

PENNSYLVANIA OFFICE OF CONSUMER ADVOCATE

# ANNUAL REPORT

---

FISCAL YEAR 2019-2020

TANYA J. MCCLOSKEY  
ACTING CONSUMER ADVOCATE

555 WALNUT STREET  
5TH FLOOR, FORUM PLACE  
HARRISBURG, PA 17101-1923

717-783-5048  
800-684-6560 (toll free)  
consumer@paoca.org  
www.oa.state.pa.us



/pennoca



@pa\_oa

TABLE OF CONTENTS

**INTRODUCTION ..... 1**

**ELECTRIC: UTILITY-SPECIFIC PUC PROCEEDINGS ..... 7**

Blue Pilot Energy, LLC ..... 7

Citizens’ Electric Co. of Lewisburg ..... 10

Duquesne Light Co..... 11

FirstEnergy Corp. (Met-Ed, Penelec, Penn Power and West Penn) ..... 12

PECO Energy Co. – Electric ..... 15

PPL Electric Utilities Co..... 18

Respond Power, LLC ..... 19

Transource PA, LLC..... 20

UGI Utilities, Inc. – Electric Division ..... 21

Verde Energy USA, Inc. .... 22

Wellsboro Electric Co. .... 22

**NATURAL GAS: UTILITY-SPECIFIC PUC PROCEEDINGS ..... 23**

Columbia Gas of Pennsylvania, Inc. .... 23

PECO Energy Co. – Gas..... 24

Peoples Gas Co. .... 24

Peoples Natural Gas Co..... 26

Philadelphia Gas Works ..... 26

UGI Utilities, Inc. – Gas Division ..... 28

Valley Energy, Inc. .... 29

**TELECOM: UTILITY-SPECIFIC PUC PROCEEDINGS..... 30**

Bentleyville Communications Corp..... 30

Citizens Telephone Co. of Kecksburg ..... 30

Consolidated Communications of Pennsylvania Co..... 31

Frontier Communications Breezewood ..... 31

Frontier Communications Canton..... 31

Frontier Communications Commonwealth ..... 31

---

Frontier Communications Lakewood ..... 32

Frontier Communications Oswayo River ..... 32

Frontier Communications Pennsylvania ..... 32

Hickory Telephone Co. .... 32

Ironton Telephone Co. .... 32

Lackawaxen Telecommunications Services, Inc. .... 32

Marianna & Scenery Hill Telephone Co. .... 33

TDS Telecom/Mahanoy & Mahantango Telephone Co. .... 33

TDS Telecom/Sugar Valley Telephone Co. .... 33

The North-Eastern Pennsylvania Telephone Co. .... 33

United Telephone Co. of Pennsylvania d/b/a CenturyLink ..... 33

Verizon North LLC ..... 34

Verizon Pennsylvania LLC ..... 35

Windstream Buffalo Valley, Inc. .... 35

Windstream Conestoga, Inc. .... 35

Windstream D&E, Inc. .... 35

Windstream Pennsylvania, LLC ..... 35

**WATER & WASTEWATER: UTILITY-SPECIFIC PUC PROCEEDINGS ..... 36**

  Aqua Pennsylvania Wastewater, Inc. .... 36

  Artesian Water Pennsylvania ..... 39

  Audubon Water Co. .... 40

  David and Diane Miller Water Co. .... 41

  Hidden Valley Utility Services - Water and Wastewater ..... 42

  Indian Springs Water Co. .... 43

  James Black Water Co. .... 44

  Newtown Artesian Water Co. .... 45

  North Heidelberg Sewer Co. .... 46

  Pennsylvania-American Water Co. - Water Division ..... 47

  Pennsylvania-American Water Co. - Wastewater Division ..... 48

  Pittsburgh Water and Sewer Authority ..... 49

  School House Village - Water Division ..... 52

---

SUEZ Water Pennsylvania, Inc. ....53

Twin Lakes Utilities, Inc. ....53

Winola Water Co. ....54

**GENERIC PUC PROCEEDINGS: ELECTRIC .....55**

    Energy Efficiency & Conservation Programs (Phase IV) .....55

**GENERIC PUC PROCEEDINGS: NATURAL GAS .....55**

    “Gas on Gas” Competition.....55

**GENERIC PUC PROCEEDINGS: TELECOM.....57**

    Chapter 63 and 64.....57

    Pole Attachments .....57

**GENERIC PUC PROCEEDINGS: CONSUMER ADVISORY COUNCIL .....58**

    Consumer Advisory Council Reform .....58

**GENERIC PUC PROCEEDINGS: IMPLEMENTATION OF ACT 11 OF 2012.....58**

    Fully Projected Future Test Year (FPFTY).....58

**GENERIC PUC PROCEEDINGS: IMPLEMENTATION OF ACT 120 OF 2018.....58**

    Lead Service Lines and Damaged Wastewater Laterals .....58

**GENERIC PUC PROCEEDINGS: RESIDENTIAL SERVICE.....59**

    Chapter 56.....59

**FEDERAL COMMUNICATIONS COMMISSION (FCC).....60**

    Truth-in-Billing and IP-Enabled Services.....60

    Universal Service Fund (USF).....61

**FEDERAL ENERGY REGULATORY COMMISSION (FERC).....62**

    New England Ratepayers Association .....62

    PECO Energy Co. ....63

    Texas Eastern Transmission, LP .....64

---

<b>CONSUMER AND LEGISLATIVE OUTREACH .....</b>	<b>64</b>
Testimony, Presentations and Speaking Engagements.....	64
Social Media Outreach .....	69
Call Center .....	69
<b>SERVICE TO PENNSYLVANIA AND THE NATION .....</b>	<b>72</b>
Participation in NASUCA and in Other Consumer Interest Organizations .....	72
<b>OCA STAFF .....</b>	<b>75</b>

#### TABLE OF FREQUENTLY USED ABBREVIATIONS

CAP	Customer Assistance Program
DSIC	Distribution System Improvement Charge
DSP	Default Service Plan
EDC	Electric Distribution Company
EGS	Electric Generation Supplier
LIHEAP	Low Income Home Energy Assistance Program
LTIIP	Long Term Infrastructure Improvement Plan
NGDC	Natural Gas Distribution Company
PGC	Purchased Gas Cost
TCJA	Tax Cuts and Jobs Act of 2017
USECP	Universal Service and Energy Conservation Plan

---

## **INTRODUCTION**

The Office of Consumer Advocate (OCA) has served Pennsylvania utility consumers since its establishment by the General Assembly in 1976. The OCA is a statutorily independent office, administratively included within the Office of Attorney General.

The OCA represents Pennsylvania utility consumers in matters before the Pennsylvania Public Utility Commission (PUC) and other state and federal regulatory agencies and courts. The OCA participates before the PUC in all major rate cases, most small rate cases, and many non-rate proceedings that have a significant impact on consumers. The OCA also participates in matters before the Federal Energy Regulatory Commission (FERC) and the Federal Communications Commission (FCC) that have a substantial impact on Pennsylvania consumers. The OCA participates actively on policy-making committees of non-government organizations such as the PJM Regional Transmission Organization (RTO), whose decisions have a critical impact on electric prices and service in Pennsylvania. Through our consumer education outreach, website, social media presence, and toll-free call center, the OCA also seeks to ensure that consumers are informed regarding changes in their utility service.

