

PENNSYLVANIA UTILITY LAW PROJECT

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November 19, 2015

VIA ELECTRONIC FILING (E-FILING)

Secretary Rosemary Chiavetta
Pennsylvania Public Utility Commission
P.O. Box 3265
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**RE: Petition of Philadelphia Gas Works for :
Approval of Demand-Side Management :
Plan for FY 2016-2020, and Philadelphia : P-2014-2459362
Gas Works Universal Service and Energy :
Conservation Plan for 2014-2016, 52 Pa.Code :
§ 62.4 – Request for Waivers :**

Dear Secretary Chiavetta:

Please accept for filing, on behalf of CAUSE-PA, the Main Brief and Certificate of Service in the above referenced proceeding.

Please feel free to contact me directly should you have any questions.

Very truly yours,



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Enclosure

BEFORE THE PENNSYLVANIA PUBLIC UTILITIES COMMISSION

Petition of Philadelphia Gas Works for :
Approval of Demand-Side Management :
Plan for FY 2016-2020, and Philadelphia : P-2014-2459362
Gas Works Universal Service and Energy :
Conservation Plan for 2014-2016, 52 Pa.Code :
§ 62.4 – Request for Waivers :

CERTIFICATE OF SERVICE

I hereby certify that I have this day served copies of the **Main Brief of the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania** upon the parties of record in the above captioned proceeding in accordance with the requirements of 52 Pa. Code § 1.54 in the manner and upon the persons listed below.

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Dated: November 19, 2015

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Philadelphia Gas Works for :
Approval of Demand Side Management Plan for :
FY 2016-2020 :
 :
& :
 : **Docket No. P-2014-2459362**
Philadelphia Gas Works Universal Service :
and Energy Conservation Plan for 2014-2016 :
52 Pa. Code §62.4 – Request for Waivers :
 :

**MAIN BRIEF OF
THE COALITION FOR AFFORDABLE UTILITY SERVICES AND
ENERGY EFFICIENCY IN PENNSYLVANIA (“CAUSE-PA”)**

PENNSYLVANIA UTILITY LAW PROJECT

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November 19, 2015

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I. INTRODUCTION AND STATEMENT OF THE CASE

Before the Pennsylvania Public Utility Commission (“Commission”) are the Petitions of Philadelphia Gas Works (PGW) for Approval of PGW’s Demand-Side Management (DSM) Plan (DSM Plan or Plan) for FY 2016-2020 and its Universal Service and Energy Conservation Plan (USECP) for 2014-2016 52 Pa. Code Sec. 62.4 – Request for Waivers (together, “Petition”).

Unlike other utilities, PGW incorporates its Low-Income Usage Reduction Program (LIURP), known as the CRP Home Comfort Program (formerly ELIRP), into its DSM Plan rather than its USECP. LIURP is an essential element of PGW’s Universal Service and Energy Conservation Programs. PGW is required to maintain to Universal Service and Energy Conservation Programs to assist low-income consumers in maintaining and affording necessary natural gas service.

PGW’s USECP, like all utility USECPs, is subject to its own separate triennial review and approval process by the Commission. The most recent PGW USECP review was approved by Commission Order entered on August 22, 2014, at Docket No. M-2013-2366301 (hereinafter 2014 Final USECP Order).¹ On November 13, 2014, the Commission approved the PGW Compliance filing to the 2014 Final USECP Order. The PGW DSM II Petition now seeks, among other matters, to:

- (1) Dramatically reduce the current level of funding for its LIURP – titled the PGW CRP Home Comfort Program – despite recent approval from the Commission of current funding levels in the 2014 Final USECP Order.
- (2) Waive or exempt PGW from LIURP regulatory requirements set forth at 52 Pa. Code § 58.

¹ PGW Universal Service and Energy Conservation Plan for 2014-2016 Submitted in Compliance with 52 Pa. Code § 62.4, Final Order, Docket M. 2013-2366301 (August 22, 2014) (hereinafter 2014 Final USECP Order).

(3) Add a Low-Income Multifamily program as part of the CRP Home Comfort program.

(4) Establish an On-Bill Repayment Program (OBR).

CAUSE-PA, through its counsel at the Pennsylvania Utility Law Project, fully participated in this proceeding through the submission of pre-filed, written testimony and discovery, and submits this brief in response. CAUSE-PA is an unincorporated association of low-income individuals that advocates on behalf of its members to enable consumers of limited economic means to connect to and maintain affordable water, electric, heating and telecommunication services. CAUSE-PA is committed to the goal of helping low-income families maintain affordable access to utility services and achieve economic independence and family well-being.

CAUSE-PA submits that PGW must continue to provide essential USECP programs at current funding levels, adhere to regulatory requirements, and refrain from experiments which threaten to erode low income economic security and protections. Therefore, for the reasons set forth in this brief, CAUSE-PA:

- (1) Opposes PGW's plan to reduce the current budget for CRP Home Comfort, PGW's mandated Low Income Usage Reduction Program (LIURP).
- (2) Opposes PGW's request for waivers from Sections 58.4(a) and 58.10, requiring public notice and opportunity to the public to provide input on any proposed LIURP funding reduction.
- (3) Opposes PGW's proposal to pursue an unspecified, ambiguous, and conditional On-Bill Repayment Program.

- (4) Supports the development by PGW of a *de facto* heating program which would alleviate significant safety dangers and challenges to affordability for low-income households within PGW Service territory.
- (5) Supports the development of a Restore Service Program for the most vulnerable and endangered low-income households within PGW's service territory.
- (6) Supports the development of a robust, meaningful, and properly funded Low-Income Multifamily Efficiency (LIME) program.

II. PROCEDURAL HISTORY

On December 23, 2014, Philadelphia Gas Works ("PGW") filed the Petition. On January 12, 2015, CAUSE-PA filed a Petition to Intervene and Answer, citing its interest in examining a number of issues raised by the Petition to ensure that the outcome would not cause harm to low income Pennsylvanians. Between January 12, 2015 and January 16, 2015 answers to the Petition or notices to intervene were filed by the Office of Consumer Advocate (OCA), the Bureau of Investigation and Enforcement (I&E), Tenant Union Representative Network And Action Alliance Of Senior Citizens Of Greater Philadelphia (TURN et al,) the Philadelphia Industrial and Commercial Gas Users Group (PICGUG), the Office of Small Business Advocate (OSBA), and Clean Air Council (CAC).

A prehearing conference was held on February 17, 2015 before Administrative Law Judges (ALJs) Marta Guhl and Christopher P. Pell. On February 19, 2015, the ALJs issued Prehearing Order No. 1, which set the litigation schedule in this matter.

On April 10, 2015, PGW filed a Petition to Extend PGW's DSM for an interim period from September 1, 2015 through either August 31, 2016 or upon the effective date of a compliance plan filed in response to a final Commission Order in the instant proceeding. PGW's

Petition to Extend, which maintained and continued PGW's CRP Home Comfort Program at current levels, was granted by the Commission on May 7, 2015.

The parties pre-served testimony according to the litigation schedule set forth in Prehearing Order No. 1.

On May 19, 2015, the ALJs issued Prehearing Order No. 2, which modified the Hearing schedule set out in the February 19, 2015 Prehearing Order No.1.

On August 11, 2015, in response to a request by the parties for further modification of the hearing schedule, the ALJs issued Prehearing Order No. 3 which rescheduled the evidentiary hearing dates to October 27-30, 2015.

The parties engaged in discovery and settlement discussions but were unable to reach a compromise on any of the issues raised by this proceeding. An evidentiary hearing was held by telephone on October 28, 2015. During the evidentiary hearing, all parties agreed to waive cross examination of all other party witnesses and stipulated to and moved for the admission of various pre-served testimony and exhibits. All parties' pre-served testimony and the specified hearing exhibits were admitted into the record.

CAUSE-PA submits this Main Brief in accordance with the ALJs' Briefing Order entered November 3, 2015.

III. LEGAL STANDARDS

PGW has the burden of proof in this proceeding to establish that it is entitled to the relief it seeks,² and must establish its case by a preponderance of the evidence.³ To meet its burden of

² 66 Pa. C.S. § 332(a).

³ Samuel J. Lansberry, Inc. v. Pa. PUC., 578 A.2d 600 (Pa. Commw. Ct. 1990).

proof, PGW must present evidence more convincing than the evidence presented by any opposing party.⁴ If a preponderance of evidence is submitted, the burden going forward with evidence shifts to opposing parties to produce credible evidence of at least co equal weight.⁵ The Pennsylvania Supreme Court has clearly stated that the party with the burden of proof has a formidable task before its position can be adopted by the Commission. Even where a party has established a prima facie case, the litigant must establish that “the elements of that cause of action are proven with substantial evidence which enables the party asserting the cause of action to prevail, precluding all reasonable inferences to the contrary.”⁶

IV. CONTINUATION OF DSM PLAN

CAUSE-PA submits that Commission approval of the PGW DSM Plan is contingent upon the Commission requiring, at a minimum, the current funding level of CRP Home Comfort and rejecting PGW’s proposal to eviscerate its LIURP by a dramatic reduction in the DSM CRP Home Comfort budget. The funding reduction to LIURP that PGW proposes undermines the Commission’s recent triennial review and approval of PGW’s USECP. The Commission has a statutory obligation to ensure that Universal Service programs are appropriately designed and adequately funded to meet the needs of the economically vulnerable low-income households within PGW’s service territory.⁷

CAUSE-PA further submits that the modifications proposed by its witness Mitchell Miller should be adopted. As Mr. Miller explained, PGW should adopt and incorporate a *De Facto* Heating program, a Restore Service Program, and a robust Low-Income Multifamily

⁴ Se-Ling Hosiery v. Margulies, 70 A.2d 854 (Pa. 1950).

