

August 8, 2017

VIA e-file

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

**Re: Review of Universal Service and Energy Conservation Programs
Docket No. M-2017-2596907**

Dear Secretary Chiavetta,

Please find the attached Letter/Comments, which is being e-filed at the above docket as a courtesy to the signatory organizations and individuals. The signatory parties include:

- AARP Pennsylvania
- ACTION Housing, Inc.
- Community Justice Project
- Disability Rights Pennsylvania
- Health, Education, and Legal assistance Project: A Medical-Legal Partnership
- Homeless Advocacy Project
- Interim House, Inc.
- Just Harvest
- Laurel Legal Services
- Legal Aid of Southeastern Pennsylvania
- MidPenn Legal Services
- Neighborhood Legal Services Association
- North Penn Legal Services
- Pennsylvania Coalition Against Domestic Violence
- Pennsylvania Council of Churches
- Pennsylvania Institutional Law Project
- Pennsylvania Legal Aid Network
- Philadelphia Legal Assistance
- Regional Housing Legal Services
- SeniorLAW
- Southwestern Pennsylvania Legal Services, Inc.
- The Women's Center, Inc.
- The Women's Resource Center
- Stephen R. Krone, in his personal capacity
- Medha D. Makhoul, in her personal capacity

The contact information for each of the signatory parties is included in the letter.

Respectfully,



Joline Price, Esq.

On Behalf of the Signatory Parties

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

**Re: Review of Universal Service and Energy Conservation Programs
Docket M-2017-2596907**

Dear Secretary Chiavetta,

In its May 10, 2017 Opinion and Order – pursuant to the April 6, 2017 Joint Motion of Commissioner David W. Sweet and Vice Chairman Andrew G. Place – the Pennsylvania Public Utility Commission initiated “a comprehensive review of the entire Universal Service and Energy Conservation Model.” The Commission solicited comments from interested parties about the state of Universal Service programs in Pennsylvania, generally. In response to that call, we – the undersigned agencies, organizations, and individuals -- urge the Commission to take decisive steps toward improving the availability of and access to universal service programs to ensure that assistance is available to all those in need.

We, the undersigned, are Pennsylvania service providers, legal assistance agencies, educators, and advocacy organizations. We assist Pennsylvanians who struggle to overcome personal and systemic hardships, and fight for the basic rights of all Pennsylvanians to a safe and healthy home. Our many and varied missions aim to remove unique obstacles to achieving a safe and healthy home faced by people with disabilities, minorities, seniors, children, immigrants, veterans, victims of domestic violence and sexual assault, and those with chronic illnesses. **These vulnerable populations are at a significantly greater risk of poverty, and often cannot access life’s basic necessities without assistance.**¹

Pennsylvania Poverty Rates
Statewide: 13.3%
Women: 14.2%
Children: 19%
Individuals with a Disability: 26.7%
African Americans: 28.5%
Latino/as: 30.3%

We also regularly assist households who may not fit within one of these populations – yet struggle to make ends meet due to poor economic conditions, low wages, and chronic under and unemployment. We provide shelter to those in need, food to families who are hungry, and a voice to those who want to be heard. It is from this perspective that we write to express our concern that

¹ US Census Bureau, American Community Survey (2015), <http://factfinder2.census.gov>; Nat’l Ctr. for Children in Poverty, *Pennsylvania Demographics of Poor Children* (2014), http://www.nccp.org/profiles/PA_profile_7.html; Cornell University, Yang-Tan Inst. on Employment & Disability, *2015 Disability Status Report: Pennsylvania*, at 41 (2016), available at http://www.disabilitystatistics.org/StatusReports/2015-PDF/2015-StatusReport_PA.pdf?CFID=201850&CFTOKEN=b15758a3170aaa64-CD4449A7-EDC0-101B-2E01EC375F3B6485.

today in Pennsylvania, an alarming number of vulnerable Pennsylvanians are not able to access basic utility services – an essential ingredient to a safe and healthy home.