In recent years, the OCA has continued to work on proceedings resulting from major state and federal legislative changes impacting utility consumers, such as electric and natural gas restructuring, regulatory requirements for basic and advanced telecommunications services, and Act 11 of 2012's provisions for recovery of distribution system infrastructure improvement costs outside of base rate cases, use of a fully projected future test year within base rate cases, the combination of water and wastewater revenue requirements, and the use of fair market valuation for municipal water and wastewater acquisitions authorized by Act 12 of 2016, codified as 66 Pa. C.S. § 1329. During Fiscal Year 2019-2020, stemming from Act 11, one utility asked the Commission to waive the Distribution System Improvement Charge (DSIC) statutory 5% cap for both water and wastewater service and that the DSICs be levelized, and one utility asked for a waiver of the cap for electric distribution service, five utilities filed amended plans, two utilities filed second plans, and one utility filed an initial plan. In addition, there were five DSIC cases that were on appeal during Fiscal Year 2019-2020 related to the impact on the DSIC from changes due to Act 40, codified at 66 Pa. C.S. § 1301.1, which addressed federal income tax benefits. During Fiscal Year 2019-2020, OCA participated in 19 base rate filings. During Fiscal Year 2019-2020, there were five cases that were filed or pending under Sections 1329 and 1102 of the Public Utility Code and the OCA was actively involved in each one. Also, during Fiscal Year 2019-2020, the OCA continued to work on cases that involved more recent legislative

changes, such as alternative ratemaking, the impact of Act 40 in specific rate filings, changes to the federal income tax rate as a result of the Tax Cuts and Jobs Act of 2017, and Act 120 of 2018 regarding the ratemaking treatment of the replacement of lead service lines and wastewater laterals. In addition, the OCA participated in numerous Public Utility Commission investigations, such as supplier consolidated billing, universal service, Chapter 56 requirements, Chapters 63 and 64 requirements, alternative ratemaking, default service and PJM Settlement Reforms, fully projected future test year filing requirements pursuant to Act 11 of 2012, and Act 120 of 2018 requirements, as well as applications for acquisitions as will be discussed below. At the end of the fiscal year, the OCA also participated in proceedings involving the Commission's Emergency Orders related to the pandemic.

The OCA serves as the voice of Pennsylvania utility consumers as the utility industries continue to evolve from a fully regulated to a partially regulated, partially competitive structure. The OCA has evolved as well in order to ensure that Pennsylvania consumers receive the benefits – and avoid the potential harms – that these industry changes bring about.

In the electric industry, the OCA has sought to ensure that customers continue to be protected through the development of stable, reasonably priced “default” service. Pursuant to Act 129 of 2008, the OCA continues to participate in all default service filings of electric distribution companies to ensure that those companies provide reliable default generation service to their customers at the least cost over time. During Fiscal Year 2019-2020, there were five default service filings in which the OCA sought to ensure that default service customers have access to generation supply that meets all statutory requirements and that the retail choice programs are appropriately designed and contain necessary consumer protections. The OCA also continues to be active in Act 129 proceedings to ensure that the energy efficiency, demand response, and advanced metering programs developed by Pennsylvania electric utilities provide the greatest benefit to consumers at the lowest reasonable cost. The OCA continues to be involved in the universal service proceedings before the Public Utility Commission and during Fiscal Year 2019-2020, after filing comments, participated in a working group related to a Commission staff-issued Report on Home Energy Affordability for Low-Income Customers. The OCA is also involved in the DSIC filings made pursuant to Act 11 of 2012 by electric distribution companies. During Fiscal Year 2019-2020, the OCA has been involved in distribution base rate proceedings filed by two electric distribution companies. Each company used a fully projected future test year under Act 11. The OCA has also participated in appellate proceedings addressing changes to the calculation of taxes in the DSIC as a result of Act 40. During Fiscal Year 2019-2020, the OCA continued to be involved in a major transmission line siting case. At the same time,

---

through our website, social media presence, and consumer outreach, OCA has been a leader in educating residential consumers on how to shop for competitive electric generation services if they choose to do so. Since much of the decision-making that affects Pennsylvania electric consumers occurs at the federal and regional level, the OCA has continued its expanded participation in key electric proceedings before the FERC, including a PECO Energy transmission formula rate filing, and in the activities of the PJM Interconnection.

In the natural gas industry, the OCA continues to represent consumers across Pennsylvania in the annual PUC review of every major natural gas distribution company's purchased gas costs. As in the electric industry, the OCA seeks to ensure that natural gas consumers continue to have access to the least cost "supplier of last resort" service from their regulated natural gas distribution company while also educating residential consumers about how to choose alternative natural gas suppliers. The OCA continues to be involved in the universal service proceedings before the Public Utility Commission and, as noted above, during Fiscal Year 2019-2020, after filing comments, participated in a working group related to a Commission staff-issued Report on Home Energy Affordability for Low-Income Customers. The OCA also is involved in the ongoing quarterly DSIC filings made pursuant to Act 11 of 2012 by natural gas companies. During the Fiscal Year 2019-2020, the OCA participated in four natural gas distribution base rate cases and continued our work on natural gas main extensions and proposed abandonments of natural gas service to consumers, as well as a collaborative related to gas on gas competition. The OCA also participates in proceedings at FERC that involve the major interstate pipelines that serve Pennsylvania's retail natural gas distribution companies, including rate increase filings by Texas Eastern Transmission and Transcontinental Gas Pipe Line Company. Also during Fiscal Year 2019-2020, the OCA participated in an Application filed by Aqua America, Aqua Pennsylvania, Aqua Pennsylvania Wastewater, Peoples Natural Gas Company, and Peoples Gas Company to transfer 100% of the outstanding interests in the parent company of Peoples to Aqua America.

In telecommunications, the OCA has participated in cases involving quality of service, network maintenance, and basic service pricing in Pennsylvania. During Fiscal Year 2019-2020, the OCA continued to address its complaints against the price change opportunity filings to ensure that the impact of the Tax Cuts and Jobs Act of 2017 was fully reflected in rates. The OCA continues to focus on the goal of ensuring that Pennsylvania maintains and enhances the provision of reliable and affordable universal telephone service throughout the Commonwealth as well as access to broadband services. This has included efforts to maintain reasonable limits on basic telephone rates, particularly in rural areas, and to expand the Lifeline telephone discount programs

---

to low-income consumers who might otherwise not be able to afford service. The OCA also continues to monitor consumer complaints and inquiries regarding the availability of broadband in areas around the Commonwealth. At the federal level, the OCA works extensively with the National Association of State Utility Consumer Advocates to provide the consumers' perspective in proceedings before the Federal Communications Commission and federal courts.