⁵ Id.

⁶ Burleson v. Pa. P.U.C., 461 A.2d 1234, 1236 (Pa. 1983).

⁷ 66 Pa. C.S. § 2203(8); 52 Pa. Code §§ 62.1, 62.3.

Efficiency (LIME) into its DSM II programming. Incorporating these programs will allow PGW to properly leverage programming and target spending to meet the greatest needs. CAUSE-PA urges the Commission to adopt these recommended programs for the reasons as set forth within Mr. Miller's testimony and this brief.

PGW fulfills its LIURP Universal Services requirement through the CRP Home Comfort program and, as such, PGW must continue to fund CRP Home Comfort at levels necessary to meet the needs of the low-income households within PGW service territory. PGW has asserted, and CAUSE-PA concurs, that its CRP Home Comfort is a successful program, has been substantially improving, and should continue. However, PGW simultaneously and without justification requests the Commission's permission to dramatically slash the CRP Home Comfort budget. PGW has not and cannot justify a LIURP funding reduction based on program inefficiency or reduced need within its service territory, the key factors required in the Commission's regulations to support a LIURP budget change.⁸

CAUSE-PA therefore supports the continuation of PGW's DSM only if the Commission (1) approves the plan without reducing the CRP Home Comfort budget and (2) requires PGW to incorporate modifications to the plan proposed by Mr. Miller to ensure that the needs of low income customers are adequately addressed.

⁸ 52 Pa. Code § 58.4(c) (*Guidelines for revising program funding*). Throughout the course of the litigation, PGW impliedly admits that it sees CRP home comfort merely as a bargaining chip. Specifically, it indicates that *if* its conservation adjustment mechanism is adopted then, and only then, can its full CRP Home Comfort funding be warranted. (PGW St. 4 23:7-9; PGW St. 1-RJ 2:11-12). For the reasons stated more fully throughout this brief this quid pro quo is inappropriate because it ignores PGW's regulatory burdens to fund a LIURP based on documented need.

V. PROPOSED NON-LIURP PROGRAMS

A. Summary of Briefing Party's Position

CAUSE-PA opposes PGW's contingent and undeveloped proposal to create a non-specific, vaguely described mechanism for On-Bill Repayment directed to a sector of PGW's vulnerable residential customers. CAUSE-PA takes no position on the other non-LIURP programs that have been proposed by PGW and the parties in this proceeding.

B. Proposed Non-LIURP Programs

CAUSE-PA takes no position on the non-LIURP Programs, including the Residential Equipment Rebates, Efficient Construction Grants, Efficient Building Grants, Commercial Equipment Rebates, or Home Rebates programs.

C. Proposed New Pilot Program – Efficient-Fuel Switching

CAUSE-PA takes no position on the proposed Efficient-Fuel Switching Pilot.

D. PGW On-Bill Repayment Program Proposal

CAUSE-PA strongly opposes PGW's proposed On Bill Repayment (OBR) for PGW's residential customers. PGW has suggested that, *if its CAM is approved*, the utility would develop "a working group of stakeholders and industry experts to research and propose an OBR mechanism that would offer PGW customers a simple and accessible financing option for Energy Sense projects." (PGW St. 2 at 7). According to PGW, the utility would then implement a final OBR model developed through the discussions of the working group *if* "all critical PGW criteria are met." (PGW St. 2 at 7:3-9). Significantly, PGW does not define which criteria it considers to be critical and under what circumstances it would utilize its "veto" to not pursue the OBR proposed by the work group.

The Commission should not grant allow PGW to put residential customers at risk through pursuit of an unproven, unjustified endeavor. CAUSE-PA is particularly concerned with the risk such an endeavor would place on economically vulnerable households if such a path were pursued, including the potential for termination, loss of access to universal services, or inability to restore service due to nonpayment of nonessential charges. The Commission should reject this PGW proposal, as it creates greater risks than benefits and lacks specificity. CAUSE-PA further urges rejection of this proposal because it is contingent upon CAM approval, and does not define the “critical criteria” PGW would use in its decision making.

OCA witness Colton and CAUSE-PA witness Mitchell Miller each opposed the PGW OBR proposal. Responding to PGW witness Gold’s testimony, Mr. Miller noted that the possibility of PGW pursuing OBR “is predicated on a number of hypothetical ‘ifs’ with unknown parameters.” (CAUSE-PA St. 1 at 21: 15-27). He went on to explain:

Mr. Gold states that the possibility of the company going forward with an OBR is predicated only “If the CAM is approved”, and only “so long as all critical PGW criteria are met.” (PGW St. 2 at 7:3-9). There is no revelation regarding what PGW would propose if the CAM were denied or permitted at a lesser level than proposed. More importantly, there is no revelation regarding what are the critical criteria that PGW would require in order to implement a final model proposed by a working group. (CAUSE-PA St. 1 at 21: 15-27).

Specifically, Mr. Miller testified that “OBR presents potentially significant and troublesome issues that cause concern as to whether a lending scheme tied to essential utility service bills should be pursued for [low and moderate income households]”. (CAUSE-PA St. 1 Sur. at 6-7).

Mr. Miller questioned the underlying assurance that bill neutrality could be maintained, and set forth the significant questions an OBR program would present, including:

- Would PGW be permitted to terminate service if its utility bills were paid but the financing charges were not paid?
- How and under what circumstances would consumers negotiate a payment plan when they have fallen behind on both their utility and loan payments?

- How are partial utility payments applied?
- Would LIHEAP funds be permitted to be used to pay energy efficiency loan charges?
- What are the rules regarding resumption of service after a disconnection for non-payment and what happens to the efficiency loan arrearage? and
- Does the obligation follow the customer or the meter?

(CAUSE-PA St. 1 at 21: 3-9). Mr. Miller concluded, “[s]imply put, there are too many unknowns to something like on-bill financing or on-bill repayment for the Commission to cede its oversight of this complex issue and permit PGW to chair and guide the discussions.” (CAUSE-PA St. 1 at 21: 12-14).

OCA witness Colton testified that OBR is not appropriate for residential ratepayers.

(OCA St. No. 2 at 64-67). Colton, like Miller, questioned the underlying assumption of bill neutrality within an OBR. He stated:

On-bill repayment assumes the ability of the residential customer to use the bill reduction generated by the efficiency investment to pay the bill increase associated with the financed amount. The problem with this is that it is impossible to ensure that bills will be reduced to the extent necessary to more than offset the increased OBR payment.

(OCA St. No. 2 at 64:18-22). Colton provided specific illustration of the economic difficulties inherent in a PGW OBR (OCA St. No 2 at 65:1-6:6-2) and appropriately stated that “[b]ill neutrality is at odds with achieving the deep retrofits that PGW has articulated as one of its objectives with its residential DSM programs. Deep retrofits generate greater savings. They do not, however, generate sufficient savings upon which to base a finding of bill neutrality.” (OCA St. No 2 at 66:6-9).

Colton concluded, “PGW has failed to make any demonstration that residential OBR is consistent with, let alone needed to enhance, its residential DSM offerings.” (OCA St. No. 2 at 70:10-11).

CAUSE-PA therefore opposes the PGW OBR proposal and requests that the Commission reject this contingently proposed experiment because it lacks clarity and could create great risks and added costs for consumers that far outweigh any potential benefits.

E. OCA Confirmed Low-Income Outreach Proposal

CAUSE-PA takes no position on whether to approve OCA's proposal for targeted marketing of non-LIURP programming to confirmed low income populations. We note for the Commission, however, that if adopted, this type of outreach should not usurp or undermine Universal Service program outreach. Confirmed low income populations should – first and foremost – be encouraged to enroll in CRP as doing so would enable the customer to also enroll in CRP Home Comfort. Together, these programs are designed to meet the unique needs of low income customers, and should be utilized to the fullest extent possible before directing economically vulnerable customers to other residential DSM programming.

VI. DSM COST RECOVERY MECHANISMS

CAUSE-PA takes no position on PGW's mechanisms for recovering DSM costs through a Universal Service Charge and Efficiency Cost Recovery Surcharge.

VII. PGW PROPOSED TWO NEW COST RECOVERY ELEMENTS FOR ECRS

A. Summary of Briefing Party's Position

CAUSE-PA opposes PGW's request for a conservation adjustment mechanism (CAM) and performance incentives and concurs with OCA, I&E, and OSBA witnesses who oppose the CAM. CAUSE-PA suggests these issues are more appropriate for a base rate case proceeding and requests that the Commission reject PGW's request at this time.

B. Conservation Adjustment Mechanism (CAM)

PGW's proposed CAM should be rejected as impermissible single-issue ratemaking.

PGW has proposed a CAM in order to "recover its lost margins resulting to sales reductions due to all its energy-efficiency programs." (PGW St. 4 at 21). But costs for PGW's low-income universal service programs, including LIURP, are already recovered through a surcharge to PGW customers.⁹ Approving PGW's CAM would, thus, result in overlapping revenue streams. This is precisely the issue that the prohibition on "single issue ratemaking" is intended to prevent.

OCA witness Geoffrey Crandall testified that the CAM is in effect a single-issue rate case. (OCA St. 2 at 13-15). Mr. Crandall testified that "in a single-issue rate case, rates are adjusted only for one factor, and can lead to collecting excess revenues and to reduced scrutiny." (OCA St. 2 at 14). I&E witness Rachel Maurer testified that a base rate proceeding is the proper place to address PGW's alleged revenue reduction. (I&E St. No. 1 at 4). Similarly, OSBA witness Robert D. Knecht testified that he opposed PGW's CAM in this proceeding because, among other reasons, it is single issue ratemaking. (OSBA St. No. 1 at 9). Mr. Knecht testified that "PGW proposes to adopt a rate adjustment mechanism outside of a base rates proceeding, that will adjust rates based only on one single ratemaking factor, namely calculated load losses from conservation. Such a mechanism fails to reflect all of the other factors that go into determining base rates." (OSBA St. No. 1 at 9).

