

PENNSYLVANIA PUBLIC UTILITY COMMISSION

**Philadelphia Gas Works USECP
for 2017-2020 submitted in
compliance With 52 Pa. Code 62.4**

**Public Meeting held January 26, 2017
2542415-BCS
Docket Number: M-2016-2542415**

STATEMENT OF COMMISSIONER DAVID W. SWEET

Before the Commission is the Tentative Order for Philadelphia Gas Works' (PGW) Amended 2017-2020 Universal Service and Energy Conservation Plan (USECP), as reviewed by the Commission's Bureau of Consumer Services (BCS) and Law Bureau. As part of the review process, the Commission has identified aspects that PGW must address prior to the final approval of the Amended Plan.

PGW, in serving the City of Philadelphia, has a higher percentage of low-income and income-challenged customers than any other utility in the Commonwealth. The number of customers being served by the Customer Assistance Program (CAP)¹ is far lower than the number of customers who are income eligible.

First, I would like to thank BCS and the Law Bureau for their thorough evaluation of PGW's Amended Plan. Many important questions and serious concerns were raised, to which the utility will have the opportunity to provide a comprehensive response. Customarily, utility USECPs are tentatively approved when released as Tentative Orders for stakeholder comment. However, in this instance, the Commission has chosen to simply release PGW's USECP without such tentative approval. This change has been made in part because of the procedural differences with PGW's USECP compared to other utilities.² Also, since there are many unanswered questions and the public has not yet commented, it seems prudent to me to defer any approval at this time.

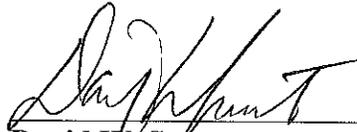
¹ PGW CAP is referred to as the Customer Responsibility Program (CRP).

² Specifically, in the past, PGW's Low-Income Usage Reduction Program (LIURP) (PGW's LIURP is referred to as CRP Home Comfort) was included as part of PGW's litigated Demand-Side Management (DSM) Plan. Per this Commission's November 1, 2016 Order regarding PGW's DSM Plan, *see Petition of Philadelphia Gas Works for Approval of Demand-Side Management Plan for FY 2016-2020, and Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2014-2016, 52 Pa. Code § 62.4 – Request for Waivers* Final Opinion and Order, at Docket No. P-2014-2459362, entered Nov. 1, 2016, PGW's LIURP was to be transferred to the current proceeding for incorporation into PGW's USECP. Therefore, due to this change, the circumstances of PGW's USECP review process are unique and justify a lack of tentative approval at this time.

Furthermore, I want to highlight the fact that at some point the Commission may determine that the USECP plan is “sufficient” in that it complies with applicable law. This will, however, not mean that the programs contained are “sufficient” to solve the underlying problem. While awaiting the exact data and accompanying analysis, it is safe to say that there will still be over 100,000 low income residents left unserved, and really unable to afford one of life’s basic necessities. And at the same time, PGW’s residential customers above the poverty line will continue to pay to financially support the CAP and other programs, on average, 3 or 4 times more than do similar customers in other jurisdictions. PGW faces a very difficult balancing act; solutions to these issues will require leadership and creativity from many others in addition to PGW.

I encourage PGW to work closely with BCS to provide information that will assist all parties in evaluating the effectiveness of this utility’s programs and in working towards a more comprehensive solution.

January 26, 2017
Date


David W. Sweet
Commissioner