In the water and wastewater industries, the OCA continues to represent consumers in base rate increase cases involving large, medium and small companies, fair market value acquisitions and other application proceedings, and mandatory takeover proceedings involving both large and small utilities. During Fiscal Year 2019-2020, the OCA addressed Pittsburgh Water and Sewer Authority's second base rate case under PUC jurisdiction, Stage 1 of its Compliance Plan, and participated in its Low-Income Assistance Advisory Committee and the Consumer Lead Replacement Advisory Committee. The OCA also continues to address requests from water and wastewater utilities of all sizes under Act 11 of 2012 that choose to use the fully projected future test year and the provisions of Act 11 that allow for combining the revenue requirements of water and wastewater subsidiaries within the same parent company. During Fiscal Year 2019-2020, the OCA participated in 13 water and wastewater base rate cases, including 4 that included claims for alternative ratemaking and multi-year plans pursuant to Act 58 of 2018. The OCA also participated in five application proceedings involving companies' acquisitions of municipal water and wastewater systems using fair market valuation under Act 12 of 2016, including the largest proposed acquisition to date under Section 1329. During Fiscal Year 2019-2020, the OCA was involved in the ongoing quarterly DSIC filings made pursuant to Act 11 of 2012 by water and wastewater companies, a filing by a water and wastewater utility to establish initial DSIC caps of 10% and levelized DSICs, and three amended plans. As water and wastewater infrastructure expand in order to meet the needs of Pennsylvania consumers for safe and adequate service, the OCA has expanded its own efforts to ensure that rates are maintained at reasonable and affordable levels. The OCA has also participated in proceedings addressing changes to the federal income tax rate as a result of the Tax Cuts and Jobs Act of 2017. In addition, the OCA has participated in service quality cases, mandatory takeover cases, and application cases to ensure that consumers are receiving safe and adequate water and wastewater service, and has worked to extend public water service at a reasonable cost to unserved areas. During Fiscal Year 2019-2020, the OCA participated in cases involving the replacement of lead service lines and worked to incorporate the provisions of Act 120 of 2018 (recovery of costs related to replacement of customer-owned lead service lines) into a settlement of one of the proceedings.

---

During the last fiscal year, in response to Act 58 of 2018, the Commission sought additional comments, in response to a Tentative Order regarding alternative ratemaking and the OCA filed comments addressing the legislative changes. The Commission's resulting Policy Statement was entered on July 11, 2019 and the OCA has seen four rate filings that contained requests for approval of alternative ratemaking and multi-year rate plans pursuant to Act 58 of 2018. The OCA also filed comments in rulemakings and proceedings involving Chapters 63 and 64 (consumer protections in telecommunications), Act 120 of 2018 related to the plans for replacement of and ratemaking treatment of the replacement of lead service lines and wastewater laterals, Customer Assistance Program (CAP) rulemaking, default service and PJM Settlement Reforms, and supplier consolidated billing. During Fiscal Year 2019-2020 and in the current fiscal year, the OCA continues to participate in a collaboratives addressing the filing requirements related to the use of a Fully Projected Future Test Year pursuant to Act 11 of 2012, and Chapter 56 issues (Standards and Billing Practices) not addressed in the recent rulemaking.

In addition to its litigation activities, during the last fiscal year, the OCA participated on behalf of utility consumers in state and federal legislative and policy debates. During Fiscal Year 2019-2020, the OCA was called on to present formal testimony in the Pennsylvania General Assembly regarding proposed Regional Greenhouse Gas Initiative (RGGI) and Community Solar projects.

The OCA also responds to individual utility consumer complaints and inquiries. The OCA maintains a toll-free calling number (800-684-6560). In addition, the OCA devotes substantial resources to educating consumers about changes in the utility industry. The Acting Consumer Advocate, Consumer Liaison, and other members of OCA staff have helped plan and participate in consumer presentations, roundtables, and forums across the Commonwealth to help educate consumers about changes in the utility industry and to advise them about cases that affect them. During Fiscal Year 2019-2020, through March 2020, the OCA participated in 58 consumer outreach events across Pennsylvania, many of which were sponsored by members of the General Assembly. Since the Governor's Emergency Declaration, the OCA has continued to provide materials for "drive-thru" outreach events. In addition, the OCA keeps consumers and members of the General Assembly informed through regular letters and bulletins about upcoming cases and public hearings. The OCA also provides consumer information and education through its website at [www.oca.state.pa.us](http://www.oca.state.pa.us) and its social media presence on Facebook and Twitter. The OCA posted on utility-related issues more than 250 times during Fiscal Year 2019-2020. Among the most popular items on the OCA website are the OCA's monthly shopping guides that provide "apples-to-apples" price comparisons

for residential electric and natural gas customers who are looking for alternatives to their utility default service suppliers.

The OCA recognizes the importance of its role in advocating for the interests of Pennsylvania consumers and keeping consumers informed with respect to their utility services. The OCA looks forward to continuing to meet its growing challenges on behalf of Pennsylvania utility consumers. The OCA believes that it has served Pennsylvania consumers well both with respect to its traditional regulatory responsibilities, as well as in its role in assisting consumers to obtain the benefits and avoid the pitfalls of the changing utility service markets.

---

## ELECTRIC: UTILITY-SPECIFIC PUC PROCEEDINGS

### Alphabetically by Utility Name

#### **Blue Pilot Energy, LLC**

Docket No. A-2011-2223888. On May 4, 2015, Blue Pilot, a licensed Electric Generation Supplier, filed a letter in the above-referenced docket notifying the Commission of its intent to abandon service to Pennsylvania customers, pursuant to 52 Pa. Code Section 54.41(b), and requested that the Commission waive the 90-day notice requirement in Section 54.41(b) and allow for an approximate 30 to 45-day notice to affected customers and Electric Distribution Companies as well as the cancellation of its EGS license, effective immediately.

On May 18, 2015, the OCA filed a Notice of Intervention, Public Statement, and Joint Answer with the Commonwealth of Pennsylvania, Bureau of Consumer Protection (BCP), wherein the OCA/OAG noted that they had filed a Joint Complaint against Blue Pilot on June 20, 2014, at Docket No. C-2014-2427655, the Joint Complaint proceeding had not yet concluded and they were aware of a number of other Formal Complaints filed by individual residential and business customers against Blue Pilot involving disputes surrounding terms, prices billed, and quality of service that also remained unresolved by final Commission decision or settlement at that time. While the OCA/OAG did not oppose Blue Pilot's proposal to cease serving its Pennsylvania customers and to the shortened notice period if the EDCs could properly accommodate the return to default service of the Blue Pilot customers, the OCA/OAG did oppose Blue Pilot's request for the immediate cancellation of Blue Pilot's license. The OCA/OAG also submitted that the Commission should immediately act to secure the proceeds of the Blue Pilot bond or letter of credit that should have been on file with the Commission, as there was no information, other than the bond proceeds, to suggest that Blue Pilot could, or would, meet any final obligation to provide refunds to customers.

On December 17, 2015, in a related proceeding at Docket No. M-2015-2490383, the Commission issued a Tentative Order tentatively approving the cancellation of the EGS license, *inter alia*, of Blue Pilot for the failure to provide proof to the Commission that it had a bond or other approved security currently in effect. The OAG/OCA provided Comments in February 2016, wherein the OCA/OAG again submitted that the Commission should refrain from cancelling or granting any abandonment of Blue Pilot's license until the Commission was assured that all obligations of Blue Pilot to Pennsylvania consumers and the Commonwealth had been properly met. The OAG/OCA also repeated their request that the Commission act immediately to secure any proceeds of Blue Pilot's last viable bond or letter of credit so that it was available to

meet Blue Pilot's obligations to the Commonwealth and to the Company's Pennsylvania customers. Finally, the OAG/OCA requested the Commission consider permanent revocation of Blue Pilot's EGS license in the pending Complaint cases.