⁹ PGW USECP 2014-2016 Final Order at n.14, p. 57.

In Pennsylvania, single-issue ratemaking is generally prohibited if it impacts a matter that is normally considered in a base rate case.¹⁰ CAUSE-PA agrees with OCA, I&E, and OSBA witnesses that PGW's CAM proposal is most appropriately addressed in a base rate case, when a utility's revenues and expenses are thoroughly examined as a whole. Accordingly, CAUSE-PA requests that the Commission deny PGW's request for a conservation adjustment mechanism.

C. Performance Incentives

PGW should not be granted performance incentives for successfully operating its DSM. CAUSE-PA agrees with the testimony of I&E witness Maurer and OCA witness Colton. Ms. Maurer testified that utility customers are limited in the income they have available and that PGW has failed to specifically demonstrate what benefits customers would receive from paying a performance incentive. (I&E St. No. 1 at 7-8). OCA witness Colton testified that the performance incentive is particularly inapplicable to PGW's LIURP because LIURP is mandatory and PGW should not be permitted "to collect an "incentive" to undertake a task that it would have a mandatory obligation to undertake even in the absence of the "incentive." (OCA St. No. 2 at 20-21). CAUSE-PA submits that the testimony of witnesses Maurer and Colton regarding the proposed performance incentives is persuasive. The Commission should reject this PGW proposal.

¹⁰ See Popowsky v. PUC, 13 A.3d 583 (Pa. Commw. Ct. 2011), citing Pa. Industrial Energy Coalition v. Pa. PUC, 653 A.2d 1336 (Pa. Commw. Ct. 1995).

VIII. DSM II BUDGET

A. Summary of Briefing Party's Position

CAUSE-PA strongly opposes PGW's proposal to dramatically slash funding to CRP Home Comfort, its required LIURP. Maintaining LIURP/CRP Home Comfort (herein LIURP) funding at or above current budget levels is critical and essential to the approval of PGW's DSM II budget. CRP Home Comfort funding cannot be isolated from a review and final determination regarding the DSM II budget. Absent full and complete funding of CRP-Home Comfort, the DSM II budget should not be approved.

B. Proposed Budgets (Non-LIURP Programs)

CAUSE-PA takes no position on PGW's proposed budgets for its non-LIURP DSM programs.

C. PGW Proposed Budget for CRP Home Comfort Program (LIURP)

PGW proposes to gut its LIURP without any analysis on the impact it would have on its low-income CRP customers or any assessment of the needs within its service territory. CAUSE-PA submits that the budget for PGW's LIURP must remain at or above the current funding levels for LIURP activities and any Commission approval of PGW's DSM Plan must be contingent upon the Commission ordering PGW, at a minimum, to continue the current funding level of CRP Home Comfort. The Commission must reject PGW's proposal to reduce funding to CRP Home Comfort by its proposed 75%.

Reducing the LIURP budget in this proceeding would undermine the Commission's recent triennial review and approval of PGW's USECP and, thus, the Commission's statutory obligation to ensure that Universal Service programs are appropriately designed and adequately

funded to meet the needs of the economically vulnerable low-income households within PGW's service territory.¹¹

In this proceeding, PGW proposes a LIURP budget (nominal dollars) of only \$2.0 million in 2016; \$2.075 million in 2017; \$2.0 million in 2018; \$2.080 in 2019; and \$2.0 million in 2020. (Exh. TML-4, Table 50.) However, in PGW's most recent Universal Service and Energy Conservation 2014 – 2016 Plan proceeding, Docket M-2013-2366301, the Commission approved PGW's proposed LIURP budget of \$7,600,000 in 2014; \$7,600,000 in 2015; and \$7,600,000 in 2016.¹² The 5-Year PGW proposed DSM Plan would, if approved, **result in an approximately 75% reduction in LIURP funding**. Most significantly, PGW's LIURP budget proposal within the PGW USECP - reviewed and approved by the Commission in August 2014 - are comparable to PGW's actual LIURP expenditures within its DSM. According to PGW's recent annual DSM reports, the Company spent \$7.898 million on LIURP in 2014 and \$7.538 million in 2013. (OCA ST-2, at 6:21-22).

There is a significant and continuing need for low income usage reduction services among PGW's customers. PGW has shown no reduction in that need.. In fact, as OCA witness Colton noted, PGW's annual DSM reports indicate that PGW spends at or near 100% of its LIURP budget every year and in 2014, the Company spent 104% of its total budget (\$7.898 million spending vs. \$7.600 million budget). (OCA ST-2, at 7:1-6).

The success of PGW's LIURP programs and the significant savings that it has brought- and will bring- to PGW customers has been recognized by the Commission and PGW. As CAUSE-PA witness Miller testified:

¹¹ 66 Pa. C.S. § 2203(8); 52 Pa. Code §§ 62.1, 62.3.

¹² PGW USECP 2014-2016 Order at 69.

Rather than demonstrating reduced need, lack of benefit, or failure of the program to be cost-effective in order to justify a reduction in budget, PGW acknowledges and touts the effectiveness of its Phase I DSM program:

Not only did program participants benefit from cost effective energy savings, an additional direct impact was realized by all firm customers funding the Customer Responsibility Program (CRP) due to the low-income weatherization programming of ELIRP. Through the end of FY 2014, ELIRP funded \$26 million (PV 2014\$) in weatherization activity. Total Phase I programming is forecasted to result in a net reduction in the CRP subsidy of \$7.2 million over the life of the measures. (PGW ST I, 3:4-10 emphasis added.)

Furthermore, TURN discovery response I-1(a) reveals that PGW projects that the DSM I programs directed at CRP customers will reduce the CRP subsidy by more than \$54 million (PV 2014\$) over the lifetime of the measures. Attached as Appendix B.

(CAUSE-PA ST-1 at 9:15-29.)

However, these benefits will be substantially curtailed if the drastically reduced PGW proposed DSM LIURP budget is approved. As OCA's witness Colton concluded: "[T]he proposed 75% reduction in LIURP would result in a substantial curtailment of usage reduction by CRP participants." (OCA ST-2 at 12:7-13.)

PGW acknowledges the significant unmet need for usage reduction among the low-income households within its service territory. In its most recent USECP, PGW told the Commission that as of March 31, 2013, there were 71,151 customers enrolled in CRP. Assuming that all CRP customers are potentially eligible for [LIURP], the estimated number who still need treatment as of March 31, 2013 is 71,625, which is the difference between the number of customers currently enrolled in CRP and the number who received treatment in the prior two years. (OCA ST-2 at 7:11-15)¹³.

Instead of proposing a DSM LIURP budget intended to meet the need in its service territory, PGW attempts to justify its budget as meeting the LIURP regulatory requirements of

¹³ PGW's USECP filing reported that there were in fact 76,151 customers enrolled in CRP, not 71,151. See 2014 Final USECP Order at 6.

.02% of jurisdictional revenue. This is an incorrect standard. The Commission, in its review of the UGI Gas LIURP budget recently rejected a similar assertion by UGI Gas and noted that the 0.2% of “jurisdictional revenues” is a starting point or floor for LIURP budgets, rather than a ceiling.¹⁴

PGW next tries to support its 75% budget reduction by looking to the budgets of gas utilities serving other territories (excluding Columbia Gas). (PGW St. 1-RJ). This is wholly inappropriate. Universal Service program component budgets are driven by the need within each service territory and the funding necessary to meet those needs. PGW serves a specific and unique service territory with significantly intractable poverty.¹⁵ LIURP budgets are based on the needs of each specific service territory and the history and current level of service provided within each territory program. PGW’s present annual LIURP expenditure of approximately \$7.6 million has not saturated the current and potential need of the low-income households within its service territory, yet PGW tries to justify its proposed reduction in USECP funding levels by approximately 75% on the general level of expenditures in other unrelated territories. By this logic, a family in one community needs to spend only as much, and no more, on transportation, housing, and food as a family in a less expensive, geographically distant community. PGW must contend with the reality of its population, and the Philadelphia reality is that PGW’s current annual LIURP budget of approximately \$7.6 million permits it to serve only 2,108 of its

¹⁴ Final Order, UGI Utilities, Inc.- Gas Division, UGI Utilities, Inc.-Electric Division, UGI Penn Natural Gas, Inc., and UGI Central Penn Gas, Inc., Universal Service and Energy Conservation Plan for 2014-2017 Submitted in Compliance with 52 Pa. Code § 54.74 and § 62.4., Docket No. M-2013-2371824, at 69-70.

¹⁵ According to recent press reports, Philadelphia also has the highest rate of deep poverty - people with incomes below half of the poverty line - of any of the nation's 10 most populous cities. Philadelphia's deep-poverty rate is 12.2 percent, or nearly 185,000 people, including about 60,000 children. That's almost twice the U.S. deep-poverty rate of 6.3 percent. See Philadelphia Rates Highest Among Top 10 Cities for Deep Poverty, Phila. Inquirer, (September 26, 2014), available at http://articles.philly.com/2014-09-26/news/54322611_1_deep-poverty-poverty-line-south-philadelphia.

approximately 70,000 CRP customers per year. (OCA Stmt. No. 2 at 8).¹⁶ Through 2014, PGW's DSM has provided direct weatherization to approximately 7,500 low-income customers' homes. (PGW St. 1 at 2). PGW's proposal reduces its LIURP funding from approximately \$29 Million in DSM Phase I to just under \$16 million for FY 2016-2020. (PGW St. 1-RJ at 1). If the Commission approves this reduction, significantly fewer low income households will receive treatment under PGW's LIURP. LIURP curtailment, in turn, will result in reduced energy savings and will impact the reductions in the size of the CRP subsidy provided by non-CRP customers.

