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January 16, 2024

VIA ELECTRONIC FILING

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

Re: **L-2016-2557886 – Initiative to Review and Revise the Existing Low-Income Usage Reduction Program (LIURP) Regulations at 52 Pa. Code §§58.1 – 58.18**

Dear Secretary Chiavetta:

On behalf of Peoples Natural Gas Company LLC, please accept for filing with the Pennsylvania Public Utility Commission, the attached Comments to the Commission's Notice of Proposed Rulemaking Order in the referenced proceeding.

If you have any questions or concerns, please reach out to me at (412) 208-6527 or Rita Black at (412) 208-6530.

Very truly yours,



Meagan Moore

Enclosure

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**COMMENTS OF PEOPLES NATURAL GAS COMPANY LLC TO NOTICE OF
PROPOSED RULEMAKING**

AND NOW COMES Peoples Natural Gas Company LLC (“Peoples” or “the Company”) pursuant to the Notice of Proposed Rulemaking Order (“NOPR Order”) published in the Pennsylvania Bulletin on December 2, 2023, to file these comments with the Pennsylvania Public Utility Commission (“PUC” or the “Commission”). The NOPR proposes to “update the PUC’s existing Low-Income Usage Reduction Program (“LIURP”) Regulations at 52 Pa. Code §§58.1 – 58.18” and “seeks comments on the proposed amendments.”

I. INTRODUCTION

Peoples is a natural gas utility operating under Commission issued certificates of public convenience. Peoples serves more than 700,000 natural gas customers in various counties throughout Pennsylvania.

Peoples appreciates the opportunity for stakeholders to provide input on the existing LIURP Regulations and proposed amendments to those Regulations. As a member of the Energy Association of Pennsylvania (“EAP”), Peoples fully supports the comments filed by EAP on this matter. Peoples offers the following comments in addition to those filed by EAP in this proceeding.

II. COMMENTS

A. Section 58.4 LIURP Budgets.

Peoples appreciates the Commission's proposal to allow for unspent LIURP funds to carryover to the following year's LIURP budget in Proposed § 58.4 (d.1). However, Peoples is concerned about being able to fully spend its LIURP budget, even without carryover from a prior year. Similar to other utilities, Peoples has struggled to fully spend its LIURP budgets over the past few years due to impacts from the COVID-19 pandemic. While Peoples has had general improvement in its LIURP spending, it remains difficult for Peoples to spend LIURP budgets with high carryover balances.

EAP's comments suggest that the Commission consider a percent threshold or other limit where monies would not need to be reallocated to future LIURP program years, but instead could be redirected to other USECP offerings or returned to ratepayers. Peoples' supports this suggestion for a percent threshold limit on LIURP carryover funds. As Peoples recovers the costs of its LIURP through a rider applied to non-Customer Assistance Program ("CAP") residential ratepayers, such a limit could then allow excess, unused funds to be credited back through that rider, thereby reducing costs to ratepayers. Additionally, if utilities were required to rollover unused LIURP funds above the prescribed percent threshold, the Commission could allow the utility to roll it over into another program such as the Company's Hardship Fund. Moving unused LIURP funds to the Company's Hardship Fund would benefit households seeking assistance to maintain utility service.

B. Additional Feedback Requested by the NOPR Order

In addition to the questions / issue areas raised by the December 2016 Secretarial Letter, the NOPR Order requested additional feedback on several new topics. In particular, the NOPR Order asks for stakeholder input on:

- The benefits and adverse effects of the proposed amendments, include costs and cost savings, explaining how estimates were calculated.
- Quantifying the specific costs, savings, or both with regard to utility compliance to these proposed amendments (cost impacts to LIURP administration.)
- Quantifying the additional legal, accounting, consulting, reporting, recordkeeping and other work that would be involved in complying with the proposed regulations.

The Company notes that it has not yet evaluated the specific cost impacts/potential savings related to implementation of the proposed amendments to the LIURP Regulations.

The NOPR also asks for feedback on the following questions, A through E:

- Question A - Has LIURP proven to be an effective means to help customers with extremely high arrearage balances (e.g., \$10,000 or more) maintain utility service and pay down this debt?
- Question B - Would offering LIURP to customers with high utility account balances and unusually high monthly average bills result in a decrease in the cost of collection efforts and a decrease in uncollectible write-offs? If so, what eligibility criteria may apply?
- Question C - At what arrearage accumulation point or points should a public utility intervene to assist a customer reduce the household's monthly bill to make the bills more affordable before the customer accumulates a balance

of \$10,000 or greater? What criteria could the public utility use to identify customers who could benefit from LIURP treatment to minimize extremely high balances (e.g., amount of arrearage accumulating, age of housing and ability to provide conservation treatment, amount of average monthly bill compared to ability to pay, history of good faith payments, and the like)? Should the accumulation point be based on household income level or FPIG tier? What should the point or points be?

- Question D - How can coordination with other programs (e.g., Act 129) help customers with high arrearage balances who are income-ineligible for LIURP?
- Question E - What other avenues should be considered, in combination with or separate from LIURP, to help public utility customers maintain service if they have arrearage balances near or exceeding \$10,000? What programs exist or could be recommended to address the existing arrearage for customers income-eligible for CAPs so as not to burden ratepayers with write-offs of accumulated arrearages in the future?

The Company agrees with EAP's responses to Questions A through E and offers some additional feedback on these questions, as follows. Peoples agrees with EAP that LIURP is not and should not be a tool for addressing high balance accounts. Low-income consumers with high usage are best served by participation in the utility's CAP along with services provided by LIURP if their household usage meets or exceeds program thresholds.

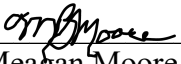
Peoples is concerned about the potential consideration of using ratepayer dollars to weatherize non low-income households with high arrearages under LIURP. Excessive arrearages

over \$10,000 are accumulated over time, typically due to inconsistent payments and non-compliance with agreed upon payment arrangements. Customers who fail to maintain their monthly payment responsibilities should not be rewarded with home improvements funded by other ratepayers, particularly ratepayers that may be Asset Limited, Income Constrained, Employed (ALICE). As defined by the United Way of Pennsylvania, ALICE households often exceed the income requirements to participate in energy assistance programs, such as CAP or LIHEAP, but they do bear the costs of these programs. LIURP plays an important role in reducing household consumption, not only to increase affordability for the consumers who receive direct services, but in reducing the CAP credits borne by ratepayers for high users who participate in CAP.

III. CONCLUSION

Peoples appreciates the opportunity to comment on the issues raised by the referenced LIURP NOPR Order and ask that the Commission consider its comments. Peoples looks forward to continuing to work with the Commission and other stakeholders on these issues. Please direct any questions with regard to these comments to the undersigned.

Respectfully Submitted,



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