On March 14, 2016, the Commission issued a Final Order in Docket No. M-2015-2490383, wherein the Commission suspended Blue Pilot's license until final resolution of the pending Joint Complaint at Docket No. C-2014-2427655. See write up below, under Docket No. C-2014-2427655, for additional information.

Docket Nos. C-2014-2427655, 1054 CD 2019. On June 20, 2014, the Commonwealth of Pennsylvania and the OCA (collectively, Joint Complainants) filed a Joint Complaint against Blue Pilot asserting five separate counts and alleging: failure to provide accurate pricing information; prices nonconforming to disclosure statement; misleading and deceptive promises of saving; lack of good faith handling of complaints; and failure to comply with the Telemarketer Registration Act. With respect to relief, the Joint Complainants requested that the Commission provide restitution to Respondent's customers, impose a civil penalty and order Blue Pilot to modify its practices and procedures, and revoke or suspend Respondent's EGS license, if warranted.

At hearings, testimony by the Joint Complainants' 83 consumer witnesses and three expert witnesses showed that Blue Pilot engaged in a pattern of making false and misleading statements in its written advertising materials, Disclosure Statement, and in oral statements made by the Company's agents. It also showed the Company's lack of proper training, oversight and discipline of its sales agents.

In their Initial Decision, issued in July 2016, the ALJs found that Blue Pilot deceptively and misleadingly charged prices to its variable rate customers that neither conformed to the Disclosure Statement nor reflected marketed prices promising savings in violation of the Public Utility Code and the Commission's regulations and Orders. The ALJs ordered Blue Pilot to pay a civil penalty of \$2,554,000; to provide refunds to customers in the amount of \$2,508,449; and that Blue Pilot's license be permanently revoked and that no future EGS license application from the owners, directors or managers of Blue Pilot shall be considered by the Commission.

On June 14, 2018, the Commission voted to uphold the ALJs' Initial Decision finding of wrongdoing by Blue Pilot in the marketing and billing for electric supply, consistent with the OCA/OAG position. The Commission voted to decrease the civil penalty to \$1,066,900, but kept the refund pool at \$2,508,449 for customers overbilled by Blue Pilot and specified that the refund pool had priority over the civil penalty. The Commission voted to revoke Blue Pilot's EGS license but declined to permanently bar

the owners, directors, or managers from future involvement with a competitive energy supplier. The Commission issued its Order on July 19, 2018.

In August 2018, the OCA filed an Answer opposing a Petition by Blue Pilot for reconsideration. On July 11, 2019, the Commission denied the Petition. On August 9, 2019, Blue Pilot filed a Petition for Review in Commonwealth Court. On September 4, 2019, the OCA filed a Notice of Intervention. No stay on the Order had been requested, and by the Commission's Order, the timeframe for compliance with the Commission's ordering provisions expired on October 9, 2019. On October 10, 2019, the OCA and the Commonwealth filed a demand letter with the Commission that Blue Pilot immediately comply with the Commission's July 2018 Commission Order to pay into the Refund/Rebilling Pool the sum of \$2,508,449. On October 17, 2019, Blue Pilot filed a Petition for Stay Pending Judicial Review before the PUC, and the OCA and Commonwealth filed an Answer in Opposition. Briefs were submitted to the Commonwealth Court and oral argument was heard *en banc* on May 13, 2020. At the end of the 2019-2020 Fiscal Year, the OCA awaited action by the Court.

Docket No. F-2015-2472890. Consumer Brenda Smith filed a Formal Complaint against Blue Pilot Energy, LLC and PPL Electric Utilities Corporation on March 16, 2015, appealing a Bureau of Consumer Services decision. In her Complaint, Ms. Smith asserted that Blue Pilot promised to shop around for the lowest rate possible, yet Blue Pilot charged her \$0.4490/kWh for three months in early 2014 even though PPL's price was much lower. Ms. Smith also asserted that PPL charged late fees while she was on a payment plan, which made it difficult for her to pay down her back balance.

On August 22, 2017, the OCA intervened in Ms. Smith's Complaint proceeding to continue its representation of consumers alleging wrongdoing by Blue Pilot before the Commission and to ensure that Blue Pilot followed applicable requirements when it engaged in electric generation marketing and sales in Pennsylvania. Additionally, the OCA sought to ensure that PPL charged late fees in accordance with the law, Commission regulations and orders, and PPL's Tariff.

As a result of settlement discussions with Ms. Smith and PPL, PPL filed a Certificate of Satisfaction on September 5, 2017, resolving Ms. Smith's allegations against PPL. In the Certificate of Satisfaction, PPL agreed to apply a credit to Ms. Smith in the amount of \$112.10 and to put Ms. Smith on a new, more affordable payment arrangement to pay off the undisputed portion of her balance. Additionally, PPL agreed that, within 45 days of a Commission decision on the issues then remaining for litigation against Blue Pilot, the OCA, PPL, and Ms. Smith would discuss the establishment of a 36-month payment arrangement for Ms. Smith's arrearages.

The OCA assisted Ms. Smith in presenting testimony during the evidentiary hearing. On August 27, 2018, an Initial Decision was issued sustaining Ms. Smith's Complaint and ordering Blue Pilot to refund or credit Ms. Smith \$5,207.61. No party filed Exceptions. The Commission approved the Initial Decision on October 5, 2018, which directed Blue Pilot to refund or credit \$5,207.61 to the customer. To date, Blue Pilot has not complied with the Order. The OCA is also awaiting final resolution of its related Complaint at Docket C-2014-2427655.

### **Citizens' Electric Co. of Lewisburg**

Docket No. R-2019-3008212. On July 1, 2019, Citizens' Electric filed a tariff supplement, in which proposed an annual overall distribution rate increase of \$792,246, or approximately 16.5%, over current annual overall distribution rates. Citizens' Electric also proposed to increase its residential monthly customer charge from \$11.24 to \$15.00. On July 30, 2019, the OCA filed a Formal Complaint and Public Statement indicating its opposition to the proposed rate increase.

In the rebuttal phase of testimony, the Company reduced its requested revenue increase to \$701,000. The OCA recommended an increase of no more than \$359,459 in annual distribution charges and a residential customer charge of no more than \$12.94 per month. The OCA also proposed adjustments to the Company's proposed cost of equity, rate base including the Company's use of an end of test year rate base for the Fully Projected Future Test year and corresponding depreciation adjustments, use of an across-the-board inflation factor, cash working capital, taxes and net operating income items, and revenue allocation and rate design.

The ALJs issued a Recommended Decision on February 28, 2020, which adopted many of the OCA's recommended adjustments resulting in a recommended increase of annual operating revenue in the amount of \$515,144, approximately \$275,000 less than the increase originally sought by the Company. The OCA filed Exceptions and Reply Exceptions, which recommended further adjustment to the annual operating revenue increase.