PGW's LIURP expenditures during Phase I of its DSM are projected to reduce the size of PGW's CRP subsidy by more than \$54 Million (PV in 2014\$) over the lifetime of the measures. (Hearing Exh. No. 1 at 1). PGW has described its reduction in the CRP subsidy as a direct impact realized by all firm customers who fund the CRP. (CAUSE-PA St. 1 at 9). Continued reductions in the cost of the CRP subsidy through targeted usage reduction programming is an important public policy benefit. These reductions comport with the goals of a successful low-income conservation and efficiency program: to reduce low-income energy usage in a safe, effective, and efficient manner. For all of the foregoing reasons, the Commission should not permit PGW to reduce its LIURP budget, and should require the budget to remain at or above its \$7.6 million per year as is currently approved through PGW's approved USECP.

IX. CRP HOME COMFORT PROGRAM (LIURP)

CAUSE-PA supports the establishment of a Low-Income Multifamily (LIME) program with a budget that does not replace or diminish PGW's LIURP funding.

¹⁶ See also 2014 Final USECP Order at 47.

CAUSE-PA opposes PGW's request for waivers from key Chapter 58 regulations, which provide for notice and public input regarding proposed LIURP funding reductions and which specify how prioritization for receipt of LIURP services is to occur.

CAUSE-PA supports expanding LIURP program eligibility to include vulnerable *de facto* heating customers and former CRP customers.

CAUSE-PA supports expanding LIURP program eligibility by establishing a Restore Now program to include former CRP customers currently without natural gas service.

A. Continuation of CRP Home Comfort as PFW's LIURP within DSM II Portfolio

CAUSE-PA takes no position on whether PGW's LIURP should remain in its DSM II Portfolio. That said, as explained at various points throughout this brief, CAUSE-PA objects to any attempt by PGW to circumvent its responsibility to comply with LIURP requirements merely because the program appears in PGW's DSM II Portfolio as opposed to its USECP. No matter where the issue is considered, PGW's LIURP must remain funded at a level adequate to meet the needs within its service territory and must be established based not on whim, but rather on a legitimate and periodic needs assessment.

B. CRP Home Comfort Program Eligibility Criteria

CAUSE-PA supports expansion of the CRP Home Comfort program to include *de facto* heating customers and former CRP customers. As explained more thoroughly below in section IX.D (*De Facto* Heating Proposal) and IX.E (Restore Service Program), *de facto* and former CRP customers are currently ineligible for PGW's LIURP, despite strong evidence that these programs are capable of producing deep savings for low income customers and residential

ratepayers alike (CAUSE-PA St. 1, at 15), and could resolve significant public health and safety issues which persist in vulnerable, low-income communities. (CAUSE-PA St. 1, at 19).

C. PGW Proposed New Low-Income Multifamily (LIME) Program

Subject to the recommendations for improvement made by Mitchell Miller in his direct testimony, CAUSE-PA is in accord with PGW's proposal, made in compliance with the 2014 Final USECP Order, to initiate a pilot program to serve low-income multifamily properties.

PGW's proposed LIME will provide energy usage assessments and direct install energy efficiency measures to owners of low-income multifamily properties. (PGW St. 2 at 7).

However, as Mr. Mitchell testified:

[A]lthough PGW describes the program as including "comprehensive", and "direct install" cost effective measures, PGW then indicates that it expects the majority of installations will include low cost measures such as low-flow faucet aerators, low-flow shower heads, programmable thermostats, hot water heater turndowns and pipe wrap. (PGW ST 2 at 8:18-30.)

(CAUSE-PA ST 1 at 18:6-9). While CAUSE-PA supports LIME, Mr. Miller recommends that PGW extend the program's reach by providing a greater level of comprehensive measures.

(CAUSE-PA ST 1 at 18:10-11).

CAUSE-PA strongly supports the development of an independent LIME budget, which would add value to the DSM without reducing the available funding and effectiveness of current DSM program components like CRP Home Comfort. In Section VIII. C., CAUSE-PA discussed in detail the need and responsibility for PGW to maintain LIURP funding and services, at a minimum, at current levels. That discussion will not be repeated again here, but it is incorporated herein. Significantly, the importance of maintaining required LIURP program funding and service at current levels also means that the development and implementation of new initiatives such as LIME will negatively impact the reach of current budgets and services. These new

initiatives should enhance existing programmatic efforts. As Mr. Miller testified, the budget allocations to LIME should be developed as a supplement and an addition to the currently existing LIURP/CRP Home Comfort budget. PGW should not replace or dilute currently existing funding addressing low-income residential energy efficiency as part of LIURP. In directing the creation of a multifamily component, the Commission indicated that multifamily programs should be new initiatives, and did not suggest that the new program be developed at the expense or dilution of currently existing LIURP energy efficiency programs. (CAUSE-PA ST 1, 18:12-18).

D. Chapter 58 Waiver Requests

CAUSE- PA opposes PGW’s request for a waiver of Section 58.4(a) and Section 58.10 of the LIURP Regulations, and will address each in turn.

Section 58.4(a)

First, CAUSE-PA opposes PGW’s request for waiver of Section 58.4(a), as PGW has not set forth any “special circumstances” which would warrant waiver of the critical protections contained in the regulation, which are particularly important in light of PGW’s proposal to gut approximately 75% of its LIURP budget.

Section 58.4(a) requires, in relevant part:

Covered gas utilities shall submit annual program budgets to the Commission. A covered gas utility **will continue to fund its usage reduction program at this level until the Commission acts upon a petition from the utility for a different funding level, or until the Commission reviews the need for program services and revises the funding level through a Commission order that addresses the recovery of program costs in utility rates. Proposed funding revisions that would involve a reduction in [LIURP] program funding shall include public notice found acceptable by the Commission’s Bureau of Consumer Services, and the opportunity for public input from affected persons or entities.**¹⁷

¹⁷ 52 Pa. Code § 58.4(a).

Chapter 58 clearly sets forth the standard for regulatory waiver or exemption: “A covered utility alleging special circumstances may petition the Commission to exempt its required usage reduction program from this chapter.”¹⁸ PGW has alleged no “special circumstances” warranting waiver of section 58.4 and, thus, failed to provide the necessary basis for the Commission to grant such a waiver.

In arguing for a waiver, PGW witness Adamucci asserts that the regulatory requirement does not apply to *its* LIURP, and then notes that PGW is willing to work with BCS regarding appropriate public notice and public input processes. (PGW St. 1 at 8). The rationale which PGW puts forward in support of this position appears to be that the DSM is a voluntary program and, therefore, its LIURP funding level - even if reduced - is somehow not subject to the regulation as long as it continues to exceed the minimum required .02% jurisdictional revenue level. PGW further claims that there is no proposed reduction in LIURP funding because there is currently no approved full Fiscal Year LIURP budget for 2016-2020 (PGW St. 1-R at 25); that PGW’s willingness to work with BCS is all that is required; and that the regulations are obsolete. This argument has no merit and these rationales for a waiver of Section 58.4(a) are insubstantial, unpersuasive, based upon convoluted and circular reasoning, and should be rejected. (CAUSE-PA St. 1 at 13).

First, PGW’s claim that the regulation does not apply to its program is legally unsound. While PGW’s DSM may be voluntary, LIURP is not. PGW’s insistence on including LIURP in its DSM Plan does not make its LIURP program voluntary or exempt from LIURP’s regulations. The LIURP regulations clearly set forth the requirements for a utility which submits a proposed funding reduction of an existing LIURP. Again, the regulation provides that gas utilities “shall

¹⁸ 52 Pa. Code § 58.18.

submit annual program budgets to the Commission” and must “continue to fund its usage reduction program **at this level** until the Commission acts upon a petition from the utility for a different funding level.”¹⁹ The regulation then goes on to provide that any proposal to reduce the existing LIURP budget “**shall**” be subject to public notice and input. As previously discussed, PGW’s DSM I CRP LIURP has a current and continuing funding level; PGW proposed continuing funding at similar levels to the Commission in its currently approved USECP; and PGW is now attempting to dramatically reduce these funding levels by approximately 75%. Indeed, it is absurd to assert that Section 58.4(a) does not apply to PGW’s DSM II proposal to reduce the LIURP budget simply because a future LIURP budget has yet to be approved.

Furthermore, PGW’s waiver request sidesteps important due process, which is clearly spelled out clearly in the regulations. Meaningful public notice and an opportunity for input provides the public with a chance to weigh in *before* funding is reduced. PGW claims that providing such notice now is inappropriate because there is no LIURP budget for 2016-2020. This circular argument undermines the intent and purpose of the regulation to provide due process. Indeed, the public notice and input process must take place prior to Commission determination since meaningful consideration of the public commentary is potentially consequential to the determination of the outcome.

In addition, Ms. Adamucci’s assertion that the LIURP regulations are obsolete is unsupported by record evidence. Ms. Adamucci made the following assertion in testimony:

PGW has sought waivers of various sections of Chapter 58 mainly due to the inherent conflict of trying to apply the Commission’s dated regulations to a program that has been designed to be consistent with current accepted standards for energy efficiency programs. (PGW St. 1-SR at 4).

