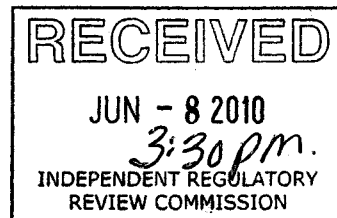


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PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, PA 17105-3265



Proposed Rulemaking Relating to Universal  
Service and Energy Conservation Reporting  
Requirements, 52 Pa. Code §§ 54.71- 54.78  
(electric); §§ 62.1-62.8 (natural gas) and  
Customer Assistance Programs, §§ 76.1 – 76.6

Docket No. L-00070186

COMMENTS OF PHILADELPHIA GAS WORKS  
TO THE SEPTEMBER 4, 2007 PROPOSED RULEMAKING ORDER  
ADDITIONAL COMMENT PERIOD

I. INTRODUCTION

On September 4, 2007, the Pennsylvania Public Utility Commission (the "Commission") issued a Proposed Rulemaking Order (the "September 4 Order") setting forth proposed revisions to Chapters 54, 62 and 76 of the Pennsylvania Code. The September 4 Order and the proposed revisions were published in the *Pennsylvania Bulletin* on February 9, 2008 (38 Pa.B. 776) and interested parties were given sixty days, or until April 9, 2008, to file written comments. The Commission extended the comment filing date to April 18, 2008; in compliance therewith, Philadelphia Gas Works ("PGW" or the "Company") filed comments on April 18, 2008. The Commission has continued the original rulemaking and reopened the comment period to accept additional public comments until June 2, 2010 (the "June 2 Comment Topics") pursuant to the notice published in the *Pennsylvania Bulletin* on April 3, 2010 (40 Pa.B. 1764).

PGW has reviewed the June 2 Comment Topics and submits the following comments.

## II. COMMENT TOPICS AND PGW COMMENTS

1. **The impact of the Department of Public Welfare's proposed policy change regarding the use of Low-Income Home Energy Assistance Program (LIHEAP) funds on a distribution company's Customer Assistance Program (CAP) design.**

In its design, PGW's current CAP, the Customer Responsibility Program ("CRP"), balanced the needs of both low income and non-low income customers. CRP was designed to assist low income customers in affording utility service, reduce collection costs, and minimize related monetary burdens placed on non-CRP customers. PGW believes that the fact that a CAP customer will now receive the LIHEAP Cash Grant as a direct credit against the monthly "asked to pay" bill undermines what had been an effective and fair balance of the impacts of the program on participants and non-participants -- this is set forth in greater detail in PGW's testimony and the related APPRISE report which will be submitted to the Commission on June 3, 2010 in support of PGW's Petition to Modify its Universal Services and Energy Conservation Plans With Respect to the Customer Responsibility Program.

2. **Factors that may impact CAP costs and affordability of bills, such as increased CAP enrollment levels, the recent economic decline, the expiration of electric generation rate caps, the impact on residential rates from the initiation of energy efficiency and conservation programs under Act 129 of 2008, and the potential impact on residential bills from smart metering initiatives.**

There are many factors which may increase CAP costs and affordability, such as some of those identified by the Commission, as well as increased gas costs and increased poverty in service areas. In addition, other factors could reduce CAP costs, such as extensive conservation measures provided to CAP customers. CRP provides vulnerable customers with the ability to obtain necessary utility services and to improve payment behaviors. PGW continues to believe that customers who are eligible for CRP should have the ability to benefit from it.

3. **Whether cost recovery mechanisms, which have been implemented by some distribution companies, have produced savings from an improved timeliness of collection activities and whether these savings should be considered in evaluating costs claimed for rate recovery.**

PGW incorporates its original comments filed on April 18, 2008 in Docket No. L-00070186. Specifically, see PGW's comments to the proposed rules for 52 Pa.Code § 62.4(b)(3) and 76.4(3)(i) to (iv).

4. **Proposed rules in 52 Pa. Code §§ 54.74 and 62.4 (relating to review of universal service and energy conservation plans, funding and costs recovery), which create a triennial review process that takes the form of a tariff filing and addresses CAP program funding.**

PGW incorporates its original comments filed on April 18, 2008 in Docket No. L-00070186. The proposed Section 62.4(b) lists information related to an NGDC's universal services plan that must be included in the NGDC's gas service tariff. For the reasons set forth in PGW's prior comments, it is not appropriate to include information of this nature in a tariff. Rather, it should only be included in the supporting information filed along with the proposed tariff. PGW proposes the following revisions:

- (1) the title of 52 Pa. Code § 62.4(b) be changed from "Tariff contents" to "Tariff **filing** contents;
- (2) the text of 62.4(b) be changed from "The tariff shall include the following information:" to "The tariff **filing** shall include the following information:"; and
- (3) the text of 62.4(b)(2) be changed from "The tariff shall contain rules that apply . . . ." to "The tariff **filing** shall contain rules that apply . . . .".

5. **Commissioner Kim Pizzigrilli's statement on *Dominion Peoples Universal Service and Energy Conservation Plan for 2009-2011*, Docket No. M-2008-2044646 (January 15, 2009), which discusses a Commission reporting requirement that directs all distribution companies to fully document the rate effect of program modifications in future universal service plans (USP). Under the requirement, distribution companies would include a table showing annual costs for each program, total cost for all USPs and the monthly cost of the programs on a per residential customer basis.**

PGW concurs with the Energy Association of Pennsylvania's comments on this issue.

- 6. The Commission's USP approval process, specifically, whether the Commission should issue tentative orders to provide an opportunity for comments and reply comments before approving a distribution company's USP, and whether the companies' USPs should be served on the statutory advocates.**

PGW believes it would be appropriate to provide the statutory advocates with proposed universal service and energy conservation plans and supports the issuance of tentative orders to provide an opportunity for comments and reply comments. This process should allow for both a timely review of plans and appropriate notice to interested parties, therefore, it is crucial that the resulting codification set forth a specific and reasonable timeframe for the review and approval process.

### III. CONCLUSION

PGW appreciates the opportunity to provide additional comments to the proposed rulemaking and looks forward to continuing to work with the Commission and other stakeholders on these critical issues. We respectfully request that the Commission consider our suggestions when reviewing the proposed regulations.

Respectfully Submitted,



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Philadelphia, PA 19122  
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Date: June 2, 2010

**Philadelphia Gas Works**



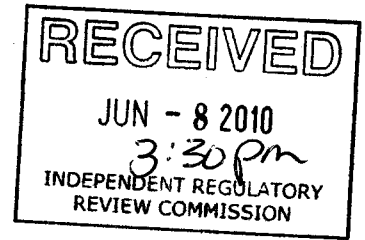
800 W. Montgomery Avenue, Philadelphia, PA 19122

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**VIA EXPRESS MAIL**

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

June 2, 2010



**RECEIVED**

JUN 2 2010

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

Re: **Philadelphia Gas Works' Comments to the September 4, 2007 Proposed Rulemaking Order (Additional Comment Period); Docket No. L-00070186**

Dear Secretary Chiavetta:

Enclosed for filing are an original and fifteen (15) copies of Philadelphia Gas Works' Comments in the above-referenced matter.

If you have any questions, please contact Denise Adamucci at (215) 684-6745.

Respectfully submitted,

Denise Adamucci  
Gregory J. Stunder

Enclosure

cc: Stephanie Wimer, Law Bureau (via e-mail)  
Grace McGovern, Bureau of Consumer Services (via e-mail)

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