The OCA's Exceptions were granted, in part, and denied in part by the Commission. In total, the Commission authorized Citizens' an increase in revenues of approximately \$494,749 to become effective for service rendered on and after May 1, 2020, approximately \$300,000 less than the increase originally sought by the Company.

Docket Nos. P-2020-3019383, P-2020-3019384. On March 31, 2020, Citizens' Electric and Wellsboro Electric filed a Petition seeking approval of their Sixth Joint Default Service Plan (DSP VI) to cover the period beginning June 1, 2021 through May 31,

2025. The Companies proposed to continue the default service procurement plan used in DSP V. With respect to residential customers, they will utilize competitively-bid, load-following, full-requirements contracts with wholesale suppliers. The contracts will be for the full four-year DSP VI period. Pricing of the energy component of the contracts will be adjusted every six months based on an index of on-peak prices at the PJM West Hub. The winning suppliers will be responsible for procuring all Alternative Energy Credits necessary to meet the Companies' requirements under the Alternative Energy Portfolio Standards Act. The Companies also propose to reconcile default service costs and revenues on a semi-annual basis.

The OCA intervened in this proceeding on April 29, 2020. On June 18, 2020, the OCA filed the Direct Testimony of its expert witness. In its testimony, the OCA recommended that the period of DSP VI be shortened from four to three years, that the Companies retain an independent evaluator to monitor the conduct of its competitive bidding activity, and that the over or under recovery of default service revenues and costs be spread over twelve months rather than six. At the end of the 2019-2020 Fiscal Year, the parties were engaged in settlement discussions.

### **Duquesne Light Co.**

Docket No. P-2020-3019522. Duquesne filed a Petition for approval of its Ninth Default Service Plan (DSP IX) on April 20, 2020. DSP IX is to take effect on June 1, 2021 and run through May 31, 2025. Duquesne proposed to procure electricity for its residential default service customers through a mix of competitively bid one- and two-year fixed-rate, load-following, full-requirements contracts. Duquesne also proposed an Electric Vehicle Time of Use Pilot Program for DSP IX. Participants will pay different prices for electricity depending on whether their consumption occurs in peak, shoulder or off-peak periods. In addition, Duquesne proposed to enter into a long-term contract with a utility-scale solar project located in Pennsylvania and secure the Alternative Energy Credits that result from the project to help meet its requirements under the Alternative Energy Portfolio Standards Act.

Duquesne proposed to continue its Standard Offer Customer Referral Program (SOP) in DSP IX, but would, for the first time, use a third party vendor to enroll customers and market the program. The Company would also permit low-income customers in its Customer Assistance Program to shop for an electricity supplier subject to consumer protections established by the PUC. EGSs participating in CAP shopping would have to meet certain requirements established by the Company.

The OCA intervened on May 22, 2020 and began issuing discovery and developing testimony regarding its concerns about the use of the third-party vendor to enroll and market customers for the SOP, the prices paid by SOP customers who stay with their SOP suppliers at the end of the SOP contract, consumer education, and whether there should be a showing regarding the projected revenue impact on Duquesne's customers prior to the Company entering into a long-term contract. At the end of the Fiscal Year, the OCA was preparing to file testimony in July 2020.

### **FirstEnergy Corp. (Met-Ed, Penelec, Penn Power and West Penn)**

Docket Nos. C-2019-3013805, C-2019-3013806, C-2019-3013807, C-2019-3013808. On October 25, 2019 Interstate Gas Supply, Inc., Direct Energy Services LLC and Shipley Choice, LLC (the EGSs) filed a Formal Complaint against Met-Ed, Penelec, Penn Power and West Penn (the EDCs). The EGS complaint averred that the EDCs' conduct of on-bill billing for non-commodity products and services for the benefits of its electric distribution customers while refusing to provide on-bill billing for EGSs serving customers on its systems violates Sections 1502 and 2804(6) of the Public Utility Code, as well as a prior Commission order. The EGSs requested that the Commission require the EDCs to provide a similar service to the EGSs operating on their systems.

On February 7, 2020 the OCA filed a Notice of Intervention. The OCA filed testimony supporting its opposition to the EGSs' requested relief. The OCA raised significant consumer protection concerns related to the EDCs' current billing of non-commodity charges, which would be exacerbated by adding more non-commodity charges to the EDCs' bills. The OCA recommended that all providers of non-commodity products and services should separately bill for those services to avoid any confusion that customers have to pay non-commodity charges in order to maintain electric service and eliminate any unfair competitive advantage to the EDCs. At the end of the 2019-2020 Fiscal Year, the OCA was preparing briefs in support of its recommendations.

Docket Nos. P-2015-2508942, P-2015-2508936, P-2015-2508948, P-2015-2508931, 697 C.D. 2018. On October 19, 2015, Met-Ed, Penelec, Penn Power and West Penn, individually, filed Petitions seeking approval of an initial Long Term Infrastructure Improvement Plan. On November 18, 2015, the OCA filed Comments recommending that the Companies provide additional information to ensure the LTIIP accelerates infrastructure repair and replacement in a cost effective manner as required by Act 11. The OCA noted that the Companies did not provide historical baseline data to compare against the proposed LTIIP and recommended that the Commission review/evaluate the Company's biennial Inspection and Maintenance Plan. The OCA emphasized that previous service/reliability commitments as part of previous settlements should not be

considered as accelerated infrastructure improvements for purposes of Distribution System Improvement Charge recovery under Act 11.

The Commission's Bureau of Technical Utility Services required the Companies to provide supplemental information in response to questions and concerns raised by the OCA. On February 11, 2016, the Commission entered an Order approving the LTIIPs, based on the filing and supplemental information. On February 16, 2016, Met-Ed and Penelec filed Petitions to establish a DSIC. The OCA filed an Answer raising concerns about the Companies' proposal that the DSIC will not apply to certain high voltage customers. The OCA submitted that, without additional information, the Company had not shown that the exclusions are warranted and consistent with Act 11, which requires utilities to apply the DSIC to all customers.

On February 2, 2017, the parties filed a proposed Settlement addressing the matters referred for hearings. The Settlement addressed the OCA's concerns by ensuring that the DSIC calculation only includes revenues derived from distribution service and ensures that all customers served by distribution plant in categories eligible for DSIC recovery will pay the DSIC. This helps to ensure that the charge is properly calculated and fairly applied.

On January 19, 2017, the Commission issued an Order in the FirstEnergy companies' consolidated base rate proceedings at Docket Nos. R-2016-2537349 (Met-Ed), R-2016-2537342 (Penelec), R-2016-2537355 (Penn Power) and R-2016-2537359 (West Penn). The Commission referred to this proceeding the contested issue regarding the impact of recently enacted Act 40, codified at 66 Pa. C.S. § 1301.1, on the calculation of the DSIC, specifically, with regard to federal income tax benefits.

The OCA's position was that the new law required utilities to change their DSIC calculation to recognize federal and state tax benefits. Currently, utilities only recognize their tax expense. If the change was made, FirstEnergy companies receiving tax benefits from investment recovered through the DSIC would reduce their DSIC rates. On August 31, 2017, the Presiding Officer issued a Recommended Decision adopting the OCA's position and also approving the settlement of all other issues in the case. On April 19, 2018, the Commission entered an Order adopting the settlement but reversing the RD and determining that Act 40 does not apply to DSIC rates.