¹⁹ 52 Pa. Code § 58.4(a).

But Ms. Adamucci put forward no justification or reason to explain how or why evolution of energy efficiency industry standards affects a requirement to provide public notice and an opportunity for public input on a *proposed funding reduction*.

CAUSE-PA respectfully asserts that the factual and legal situation in this proceeding requires the conclusion that the requirements contained within 58.4(a) are particularly necessary in this proceeding. PGW proposes a dramatic reduction in LIURP funding that if approved would eviscerate its current LIURP program. This is a monumental change in program services that certainly calls for the need for public notice and opportunity for input. There is absolutely no showing that evolving standards of efficiency have rendered the need for public notice and opportunity for public comment “obsolete.”

Given PGW’s stated willingness to work with BCS concerning public notice and input, a waiver to do what PGW already plans to do is unnecessary, and certainly evidences that there are no “special circumstances” which would warrant an exemption. CAUSE-PA therefore respectfully submits that the Commission should deny PGW’s request for a waiver of Section 58.4(a).

Section 58.10

Section 58.10 relates to a utility’s prioritization of eligible LIURP customers for receipt of LIURP services. The regulation states, in relevant part:

[Priority] for receipt of services shall be determined as follows: . . . Among customers with the same standing with respect to paragraph (1), those with the greatest arrearages shall receive services first . . . Among the customers with the same standing with respect to paragraph (2), those with incomes which place them farthest below the maximum eligibility level shall receive services first.²⁰

²⁰ 52 Pa Code Sec. 58.10(a)(2)-(3).

PGW seeks a waiver from Section 58.10 based upon the fact that PGW's CRP is a Customer Assistance Program Percent of Income Program (PIP). PGW asserts that CRP customers are therefore not financially impacted by conservation measures. (PGW St. 1 at 10). Without specific underlying data, PGW states that changes to its current LIURP eligibility and prioritization strategies, like those required by Section 58.10, could have negative impacts in drawing focus away from total gas savings and total cost-effectiveness. (PGW St. 1-R). However, the company provides no support for its hypothesis that prioritization as required by the regulations, among customers who have already been identified for receipt of services, would lead to negative impacts. OCA provides testimony that it is appropriate to use arrearages and income deficits to prioritize investments among equally eligible customers. (OCA St. No. 2 at 53). CAUSE-PA agrees.

The Commission has already noted:

[T]he LIURP regulations clearly establish a priority for selecting customers to receive weatherization services under the program. Although the PGW ELIRP program is operating within the DSM portfolio of programs, the selection method for customers should not change from what it would be if ELIRP were part of PGW's USECP.²¹

For the reasons specified herein, CAUSE-PA therefore respectfully submits that the Commission deny PGW's request for a waiver of Section 58.10.

E. De Facto Electric Heating Proposal

CAUSE-PA strongly submits that PGW undertake an investigation and explore a pilot with PECO to identify ways to remediate *de facto* heating in PGW's service territory. A *de facto* heating program appropriately aligns with the intent and purpose of LIURP and addresses a

²¹ 2014 Final USECP Order at 55.

significant unmet need of PGW's most vulnerable customers. In addition, there is a limited opportunity for PGW to explore the possibility of meaningful collaboration with PECO to address and remediate *de facto* heating in Philadelphia. The Commission should order PGW to adopt CAUSE-PA's proposal to investigate the possibilities for remediation of *de facto* heating and to provide a report and action recommendation to the parties and stakeholders. Part of that investigation should include a review of the opportunities available for PGW to partner with PECO to address *de facto* heating and ways to remediate it.

CAUSE-PA has proposed that PGW take a more active role in addressing *de facto* heating. (CAUSE-PA St. No 1 at 5). *De facto* heating occurs when a low-income customer relies on non-gas heating as a primary source of heating even though the residence is configured to be heated primarily with gas service.²² Mr. Miller recommends that PGW investigate the possibilities for remediation of *de facto* heating and then provide a report and recommendations for action to the parties and stakeholders. (CAUSE-PA St. No. 1 at 20). Mr. Miller testified that there are positive opportunities and benefits available to PGW through collaboration with PECO. (CAUSE-PA St. No. 1 at 19:15-16). Specifically, Mr. Miller testified that PECO's recently approved CAP rate design settlement includes an increase in PECO's LIURP budget by \$700,000 per year for a three year period for the purpose of implementing measures for a *de facto* target group. (CAUSE-PA St. No. 1 at 19:12-15). Mr. Miller testified that these increased resources provide an opportunity for PGW to pursue a partnership with PECO to address *de facto* heating and explore ways to remediate it. (CAUSE-PA St. No. 1 at 20).

²² PGW's unwillingness to explore *de facto* remediation is confounding, given PGW's concern with loss of distribution revenues posed by DSM activities that reduce demand. Addressing *de facto* heating circumstances through DSM represents an opportunity to increase distribution revenues while improving the use of safe and efficient home heating fuel.

PGW testified that Mr. Miller's proposal would be an unwarranted expansion of PGW's DSM program. (PGW St. 2-R at 2). PGW's witness Elliott Gold testified that the *de facto* proposal does not adequately address the added costs of the arrears of the customers served and is more focused on a concern for PECO and its ratepayers. (PGW St. 2-R at 2). He further opined that this proceeding is an inappropriate place to address these public policy concerns and that it may not be cost effective to provide treatment to the customers identified by such a program. (PGW St. 2-R at 3). PGW acknowledged that it would need to learn more about the *de facto* heating customer base in order to identify impediments to a more targeted approach to serving these customers through DSM. (Hearing Exh. No. 1 at 9).

PGW's CRP Home Comfort program fulfills PGW's regulatory obligation to provide a Low Income Usage Reduction Program (LIURP) and is subject to LIURP requirements.

LIURP's purpose is set forth at 52 Pa Code § 58.1:

This chapter requires covered utilities to establish fair, effective and efficient energy usage reduction programs for their low income customers. **The programs are intended to assist low income customers conserve energy and reduce residential energy bills. The reduction in energy bills should decrease the incidence and risk of customer payment delinquencies and the attendant utility costs associated with uncollectible accounts expense, collection costs and arrearage carrying costs.** The programs are also intended to reduce the residential demand for electricity and gas and the peak demand for electricity so as to reduce costs related to the purchase of fuel or of power and concomitantly reduce demand which could lead to the need to construct new generating capacity. **The programs should also result in improved health, safety and comfort levels for program recipients.**²³

While issues regarding the adequacy of a utility's LIURP are typically raised within a Universal Service and Energy Conservation Plan proceeding, PGW's decision to include its LIURP within its DSM does not preclude the parties from questioning, in this forum, whether there are

²³ 52 Pa Code § 58.1 (emphasis added).

additional or more effective ways for PGW's program to fulfill its regulatory purpose. Contrary to PGW's view, Mr. Miller's proposal does not inappropriately expand the DSM program.

Section 58.1 states that LIURP programs are intended to reduce residential energy bills and the incidence and risk of customer payment delinquencies. And, in section 58.7(d), utilities are expressly "encouraged to propose pilot programs" to achieve such a result.²⁴ The programs are also intended to result in improved health, safety, and comfort levels for program recipients.

These are purposes that would be fulfilled by *de facto* heating program.

Mr. Miller's proposal would allow PGW's LIURP program to fulfill its purpose. A *de facto* heating program could enable low-income PGW customers to decrease the incidence and risk of customer payment delinquencies. While PGW is concerned about the added cost of the arrears of the consumers served by a *de facto* heating program, the utility does not acknowledge that such a program could also result in decreased delinquency and increased payment to PGW. Part of PGW's investigation into a *de facto* program can and should include a review of whether there are customers who are paying *de facto* heating costs reflecting overall higher energy bills that would be reduced if the customer was served by PGW.

Further, PGW has incorrectly concluded that this proceeding is an inappropriate place to address the public policy concerns raised in Mr. Miller's testimony. (PGW St. 2-R at 3). To the contrary, Section 58.1 clearly provides that a utility's LIURP should result in improved health, safety and comfort levels for program recipients. Mr. Miller cited to the potential for a *de facto* program to reduce the high number of PGW service terminations and the high number of households entering into winter and continuing through winter without a safe central heating

²⁴ 52 Pa. Code § 58.4(d).

source of natural gas heat. (CAUSE –PA St. No. 1 at 19). This proposal has the potential to catastrophically impair the health, safety and comfort of entire communities within PGW’s service territory and, of course, PGW’s active customers.²⁵

Mr. Gold testified that the *de facto* proposal is more concerned with PECO and its ratepayers because of large PECO bills that could be mitigated by the proposal. (PGW St. 2-R at 2). This suggestion is false. The *de facto* proposal is primarily concerned with the low-income households who are unable to maintain or reconnect their natural gas services and who are reliant on expensive, inefficient, and potentially unsafe *de facto* heating. (CAUSE-PA St. No. 1 Sur. at 6). The fact that the households to be served by Mr. Miller’s proposal rely upon PECO’s electric service, or the use of potentially unsafe home heating fuels, does not remove them from PGW’s service territory. Nor does their lack of current PGW service preclude the provision of LIURP services. To suggest that these households turn to PECO for all of their needs, since they remain PECO customers after losing PGW service, callously disregards the efficiency concerns of, and health and safety impacts upon, the families who, but for a gas shut off, would still be eligible for LIURP treatment from PGW without modification to include a *de facto* program.