Through our work with Pennsylvanians in each corner of the state, we regularly encounter individuals and families who struggle to make payments, many of whom are ultimately forced to go without critical utility services when they cannot keep up. The consequences of loss of service are severe: many have lost custody of their children, been evicted from their home, or experienced adverse impacts to their physical and mental health. Our clients regularly go without medication or food in order to heat their homes, while others use dangerous alternatives – including ovens, space heaters, and candles – to provide light and warmth for their families.

In reviewing the scope of universal service programs currently offered in Pennsylvania, two primary observations stand out: (1) the available programs are not reaching eligible populations – either because of onerous enrollment requirements or insufficient outreach and referral efforts, and (2) for those who can access the available programming, it appears that the assistance offered is insufficient to assist households to reach true affordability.

Current Universal Service Programs Do Not Adequately Reach the Eligible Population

- Many low income households are unaware that utility assistance is available to them or, if aware of the program, are unable to access assistance due to various eligibility requirements and enrollment procedures which work to exclude needy households. These facts are borne out by publically available enrollment data:
 - As of December 31, 2015, just 446,228 low income customers were enrolled in CAP, just 21% of the 2,062,451 estimated low income customer population.²
 - Also in 2015, just 19,958 low income households received usage reduction and energy conservation services to help stem inefficient energy usage – less than 1% of the 2,062,451 estimated low income customer population.³
- Under-enrollment is not because there is a lack of need. Low income households experience far greater termination rates and are reconnected at a far lower rate than the residential customer class as a whole.⁴ Low income customers also have significantly more debt, and are far more likely to have a payment arrangement with the utility.⁵

Recommendation: Closely assess current eligibility criteria, referral processes, outreach efforts, and enrollment / recertification procedures to ensure that low income households are able to access programs without undue burden.

² Pa. PUC, BCS, 2015 Report on Universal Service Programs & Collections Performance, at 7-8, 42 (2016), http://www.puc.state.pa.us/General/publications_reports/pdf/EDC_NGDC_UniServ_Rpt2015.pdf.

³ *Id.* at 7-8, 39.

⁴ *Id.* at 11-16.

⁵ *Id.* at 8-10.

Current Universal Service Programs Do Not Provide an Adequate Level of Affordability

- It is a well-established standard that, for a household to be economically self-sufficient, total shelter costs (including rent and utility costs) should not exceed 30% of household income. Unfortunately, many low income households across the state pay in excess of 50% of their income on rental costs – in addition to paying upwards of 30% of their income on energy costs.⁶
- The Commission’s current affordability guidelines for Customer Assistance Programs (CAP) allow utilities to charge households between 15-17%.⁷ Many utility programs exceed this already atrociously high energy burden, leaving households with little ability to meet other basic life necessities – including rent, food, water, medicine, healthcare, child care, and transportation.
- It is critical that CAP provide a truly affordable bill, as CAP households are ineligible for payment arrangements or additional debt forgiveness if they fall behind once enrolled in CAP.⁸

Recommendation: Reduce the maximum energy burden to an affordable percentage of shelter costs. We recommend a 6% combined energy burden, which equates to 20% of total household shelter costs.

We urge the Commission to address these two overarching issues in more depth to arrive at a program design and delivery method which ensures that all low income Pennsylvanians can access critical, life-sustaining energy services. We thank the Commission for the opportunity to provide comments on this important matter, and look forward to further opportunities to explore the identified issues in more detail to ensure truly universal access to a safe and healthy homes for all Pennsylvanians.

⁶ To read more about housing costs, and the widespread unaffordability of housing across Pennsylvania, see Fed. Reserve Bank of Phila., [Affordability and Availability of Rental Housing in the Third Federal Reserve District: 2015](https://www.philadelphiafed.org/-/media/community-development/publications/cascade-focus/cascade-focus_4.pdf), https://www.philadelphiafed.org/-/media/community-development/publications/cascade-focus/cascade-focus_4.pdf; see also Fisher, Sheehan & Colton, [The Home Energy Affordability Gap: Pennsylvania](http://www.homeenergyaffordabilitygap.com/03a_affordabilityData.html) (April 2017), http://www.homeenergyaffordabilitygap.com/03a_affordabilityData.html.

⁷ 52 Pa. Code § 69.265

⁸ 66 Pa. C.S. § 1405.

Sincerely,

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