The OCA filed a Petition for Review with the Commonwealth Court seeking reversal of the Commission's Order with regard to the application of Act 40 to the calculation of income taxes in the DSIC calculation. The OCA also appealed an Order involving the Newtown Artesian Water Co., where the Commission had ruled on the same issue. The Court heard the two appeals together and entered Orders on July 11, 2019, in which it

agreed with the OCA that Section 1301.1 applies to DSIC rates. The Court reversed the Commission and remanded the matters for the purpose of requiring the utilities to revise their tariffs and DSIC calculations in accordance with Section 1301.1.

On July 25, 2019, the Commission and FirstEnergy filed Petitions seeking reargument before the Court en banc. Those Petitions were denied by an Order entered on September 4, 2019. On October 4, 2019, the Court granted the OCA's Application requesting the Court to publish the July 11, 2019 unreported opinion. On the same date, the Commission and FirstEnergy filed a Petition for Allowance of Appeal with the Pennsylvania Supreme Court. Those Petitions were granted on April 7, 2020 in Docket Nos. 24 MAP 2020 and 25 MAP 2020 and consolidated with the related appeal at Docket No. 26 MAP 2020. The OCA will file briefs in support of its position in August 2020.

Docket Nos. P-2019-3013979, P-2019-3013980, P-2019-3013981, P-2019-3013982.

On October 31, 2019, Met-Ed, Penelec, Penn Power, and West Penn Power filed a Joint Petition seeking approval to involuntarily terminate service to residential customers and some small business customers using remote disconnection technology. On November 22, 2019, the OCA filed an Answer seeking additional consumer protections. On March 20, 2020, in its Direct Testimony, the OCA recommended that the Company implement additional consumer protections consistent with Chapters 56 and 14 of the Public Utility Code, extend customer reconnection hours, and reduce the reconnection fee. On March 27, 2020, the procedural schedule was suspended due to COVID-19.

Docket No. P-2019-3014988. On December 17, 2019, West Penn filed a Petition for Authority to Defer for Regulatory Accounting and Reporting Purposes Certain Losses from Extraordinary Storm Damage Related to Winter Storm Quiana that occurred in February 2019. The Petition provided that, as of September 30, 2019, the total incremental storm expense was \$6.7 million, excluding straight-time internal labor and capital expenses, or approximately 5.1% of West Penn's 2018 income.

On January 6, 2020, the OCA filed an Answer to the Petition requesting the Petition be denied because the expense, totaling approximately 5.1% of annual income, was significantly less than the expense amounts previously granted deferred accounting treatment by the Commission. Additionally, the OCA submitted that, if the Commission were to grant West Penn's Petition, at minimum, (1) the authorization granted to West Penn for deferred accounting treatment should carry no assurance of future rate recovery, (2) West Penn be directed to claim its deferred costs at the first available opportunity, (3) any authorization for deferred accounting treatment be limited to actual operations and maintenance costs, net of any insurance recovery, and (4) any opinion

and order in the matter should in no way limit the ability of any party to a future rate case to oppose rate recovery of any of the costs deferred pursuant to the limited authorization granted. On April 30, 2020, the Commission issued an Order granting West Penn's Petition subject to the above conditions requested by the OCA.

Docket Nos. P-2020-3018873, P-2020-3018883, P-2020-3018884, P-2020-3018885. On February 21, 2020, Met-Ed, Penelec, Penn Power, and West Penn Power filed a Joint Universal Service and Energy Conservation Plan (USECP) seeking to amend its currently effective USECP to comply with the Commission's Policy Statement and Order in Docket No. M-2019-3012599. Specifically, the Companies proposed, among other things, to reduce their energy burden thresholds for Customer Assistance Programs, eliminate maximum CAP credits, and reduce the time periods for arrearage forgiveness. The Companies project that these changes will increase costs to residential ratepayers by approximately \$9.65 million for Met-Ed customers; \$9.03 million for Penelec customers; \$2.09 million for Penn Power customers; and \$10.91 million for West Penn customers.

On March 12, 2020, the OCA filed an Answer and Notice of Intervention because the Commission's CAP policy statement and the Companies' Joint Petition raised significant questions as to the cost of the program, the increased costs related to the proposed amendments, the impact of the amendments on the overall plan, and the continued cost-effectiveness of the Plan, among others. The OCA urged the Commission not to approve the filing until a full review has been completed. At the end of the 2019-2020 Fiscal Year, the OCA was reviewing the filing and awaiting action from the Commission.

### **PECO Energy Co. – Electric**

Docket Nos. M-2018-3005860, M-2019-3010032. On November 7, 2018, PECO filed a tariff adjustment to its Non-bypassable Transmission Service Charge (NBT) pursuant to a FERC settlement in which PECO received \$83 million in credits that PJM will refund through 2025. Under the Company's proposal, PECO will retain \$5.5 million of the credits. On November 29, 2018, the OCA filed a Formal Complaint requesting that the Commission investigate PECO's proposed retention of the \$5.5 million of FERC-ordered credits. The OCA filed testimony and briefs in support of its position that PECO had not shown that it is entitled to retain any portion of the credits and the full \$83 million should be credited to customers.

On June 25, 2020, the ALJ issued a Recommended Decision denying the OCA's recommendation. At the end of the 2019-2020 Fiscal Year, the OCA was preparing Exceptions for the Commission's consideration.

Docket No. P-2020-3019290. PECO Energy filed a Petition on March 13, 2020 seeking approval of its Fifth Default Service Plan (DSP V) for the four-year period beginning June 1, 2021 through May 31, 2025. In DSP V, PECO proposed to continue to procure a mix of competitively bid one- and two-year fixed-price full requirements, load-following contracts to provide default service to residential customers. PECO proposed to stagger the delivery periods of the contracts to dampen any effects of price volatility. In addition to the full requirements contracts, PECO proposed to procure approximately 1% of residential default supply through purchases on the PJM spot market. PECO also proposed to meet a portion of its Alternative Energy Portfolio Standards Act compliance with respect to solar generation by purchasing 16,000 solar Alternative Energy Credits in 2021 and 2022 (8,000 credits per year) and requiring that half of the credits come from solar generating facilities within PECO's service territory.

PECO also proposed a new Time of Use rate that utilizes three pricing periods – peak, off-peak and super off-peak. Under the Company's TOU rate design, interested default service customers would pay a discounted rate for super off-peak usage but a higher price for off-peak and peak usage. PECO would apply multipliers to the super off-peak rate to set the rates for peak and off-peak usage.

PECO proposed to continue its Standard Offer Program during DSP V. This program allows certain customers to enroll with an EGS for a 12-month period at a rate that is 7% below the PECO default service rate at the time the customer enrolls. PECO also proposed to initiate a program that would allow customers on PECO's Customer Assistance Program to shop for electricity supply. To be eligible to participate in the CAP Shopping Program EGSs must meet certain requirements: CAP customers must be charged a rate that is at or below the PECO default service rate; a contract offered by an EGS may not impose early cancellation or termination fees; and at the end of a contract term with an EGS, a CAP customer must have the option to renew with their existing EGS at a Plan-compliant rate, switch to another supplier offering a Plan-compliant rate or return to default service.