In addition to the actual intent of the proposal (to attain the LIURP efficiency, health and safety objectives set forth at 52 Pa. Code § 58.1), the fact that a program might be beneficial to all of the parties involved is precisely a reason to explore it. Indeed, cross-utility coordination is an explicit requirement of LIURP programming. Section 58.14 of the LIURP regulations

²⁵ See Pa. PUC, Press Release: Prepare for Cold Weather, http://www.puc.state.pa.us/about_puc/press_releases.aspx?ShowPR=3474.

According to the U.S. Fire Administration, more than one-fifth of residential fires are related to the use of supplemental room heaters, including wood- and coal-burning stoves, kerosene heaters, gas space heaters and electric heaters, so before you put logs on the fireplace or plug in the electric heater, take some precautions.

Id.

provides that “Customers of covered gas utilities and covered electric utilities shall have coordinated provision of comprehensive program services.”²⁶ Similarly, section 58.7 provides that “A covered utility shall coordinate program service with existing resources in the community.”²⁷ PECO’s commitment to deploying additional resources to address *de facto* heating presents a fortuitous and time sensitive opportunity for PGW to investigate the potential for collaboration to address this important issue.²⁸ Further, PGW currently coordinates with a number of entities to maximize the reach and effectiveness of its DSM (PGW St. 1 at 3) and has not provided any rationale for its unwillingness to investigate an opportunity for collaboration with PECO on the issue of *de facto* heating.²⁹ Finally, PGW’s contention that it will not pursue a *de facto* heating program unless there is good evidence of its cost effectiveness disregards the fact that PGW is uniquely situated to conduct such an assessment.³⁰

²⁶ 52 Pa. Code § 58.14(c) (Inter-utility Coordination).

²⁷ 52 Pa. Code § 58.7.

²⁸ In addition to the three year commitment to expend \$700,000 per year on a *de facto* heating group, the CAP Rate Design settlement also commits PECO to an annual provision of \$1 Million in additional funds to its LIURP for a three year period. PECO has the discretion to use these additional funds for its *de facto* heating program if PECO determines that there is demand for additional *de facto* heating services and that such additional expenditures can be made within *de facto* heating program requirements. PECO Energy Company Universal Service and Energy Conservation Plan for 2013-2015 Submitted in Compliance with 52 Pa. Code §§ 54.74 and 62.4, M-2012-2290911 (Final Order entered July 8, 2015). Pursuant to the settlement, these expanded resources are only scheduled to be available from 2017-2019.

²⁹ PGW testified generally about the “complexity” involved in intra-utility coordination and the extensive program steps that PECO is already taking as part of its Act 129 program. (PGW St. 1-R at 27). PGW did not provide any specific examples of barriers to coordinating with PECO to address *de facto* heating.

³⁰ By way of example, PGW is capable of investigating its own *de facto* heating population and evaluating the cost effectiveness of providing, or collaborating with PECO to provide, LIURP services to these customers. PGW is aware that even active CRP customers rely on unsafe *de facto* heating sources and has so far failed to investigate whether these customers could benefit from the provision of LIURP services. PGW’s 2012 Apprise Evaluation found that **15% of surveyed CRP participants reported using a kitchen stove for heating and 16% of surveyed CRP participants said that they could not use their heat because their heating system was broken and they could not afford to repair or replace it.** APPRISE, PGW Universal Service Program Impact Evaluation: Final Report, at vi (2014), http://www.puc.state.pa.us/general/pdf/USP_Evaluation-PGW.pdf.

F. Restore Service Program

PGW should establish a restore service program for off CRP customers who were eligible for LIURP services prior to termination of the services but who never received treatment. Such a program would address PGW's termination crisis and increase CRP enrollment.

Mr. Miller has recommended that PGW establish a restore service program for former customers of PGW who were enrolled in CRP. The program would restore service to previously high users and would include provision of LIURP services to these households. (CAUSE-PA St. 1 at 17). Mr. Miller testified that PGW's high number of involuntary residential service terminations is a significant issue which PGW should attempt to address. (CAUSE-PA St. 1 at 16). He cited to the significant number of PGW customers who remain off in the winter and concluded that a restore service program could address this problem. (CAUSE-PA St. 1 at 16). Mr. Miller recommended that PGW enhance its LIURP eligibility requirements to enable involuntarily shut-off customers to receive energy efficiency services. (CAUSE-PA St. 1 at 15).

PGW's own data shows that there are significant numbers of CRP customers who are terminated solely for non-payment prior to the receipt of LIURP services and who remain shut off during the cold weather season and for years following the termination. (Hearing Exh. No. 1 at 5; CAUSE-PA St. 1, Appendix C). The utility's data also shows that significant numbers of these customers would have been eligible for LIURP services but for the termination. (Hearing Exh. No. 1 at 6; CAUSE-PA St. 1, Appendix C, D). A review of CRP customers who received LIURP services versus those who did not during the period 2011-2014 reveals that CRP customers who received LIURP services are less likely to be shut off for non-payment and more likely to restore service following a shut off. (Hearing Exh. No. 1 at 5-7; CAUSE-PA St. 1, Appendix C, D).

PGW has opposed a restore service program because the treatment of these properties may not be cost effective. (PGW St. 2-R at 3). PGW testified that restoring service is a different objective than cost-effective weatherization. (PGW St. 2-R at 3). The utility also asserted that the provision of LIURP services does not impact CRP customers' bills and does not impact shut offs or the length of time a home has service off. (PGW St. 1-R at 18-19). The Commission should not find any merit in PGW's opposition to a restore service program.

The Commission should order PGW to establish a restore service program in conjunction with its LIURP because such a program would address PGW's termination crisis. In 2014, PGW terminated service to nearly 16,000 low income households. (Hearing Exh. No. 1 at 4; 7). More than 2,000 CRP households were without PGW service as of February 1, 2015 and nearly 200 of those properties were eligible for the receipt of LIURP services. (Hearing Exh. No. 1 at 5-7). The Commission has expressed an appropriately high level of concern about households who enter and endure the winter without a safe source of heat. Every year the Commission releases the results of its cold weather survey and expresses concern for the high number of customers who are living without heat related service or are using potentially unsafe heat.³¹ The Commission routinely urges consumers to contact their utility providers for information about programs available to help restore service; unfortunately, for many low income PGW customers, there are simply no such programs available. The proposed restore service program would address that concern.³²

³¹ See Pa. PUC, Press Release: PUC Urges Consumers: Call Now to Restore Utility Service http://www.puc.pa.gov/about_puc/press_releases.aspx?ShowPR=3472.

³² PGW could initiate such a program by targeting the nearly 200 CRP households who are known to be eligible for LIURP services and who were without service as of February 1, 2015. If these customers remain off, PGW could restore service in conjunction with the provision of LIURP services. Concerns about the cost-effectiveness of such a program and the treatment of arrears might be addressed by pursuing a collaboration with PECO and assessing the opportunities for cost sharing should it become apparent that these customers have since become de facto heating PECO customers.

A restore service program would also address PGW's precipitous decline in CRP enrollment. As the Commission has noted, CRP participation declined 17% between 2010-2013.³³ And, from March 2013 to March 2014, PGW "had the largest percentage decreased compared to any other natural gas company in Pennsylvania, decreasing 13.5% from March 2013 to March 2014. CAP enrollments for all natural gas companies during this same time period showed an average increase of 8.9%."³⁴ Indeed, despite PGW's commitment to take proactive steps to increase enrollment, the record evidence in this proceeding shows that CRP numbers continue to decline. (CAUSE-PA St. 1, at 15:18-19, 16:1).

CAUSE-PA submits that the pool of off CRP customers is a logical place for PGW to concentrate its efforts to increase CRP enrollment. The establishment of a restore service program would allow PGW to provide a pathway to re-enrollment in CRP for these customers.

PGW's contentions, that a restore service program and cost-effective weatherization are dissimilar objectives and that the provision of weatherization services does not impact shut offs, are incorrect. The Commission regulations make it clear that the goals of a utility's energy conservation programs are to protect consumers health and safety by helping low-income customers maintain affordable natural gas service and to provide affordable natural gas service by making available payment assistance to low-income customers.³⁵ PGW's claim that weatherization does not impact CRP customers' bills or shut offs ignores the reality that in the majority of the years of PGW's DSM Phase I, CRP customers who received LIURP services were shut off less frequently than CRP customers who did not receive services and for all of the

³³ 2014 Final USECP Order at 64.

³⁴ 2014 Final USECP Order at 68; see also CAUSE-PA St. 1, at 16, n.6

³⁵ 52 Pa. Code § 62.3(b).

years where data has been provided, customers who received services were less likely to remain off. (Hearing Exh. No. 1 at 5-7).³⁶

X. OTHER ISSUES

A. OSBA Opinion Concerning the Restructure of CRP to Include a Price Signal

The Commission should reject the OSBA's proposal regarding CRP to the extent that it contemplates restructuring CRP to include a price signal. CRP is designed to produce affordable bills for PGW's lowest income customers and restructuring the program could undermine the affordability of the program. Further, the Commission's most recent review of CRP's structure occurred just last year when the Commission accepted and approved PGW's 2014-2016 USECP.

OSBA's witness has recommended a price signal based on a misinterpretation of usage data for CRP customers, suggesting, erroneously, that conservation efforts for CRP customers have been unsuccessful, when the data clearly shows the contrary. (OSBA St. No. 2 at 3). In Direct Testimony, Mr. Knecht opined that PGW's conservation efforts could be substantially improved by restructuring the CRP program to provide a price signal for program participants. (OSBA St. No. 1 at 7). Mr. Knecht acknowledged that he had not undertaken a detailed review of PGW's assessment of PGW's LIURP program and that there are legitimate reasons beyond the lack of price signal as to why CRP consumption is higher than non-CRP consumption. (OSBA St. No. 1 at 3; 6). He stated that the old age of housing stock for CRP customers, the change in composition of the CRP customer base, and a past rise and fall in natural gas prices that did not affect CRP customers are legitimate reasons for differences in consumption between CRP and non-CRP customers. (OSBA St. No. 1 at 3; 6). In Surrebuttal Testimony, Mr. Knecht

³⁶ PGW's alternate explanations for this data are unsatisfying. PGW suggests that more data would somehow disprove the observed trends, but provides none. (PGW St. 1-R at 18-19).

clarified that he does not recommend dramatically restructuring CRP and that he understands that modifying PGW's USECP is not a part of the current proceeding. (OSBA St. No. 3 at 6).

