would cover the years 2026-2030. Similarly, UGI would be required to file its next USECP on April 1, 2025 for the years 2026-2030. (Order, p. 14).

Further, the 'pilot' program appears to have been extended beyond the years set forth in the October 3, 2019 Order. Although he undersigned is unaware of any Commission Order that turned the five (5) year USECP term from a 'pilot' to something permanent, the Commission's website sets forth updated USECP filing information.¹ On its website the latest dates under the Commission's updated USECP schedule would require for example PGW to file its USECP on November 1, 2028 for the program years 2030-2034 and PPL to file its USECP on April 1, 2029 for the program years 2030-2034. In short then, the five-year USECP pilot schedule covers the time period from March 1, 2020 when a utility's first filing was due under the October 3, 2019 Order (See page 14) to 2034 the last program year of a utility's USECP (See Commission Website at <https://www.puc.pa.gov/electricity/universal-service/>).

To limit LIURP funding issues to USECP submissions would mean that during the interval when USECPs are filed, considered and approved by the Commission, rates could increase multiple times without any increase in LIURP funding. Further, the Commission has conceded that backlogs in USECP reviews are not uncommon and that it can take months after a USECP is filed before the Bureau of Consumer Services can even begin its review. Accordingly, multiple rate increases can be approved by the Commission without any increase in LIURP

¹ <https://www.puc.pa.gov/electricity/universal-service/>

funding. A utility company can receive approval for multiple rate increases while low-income ratepayers have to wait for increased LIURP funding that would help them lessen the impact of those multiple rate increases.

As an example, as indicated in Attachment A, Columbia Gas was granted rate increases in multiple recent rate cases, in 2016, 2018, 2021 and 2022. But those rate cases also increased LIURP funding with the Commission's approval. The Commission proposal to preclude the issue of LIURP funding would have meant that in those Columbia Gas rate cases that rates would have been increased four times over a six-year period without any increase in LIURP funding.

With the increased time period covered by USECPs-five years instead of three and the time in which it takes the Commission to address those USECPs-under the Commission's proposal each of those rate increases would take effect without any increase in LIURP funding. The allowance of multiple rate increases to be imposed on low-income ratepayers without any increase in LIURP funding would surely violate the Commission's legislative mandate to ensure that universal programs are 'appropriately funded and available.'

Additionally, rate case proceedings are an appropriate forum to consider universal service issues in that the litigation of rate cases is much more vigorous than a USECP proceeding. The Commission cites 'black box' settlements as a reason to preclude LIURP funding in rate cases. But rate cases are subject to public notice and represent an opportunity for public input. Rate cases involve multiple parties, extensive discovery, multiple submissions of testimony (direct, rebuttal, surrebuttal), hearings before an Administrative Law Judge, a Recommended Decision by the ALJ and ultimately Commission consideration. In contrast, a USECP is closed to the public, is subject to no formal discovery or testimony, is not an adversarial proceeding subject to evidentiary rules and is without ALJ involvement. The public can follow the news and become

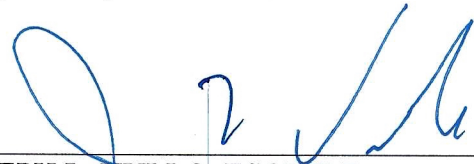
informed about rate cases, the public can provide input in rate cases and see the results of a rate case in their local news. A ratepayer would be hard pressed to find such publicly available information about a USECP proceeding and would have no opportunity to provide public input. That is the 'black box' in which the Commission's proposal would place the consideration of funding that would grant relief to ratepayers from rate increases.

III. CONCLUSION

The proposal to revise Section 58.4 of the LIURP regulation to preclude the consideration of LIURP funding in rate cases would violate the mandates of the Electric and Gas Choice Acts that require the Commission to ensure that universal service programs are 'appropriately funded and available.' If adopted it would mean that low-income ratepayers would be subject to a rate increase, and in some cases multiple rate increases, without an increase in conservation (LIURP) funding that would help them to offset their higher rates through conservation. The proposal would allow the utility companies to obtain rate increases while low-income ratepayers would have to wait years before addressing increased LIURP funding and they would have to do so in proceedings closed to the public input and in proceedings that lack the vigorous analysis and evidentiary standard of rate cases. The proposal would be an abrupt change of the Commission's decades long practice of addressing universal service issues in rate cases, a practice that allows for the proper consideration, in one public proceeding of both a rate increase and funding that would allow some relief from a rate increase to ratepayers in the form of increases in universal service funding.

The proposal to revise Section 58.4 of the LIURP regulation to preclude the consideration of LIURP funding in rate cases puts the interests of the utility companies above those of low-income ratepayers and should not be adopted.

Respectfully submitted,



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**ATTACHMENT A
EXAMPLE OF RATE CASES WHERE THE COMMISSION CONSIDERED AND
APPROVED INCREASED LIURP FUNDING**

Columbia Gas, No. R-2012-232174

Columbia Gas, No. R-2016-2529660

Columbia Gas, R-2018-2647577

Columbia Gas, R-2021-3024296

Columbia Gas, R-2022-3031211

Duquesne Light, R-2013-2372129

Duquesne Light, R-2018-3000124

Duquesne Light, R-2021-3024750

PPL Electric, No. R-2012-2290597

PPL Electric, R-2015-2469275

PECO, R-2018-3000164

Peoples Natural Gas, R-2012-2285985

UGI Utilities, Inc. – Electric, R-2021-3023618