The OCA intervened in the case on April 3, 2020 and subsequently filed testimony that generally supported PECO's procurement plan for the residential class but recommended elimination of the 1% spot market purchases. The OCA supported the solar AEC procurement and supported the TOU product except with a recommendation to reset the multipliers between pricing periods on an annual basis. The OCA also recommended certain procedures to improve the functioning of the SOP and recommended stakeholder review of the educational materials to be used with customers for the CAP Shopping Program as well as placing certain costs of the

program on EGSs instead of residential customers. At the end of the 2019-2020 Fiscal Year, the OCA was preparing to submit rebuttal testimony.

Docket Nos. R-2018-3000164, 58 CD 2019, 359 MAL 2020. On March 29, 2018, PECO Electric filed a tariff supplement in which it requested to increase its distribution rates by \$81.9 million, or 6.7% on a distribution revenue basis, which represented a 2.2% increase over the Company's total revenues, including distribution, transmission, and generation revenues. Under the PECO Electric's proposal, the total bill for a typical residential customer would have increased by 3.2 percent. The Company also proposed an increase in the Residential customer charge from \$8.45 to \$12.00.

On April 12, 2018, the OCA filed a Formal Complaint indicating its opposition to the proposed rate increase. The OCA filed testimony addressing (1) revenue requirement, (2) the impact of the TCJA on rates, (3) revenue allocation, (3) NRG Energy Inc.'s (NRG) proposal to allocate \$101 million of "indirect costs" to default service, (4) the Residential customer charge increase, and (5) low-income customer issues, including winter termination procedures, budget billing, and CAP enrollment.

In August 2018, the parties filed a Joint Petition for Settlement resolving all issues with the exception of NRG's allocation proposal. The Settlement provided for a \$14.9 million increase, which incorporated the application of \$71 million in 2019 tax savings resulting from the TCJA and represented a 2.0% increase on a net revenue basis. Under the Settlement, the total bill for a typical residential customer increased by only 1.2%. The Settlement also provided for the flow back of 2018 TCJA savings to customers. The Settlement further provided for a Residential customer charge of \$10.00 and the adoption of terms addressing the low-income customer issues raised in the OCA's testimony.

In September 2018, the OCA filed Briefs in opposition to NRG's proposal on the basis that it would allocate unavoidable costs to default service, which is inconsistent with Pennsylvania law and policy. In September 2018, the ALJ issued a decision recommending that NRG's proposal be rejected. On December 20, 2018, the Commission issued an Order approving the Partial Settlement and denying NRG's proposal. On January 19, 2019, NRG filed a Petition for Review with the Commonwealth Court. The OCA filed an Intervention on February 8, 2019. Briefs were filed in May and July 2019 and oral argument was heard on December 11, 2019. On June 2, 2020, the Commonwealth Court affirmed the Commission's Order and denied NRG's appeal. At the end of the 2019-2020 Fiscal Year, NRG filed a Petition for Allowance of Appeal at the Pennsylvania Supreme Court, and the OCA was preparing an Answer in Opposition.

---

## **PPL Electric Utilities Co.**

Docket Nos. A-2017-2629534, 624 C.D. 201. On October 16, 2017, PPL filed an Application for PUC approval to restructure to form two new holding companies in two steps: (1) Newco 1 would be owned directly by PPL Corporation and (2) Newco 2 would be owned directly by Newco 1. In step two, PPL planned to contribute all of the interests it holds in certain of its direct, wholly owned subsidiaries to Newco 1. On November 22, 2017, the OCA filed an Intervention to monitor the proceedings. OSBA opposed the Application based on its position that PPL was required to demonstrate that a substantial affirmative public benefit would result from the proposed restructuring and failed to make that showing. In September 2018, the ALJs recommended denying PPL's application based on their agreement with OSBA that a substantial affirmative public benefit was required for approval and that standard was not met. On April 25, 2019, the Commission denied PPL's Application, consistent with the ALJs' recommendation. On May 30, 2019, PPL filed a Petition for Review with the Commonwealth Court, which was docketed at 624 C.D. 2019. The OCA intervened on June 21, 2019. Briefs were filed in September and October 2019 and oral argument was heard on May 13, 2020. The matter is pending before the Commonwealth Court.

Docket No. P-2019-3010128. On May 24, 2019, PPL filed a Petition seeking approval to require Distributed Energy Resource (DER) applicants to install a smart inverter and communications device in order to further monitor and manage DERs on PPL's distribution grid. On July 30, 2019, the OCA filed an Answer in opposition, noting that PPL's Petition is premature, preceding several relevant industry standards, is ambiguous, providing substantial discretion to PPL, and addresses issues that are more appropriate for a statewide stakeholder proceeding. Accordingly, the OCA requested that the Commission deny PPL's Petition or, in the alternative, establish a statewide rulemaking process to address these issues.

In testimony submitted in spring 2020, the OCA continued to advance its position as stated in its Answer. At the end of the Fiscal Year, the OCA was preparing for hearings.

Docket No. P-2020-3019356. PPL filed a Petition on March 25, 2020 seeking approval of its Fifth Default Service Plan (DSP V) covering the period beginning June 1, 2021 through May 31, 2025. In DSP V, PPL proposed to continue to procure a mix of competitively bid 6- and 12-month fixed-price, full-requirements, load-following contracts to provide default service supply to residential customers. The procurement of these contracts would be staggered to avoid purchasing too much supply at a single point in time. In addition to the full-requirements contracts, PPL proposed to purchase two 5-year, 50 MW blocks of electricity to serve residential default service customers. PPL

proposed to purchase all Alternative Energy Credits needed to comply with the Alternative Energy Portfolio Standards Act. In previous DSPs, PPL placed the obligation to acquire AECs on the winning default service bidders. PPL also proposed to initiate a Renewable Energy Rate Program for default service customers. The rate charged for this program would be higher than regular default service, but PPL would procure AECs to cover entirely the amount of electricity consumed by participants in the program.

PPL proposed to maintain its Standard Offer Referral Program during DSP V. This program allows certain customers to enroll with an EGS to supply their electricity for 12 months at a rate that is 7% below the rate charged by PPL at the time of enrollment. PPL proposed a number of changes to the SOP involving education, scripting and returning SOP customers to default service at the end of the EGS contract absent affirmative consent otherwise. PPL also proposed changes to its CAP Shopping program, which allows low-income customers on the Company's Customer Assistance Program to shop for alternative suppliers. Currently, CAP customers shop through a separate CAP SOP program. PPL proposed to eliminate the CAP SOP in DSP V and require all CAP customers to be on default service effective June 1, 2021.

The OCA intervened in the case on May 8, 2020. On June 25, 2020, the OCA submitted testimony in which it recommended that PPL's proposed 6-month contracts for residential default service should be replaced by 24-month contracts to reduce heavy reliance on short-term contracts. The OCA also recommended that the AECs procured to support the Renewable Energy Rate Program should represent truly renewable energy sources. The OCA further recommended a number of process changes to the SOP and supported elimination of the CAP SOP. At the end of the 2019-2020 Fiscal Year, litigation was ongoing.