PGW disagreed with Mr. Knecht's conclusions regarding conservation efforts for CRP customers and testified that PGW's evaluations of LIURP have found substantial energy savings for LIURP participants. (PGW St. 3-R at 3). OCA's witness testified that Mr. Knecht mis-analyzed the usage of PGW's CRP customers by failing to take into account that CRP's design systematically excludes low-use customers from participating in CRP. (OCA St. No. 2-R). CAUSE-PA's witness Miller testified that Mr. Knecht used a flawed approach in comparing aggregate consumption rates for non-CRP customers with those for CRP customers. (CAUSE-PA St. 1 at 3-5). CAUSE-PA agrees with PGW and OCA that the OSBA's conclusions regarding conservation efforts for CRP customers are incorrect.

Further, CRP should not be restructured to include a price signal because the program is intended to provide an affordable payment plan for low-income customers.³⁷ The Program is a percent of income payment plan that provides bills at eight, nine, and ten percent of income for eligible applicants at or below 150% of the Federal Poverty Income Guidelines.³⁸ The record in this proceeding reveals that, even at these levels, significant numbers of CRP customers cannot afford their bills.³⁹ Any restructuring of CRP that produces an increase in the customer's bill could undermine the program's ability to provide affordable bills to low-income customers.

The Commission should also reject the OSBA's proposal regarding CRP to the extent that it contemplates restructuring CRP to include a price signal because the Commission recently

³⁷ 2014 Final USECP Order at 11.

³⁸ *Id.* at 12.

³⁹ *See* TURN et al. Hearing Exhbt. No. 1 at 5-8 (includes statistics on the number of CRP customers who have been terminated for non-payment from 2011-2014).

reviewed PGW's universal service offerings and specifically examined the issue of conservation incentive for CRP customers.⁴⁰ In PGW's recent USECP proceeding, the Commission allowed PGW to implement a conservation incentive credit program and directed PGW to convene a stakeholder group to discuss the program and to develop a means of tracking and verifying the effectiveness of the program.⁴¹ The Commission further stated that it intends to monitor and track the numbers of ELIRP participants showing no savings after receiving weatherization services and posited that the incentive program may be a method of decreasing those numbers.⁴² The Commission has already reviewed and adopted an adequate method for addressing OSBA's concerns; therefore, the Commission should reject the OSBA's proposal to the extent that it contemplates restructuring CRP to include a price signal.

XI. CONCLUSION

CAUSE-PA supports the continuation of PGW's DSM; however, for the reasons set forth in this brief, CAUSE-PA requests that the Commission order as follows:

1. Deny PGW's proposal to drastically reduce the budget for PGW's mandated LIURP.
2. Deny PGW's request for waivers from Section 58.4(a) and 58.10 of the LIURP regulations, which would deprive the public of notice and an opportunity to provide input on PGW's proposed LIURP funding reduction and would also eliminate opportunities for further prioritization of customers in determining receipt of LIURP services.

⁴⁰ 2014 Final USECP Order at 43-44.

⁴¹ Id. Mr. Knecht raises a valid concern that this program may not have been adopted (OSBA St. No. 3 at 6) and the Commission should require PGW to report on the status of its compliance with the 2014-2016 USECP Final Order.

⁴² Id.

3. Deny PGW's request for a conservation adjustment mechanism;
4. Deny PGW's request for performance incentives because they are more appropriate issues for a base rate case proceeding.
5. Require PGW to develop a *de facto* electric heating strategy and restore service program to address vulnerable *de facto* heating customers and former PGW CRP customers who are without natural gas service and who can be served by PGW's LIURP.

Respectfully Submitted,

PENNSYLVANIA UTILITY LAW PROJECT

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Appendix A – Proposed Findings of Fact

1. The Commission must ensure that universal service is appropriately funded and available in each natural gas distribution territory. 66 Pa. C.S. § 2203(8). (Final Order, PGW USECP Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2014-2016, Docket No. M-2013-2366301, at 2, entered August 22, 2014.) (CAUSE-PA ST 1 at 9:3-7.)
2. The definition of “Universal service and energy conservation” is “policies, practices, and services that help low-income customers maintain their natural gas service” and includes customer assistance programs (CAPs) and usage reduction (*i.e.*, energy conservation) programs. 66 Pa. C.S. §§ 2202, 2203. (CAUSE-PA ST 1 at 6:16-19.)
3. The Natural Gas Competition Act requires the Commission to ensure that universal service and energy conservation policies, including LIURP, are appropriately funded and available in each natural gas distribution territory, 66 Pa. C.S. §§ 2203(8). (CAUSE-PA ST 1 at 6:13-16.)
4. LIURP is a residential usage reduction program mandated by Pennsylvania Public Utility Commission regulations at 52 Pa. Code, Chapter 58. (CAUSE-PA ST 1 at 6:5-6.)
5. The primary goals of LIURP are to assist low-income residential customers to conserve energy and reduce their energy bills. (OCA ST-2 at 4: 18-20; citing BCS 1995 Low-Income Usage Reduction Program: Summary of 1992 Program Analysis.)
6. Because LIURP programs are intended to assist low income customers conserve energy and reduce residential energy bills, the reduction in energy bills should decrease the incidence and risk of customer payment delinquencies and the attendant utility costs associated with uncollectible accounts expense, collection costs and arrearage carrying costs. 52 Pa Code § 58.1.
7. From its inception, LIURP was designed to be structured and funded by Pennsylvania gas and electric utilities to meet the needs of each company’s respective low-income customer population. (OCA ST-2 at 4: 21-5:1);
8. The appropriate level of LIURP funding for PGW is that level of funding that meets the needs of its low-income population. (OCA ST-2 at 13:22-23);
9. From the inception of LIURP, needs analyses were required for each service territory, and both the type and extent of LIURP programming was to be tied to addressing that identified need. (OCA ST-2 at 5: 2-3)
10. On July 29, 2010, the Commission approved a Joint Petition for Settlement (Demand Side Management (DSM) Settlement) at Docket Nos. R-2009-2139884 and P-2009-2097639, which allowed PGW to implement a DSM program until August 31, 2015. PGW replaced its LIURP Conservation Works Program (CWP), which had been part of PGW’s USECP, with the Enhanced Low Income Retrofit Program (ELIRP), and incorporated ELIRP into PGW’s DSM program. For Phase II DSM, the name of PGW’s program is *CRP Home Comfort*. Regardless of the name,

the program under discussion is PGW's required LIURP program that is subject to all of the Commission's LIURP rules and regulations. (CAUSE-PA ST 1 at 7:1-8.)

11. In its most recent USECP, PGW informed the Commission as of March 31, 2013, there were 76,151 customers enrolled in CRP. (OCA ST-2 at 7:11-12; citing PGW USECP at 8, 14).
12. In its most recent USECP, PGW informed the Commission that assuming that all CRP customers are potentially eligible for [LIURP], the estimated number who still need treatment as of March 31, 2013 is 71,625, (OCA ST-2 at 7:13-14; citing PGW USECP at 8, 14).
13. In its most recent USECP, PGW informed the Commission that at an average cost of \$2,229 per treatment, the estimated cost to serve these 71,625 customers is \$159,652,125."(OCA ST-2 at 7:16-17; citing PGW USECP, at 8, 14).
14. In its most recent USECP, PGW provided a response to the Commission which set the budget for LIURP at \$7.6 million per year, sufficient to treat 2,108 homes. (OCA ST-2 at 8:18-19) (PGW Response to Tentative Order, at 11.)
15. In its most recent USECP, PGW provided a response to the Commission which specifically represented that its LIURP budget was based on an expectation of a continuation of [LIURP] as currently approved at the DSM docket. (OCA ST-2 at 8:20-9:1) (PGW Response to Tentative Order, at 11.)
16. PGW's annual DSM reports indicate that PGW spends at or near 100% of its LIURP budget every year. (OCA ST-2 at 7:2-3.)
17. PGW spent \$7.898 million on LIURP in 2014; \$7.538 million in 2013; (OCA ST-2 at 6:21-22)
18. In its Final Order in PGW's most recent Universal Service and Energy Conservation ("USEC") proceeding, Docket M-2013-2366301, the Commission noted "proposed budget levels for 2014 – 2016 as follows for LIURP: 2014: \$7,600,000; 2015: \$7,600,000; and 2016: \$7,600,000. (Final Order, at 69) (OCA ST-2 at 6:13-16.)
19. PGW proposes a DSM II LIURP budget (nominal dollars) of \$2.0 million in 2016; \$2.075 million in 2017; \$2.0 million in 2018; \$2.080 in 2019; and \$2.0 million in 2020. (Exh. TML-4, Table 50). The total five-year LIURP spending, as proposed, would reach \$10.155 million. (OCA ST-2 at 5: 5-18.)
20. The PGW proposed DSM II CRP Home Comfort Plan proposes an approximately 75% reduction in PGW's LIURP spending. (OCA ST-2 at 6:16-17.)
21. The approximately 75% reduction in LIURP spending that PGW has included in its proposed 5-Year DSM Plan is inconsistent with the Company's own LIURP needs analysis (OCA ST-2 at 8:6-8)
22. A LIURP budget reduced by approximately 75% will not adequately meet the energy efficiency needs of CRP participants, let alone the energy efficiency needs of PGW's confirmed low-income population. (OCA ST-2 at 8:8-10)

23. The PGW DSM II proposed plan reduces the level of funding for LIURP from the current DSM. (OCA ST-2 at 52:4-10, citing PGW 5 year DSM Plan, December 2014 at 4).
24. PGW has not demonstrated reduced need for low-income energy efficiency services. (CAUSE-PA ST 1 at 7:15-16)
25. A direct impact was realized by all firm customers funding the Customer Responsibility Program (CRP) due to the low-income weatherization programming of ELIRP. Through the end of FY 2014, ELIRP funded \$26 million (PV 2014\$) in weatherization activity. Total Phase I programming is forecasted to result in a net reduction in the CRP subsidy of \$7.2 million over the life of the measures. (CAUSE-PA ST 1 at 9:18-25, citing PGW ST I, 3:4-10).
26. In 2014, PGW's LIURP delivered \$5,429,804 in net benefits to ratepayers. (OCA ST-2 at 11:5-6, Fifth Annual DSM Report, at 6).
27. PGW projects that the DSM I programs directed at CRP customers will reduce the CRP subsidy by more than \$54 million (PV 2014\$) over the lifetime of the measures. (TURN discovery response I-1(a) attached as Appendix B to CAUSE-PA ST 1).
28. LIURP programs should also result in improved health, safety and comfort levels for program recipients. 52 Pa Code § 58.1
29. PGW has a high number of service terminations and also a high number of households entering into winter and continuing throughout winter without a safe central source of natural gas heat. (CAUSE-PA ST 1 at 19: 8-10 referencing PUC 2014 annual disconnection figures and PUC Cold Weather Survey results attached as Appendices E and F respectively).
30. Many PGW households who have had their natural gas service terminated are forced to resort to space heating. (CAUSE-PA ST 1 at 19:10-11)
31. The use of de facto space heating by low-income former customers of PGW is expensive, inefficient, and potentially unsafe. (CAUSE-PA ST 1 at 19:17-18)
32. The use of de facto space heating by low-income former customers of PGW is a significant public policy problem. (CAUSE-PA ST 1 at 19:17-18, referencing Low-Income Coordination Work Group Report regarding the issue of de facto heat at Docket No. M-2009-2107153).
33. Significant numbers of CRP customers who are terminated solely for non-payment prior to the receipt of LIURP services remain shut off during the cold weather season and for years following the termination. (Hearing Exh. No. 1 at 5).
34. A successful endeavor to address de facto heating would potentially assist in ameliorating a significant public policy issue, directly assist former PGW customers, and assist PGW in increasing its natural gas output. (CAUSE-PA ST 1 at 20:5-7)
35. CRP customers who received LIURP services are less likely to be shut off for non-payment and more likely to restore service following a shut off. (Hearing Exh. No. 1 at 5-7).

36. More than 2,000 CRP households were without PGW service as of February 1, 2015 and nearly 200 of those properties were eligible for the receipt of LIURP services. (Hearing Exh. No. 1 at 5-7).
37. PECO's recently approved CAP rate design settlement includes an increase in PECO's LIURP budget by \$700,000 per year for a three year period for the purpose of implementing measures for a *de facto* target group. (CAUSE-PA St. No. 1 at 19:12-15).
38. Customers of covered gas utilities and covered electric utilities are required to coordinate provision of comprehensive program services. 52 Pa. Code § 58.14(c) (Inter-utility Coordination).
39. A covered utility shall coordinate program service with existing resources in the community. 52 Pa. Code § 58.7.
40. There are positive opportunities and benefits available to PGW through collaboration with PECO. (CAUSE-PA St. No. 1 at 19:15-16)
41. Covered gas utilities submit annual program budgets to the Commission. A covered gas utility must continue to fund its usage reduction program at the same level until the Commission acts upon a petition from the utility for a different funding level, or until the Commission reviews the need for program services and revises the funding level through a Commission order that addresses the recovery of program costs in utility rates. Proposed funding revisions that would involve a reduction in LIURP program funding shall include public notice found acceptable by the Commission's Bureau of Consumer Services, and the opportunity for public input from affected persons or entities. 52 Pa. Code Section 58.4(a) (OCA ST-2 at 51:9-12)
42. A covered utility alleging special circumstances may petition the Commission to exempt its required usage reduction program from the requirements of Chapter 58. 52 Pa. Code § 58.1852
43. LIURP regulations clearly establish a priority for selecting customers to receive weatherization services under the program. 52 Pa Code Sec. 58.10(a)(2)-(3)
44. Although the PGW Home Comfort program is operating within the DSM portfolio of programs, the selection method for customers should not change from what it would be if ELIRP were part of PGW's USECP. Commission Final Order, PGW's 2014-2016 USECP, at 55, Docket No. M-2013-2366301.
45. It is appropriate to use arrearages and income deficits to prioritize investments among equally eligible customers. (OCA St. No. 2 at 53).
46. The Commission has directed PGW to develop CRP Home Comfort programs and budget for providing low-income multifamily customers with weatherization services. Docket No. M-2013-2366301, Final USECP Order at 74.

47. There is no authorization by the Commission that the creation of a CRP Home Comfort program and budget for providing low-income multifamily customers with weatherization services should reduce the level of services available to low-income households currently eligible for and in need of LIURP.
48. PGW expects the majority of LIME installations will include low cost measures such as low-flow faucet aerators, low-flow shower heads, programmable thermostats, hot water heater turndowns and pipe wrap. (PGW ST 2 at 8:18-30.)
49. The effectiveness of LIME would be expanded through use of more comprehensive measures. (CAUSE-PA ST 1 at 18:10-11.)
50. PGW's On Bill Recovery Proposal is conditional upon Commission approval of its proposed CAM (PGW St. 2 at 7.)
51. PGW's On Bill Recovery Proposal is conditional upon PGW's unilateral determination as to whether all critical PGW criteria are met." (PGW St. 2 at 7:3-9).
52. It is impossible to ensure that bills will be reduced to the extent necessary to more than offset the increased OBR payment. (OCA St. No. 2 at 64:18-22).
53. Bill neutrality is at odds with achieving the deep retrofits that PGW has articulated as one of its objectives with its residential DSM programs. (OCA St. No 2 at 66:6-9).
54. PGW has failed to make any demonstration that residential OBR is consistent with, let alone needed to enhance, its residential DSM offerings. (OCA St. No. 2 at 70:10-11).
55. PGW's OBR proposal fails to address the inherent difficulties a residential OBR would create (CAUSE-PA St. 1 at 21: 3-9).
56. PGW's CRP structure was approved in its recent triennial review when the Commission accepted and approved PGW's Universal Services and Energy Conservation Plan (USECP) for 2014-2016.
57. PGW's evaluations of LIURP have found substantial energy savings for LIURP participants. (PGW St. 3-R at 3).
58. The OSBA analysis of the usage of PGW's CRP customers fails to take into account that CRP's design systematically excludes low-use customers from participating in CRP. (OCA St. No. 2-R).

Appendix B – Proposed Conclusions of Law

1. PGW's DSM II Proposed CRP Home Comfort Budget does not comply with 66 Pa. C.S. § 2203(8) requiring that universal service is appropriately funded and available in each natural gas distribution territory. 66 Pa. C.S. § 2203(8).
2. PGW has failed to establish the circumstances necessary for the granting of waivers from Chapter 58 compliance.
3. PGW's request for a CAM is single issue ratemaking to be dealt with in a base-rate proceeding.
4. PGW's request for performance incentives are denied. These issues are more appropriate issues for a base rate case proceeding.
5. Covered gas utilities submit annual program budgets to the Commission. A covered gas utility must continue to fund its usage reduction program at the same level until the Commission acts upon a petition from the utility for a different funding level, or until the Commission reviews the need for program services and revises the funding level through a Commission order that addresses the recovery of program costs in utility rates. Proposed funding revisions that would involve a reduction in LIURP program funding shall include public notice found acceptable by the Commission's Bureau of Consumer Services, and the opportunity for public input from affected persons or entities. 52 Pa. Code Section 58.4(a) (OCA ST-2 at 51:9-12)

Appendix C – Proposed Ordering Paragraphs

1. PGW’s proposal to reduce its LIURP CRP Home Comfort Budget is denied.
2. PGW is ordered to maintain its LIURP CRP Home Comfort Budget at its current 2015 level for each year of its DSM II Plan.
3. PGW shall establish a Low-Income Multifamily Efficiency (LIME) program budget which supplements and adds to its current LIURP CRP Home Comfort Budget.
4. PGW shall design a LIME program which substantially contains comprehensive efficiency and energy reduction measures.
5. PGW’s request for waivers from Section 58.4(a) and 58.10 of the LIURP Regulations is denied.
6. PGW's request for a Conservation Adjustment Mechanism is denied.
7. PGW’s request for performance incentives is denied.
8. PGW shall investigate and analyze a *de facto* electric heating strategy and potential collaboration with PECO and report its findings to the Commission and interested parties.
9. PGW shall develop a restore service program to address vulnerable *de facto* heating customers and former PGW CRP customers who are without natural gas service and who can be served by PGW’s LIURP.
10. PGW’s proposal for an On Bill Recovery working group is denied.
11. PGW’s proposal for On Bill Recovery is denied.
12. OSBA’s proposal to insert “price signals” into PGW’s CRP program is denied.