### **Respond Power, LLC**

Docket Nos. C-2016-2576287, C-2016-2576292, C-2017-2631326, C-2017-2631331, 260 CD 2020. Pursuant to a Commission-approved Settlement, Penelec and West Penn implemented a Purchase of Receivables (POR) "Clawback" mechanism to recover uncollectible costs from electric generation suppliers whose average percentage of write-offs substantially exceeded EGS supplier averages. On November 17, 2016, Respond Power filed a Complaint against Penelec and a separate Complaint against West Penn requesting that the Commission prohibit both Companies from applying certain Clawback charges for September 2016 and September 2017 to Respond Power.

The OCA was a signatory to the Settlement that created the POR Clawback and intervened in the Complaint proceedings in December 2016, to ensure that the

provisions approved in the Settlement were appropriately implemented and that consumers were adequately protected.

On October 27, 2017, Respond Power filed additional Complaints against West Penn at Docket No. C-2017-263132 and Penelec at Docket No. C-2017-2631331. These Complaints contained similar allegations to those in Respond Power's earlier Complaints against the Companies. All four dockets were consolidated.

On June 13, 2019, the Commission entered an Order denying the Exceptions filed by Respond Power and adopting the ALJ's Initial Decision that dismissed Respond Power's four Complaints. On June 28, 2019, Respond Power filed a Petition for Reconsideration. On February 6, 2020, the Commission denied the Petition. On March 9, 2020, Respond Power filed a Petition for Review in Commonwealth Court. The OCA filed a Notice of Intervention on April 7, 2020. At the end of the 2019-2020 Fiscal Year, the matter remained pending at Commonwealth Court.

### **Transource PA, LLC**

Docket Nos. A-2017-2640195, A-2017-2640200. On December 27, 2017, Transource PA, LLC submitted an Application with the PUC seeking approval of the siting and construction of the 230 kV transmission line associated with the Independence Energy Project – East Project (IEC-East Project) in Portions of York County. The IEC East Project involves the siting and construction of the new Furnace Run-Conastone 230 kV Transmission Line that will extend approximately 15.8 miles connecting the existing Conastone Substation located near Norrisville, Harford County, Maryland and the new Furnace Run Substation to be located in York County, Pennsylvania. Approximately 12.7 miles of the IEC-East Project will be located in Pennsylvania. Approved as a market efficiency project, Transource PA alleges that the IEC-East Project will alleviate congestion constraints and lower wholesale market prices in Maryland, Virginia, and a portion of Western Pennsylvania.

The OCA filed a Protest on January 10, 2018 to ensure that Transource PA adheres to all legal requirements of the Public Utility Code, applicable Commission Rules and Regulations, and Pennsylvania Law, as well as to protect the interests of ratepayers.

In May 2018, Public Input Hearings were held in York and Franklin County where over 200 individuals testified as to the impact of the project.

On May 15, 2018, Transource filed additional pleadings including two Petitions for Building Shelter Control Equipment in York and Franklin County and 133 eminent

domain applications to acquire certain portions of land from various individuals and entities. The OCA Intervened in the Petitions on June 1, 2018.

In September 2018, the OCA participated in additional Public Input Hearings in York and Franklin County. The OCA submitted testimony recommending the Commission deny the proposed transmission project because the costs would greatly exceed the benefits, particularly in Pennsylvania, and PJM did not consider what may be viable alternatives with less overall cost and environmental impact or whether reliability issues may be mitigated by the replacement of aging infrastructure.

On October 17, 2019, Transource filed three partial settlements with certain intervenors seeking to reroute the IEC-East Project to two existing PPL transmission lines in York County.

On January 29, 2020, Transource filed its Amended Siting Application seeking approval of an alternative configuration of the IEC-East Project. The amendment did not resolve the concerns identified by the OCA and, at the close of the Fiscal Year, the OCA was preparing for hearings to be held in July 2020.

### **UGI Utilities, Inc. – Electric Division**

Docket No. P-2020-3019907. On May 26, 2020, UGI Electric filed a Petition seeking approval of its fourth Default Service Plan (DSP IV) for the period from June 1, 2021 through May 31, 2025. Under the plan, UGI would acquire its default service supply for the residential and small commercial classes through a combined procurement that would consist of 50% twelve-month load following full requirements (LFFR) contracts and 50% six-month block purchases. Both the LFFR and block purchases will be procured in two tranches. Any variance between actual load and scheduled electric deliveries will be covered through purchases in the PJM real-time energy market. A small portion of UGI's default service supply will come from a preexisting arrangement between UGI and Allegheny Electric Cooperative. Winning bidders for the LFFR contracts will be responsible for acquiring the Alternative Energy Credits necessary for compliance with the Alternative Energy Portfolio Standards Act. UGI will acquire the AECs required in connection with the block purchases.

The OCA intervened in the case on June 30, 2020 and filed an Answer, in which it identified concerns about the type and mix of default service products, the impact of the proposed procurement schedule and reconciliation mechanism on rate stability. At the end of the 2019-2020 Fiscal Year, the OCA was reviewing the Plan and developing its position.

---

### **Verde Energy USA, Inc.**

Docket No. C-2020-3017229. On January 30, 2020, I&E filed a formal complaint against Verde, a jurisdictional EGS licensed in Pennsylvania, alleging numerous violations of the Public Utility Code and/or Pennsylvania Code. Specifically, the complaint alleged that Verde engaged in deceptive and misleading tactics while conducting door-to-door and telemarketing sales, enrolled customers without authorization (referred to as “slamming”) and accessed customer accounts without authorization. The allegations stemmed from an initial informal investigation by I&E of Verde during which PPL Electric Utilities identified and provided 339 customer accounts allegedly affected by Verde’s alleged deceptive conduct. The group of customers impacted by Verde’s alleged deceptive and misleading conduct included some of Pennsylvania’s most vulnerable populations: forty-one (41) customers identified as senior citizens, twelve (12) customers identified as infirmed, disabled or unwell, and three (3) enrolled customers were deceased.

On February 24, 2020, the OCA intervened in this case to protect the interests of Pennsylvania consumers possibly impacted by these alleged violations and to ensure appropriate remedies for any violations of the Commission’s regulations so as to protect consumers and ensure the proper functioning of the retail market. At the end of the 2019-2020 Fiscal Year, the OCA was preparing a response to a non-unanimous Settlement filed by I&E and Verde on June 30, 2020.

### **Wellsboro Electric Co.**

Docket Nos. P-2020-3019383, P-2020-3019384. See write-up above, under Citizens Electric Co.

Docket No. R-2019-3008208. On July 1, 2019, Wellsboro filed a tariff supplement, in which it proposed an annual overall distribution rate increase of \$1,419,610, or approximately 27.7%, over current annual overall distribution rates. Subsequently, on July 31, 2019, the Company filed replacement base rate schedules and tariff sheets by which it revised its requested increase to \$999,967, or approximately 19.5%. Wellsboro also proposed to increase its residential monthly customer charge from \$10.79 to \$13.40. On July 30, 2019, the OCA filed a Formal Complaint and Public Statement indicating its opposition to the proposed rate increase.

In its testimony, the OCA recommended an increase of no more than \$645,212 in annual distribution charges and a residential customer charge of no more than \$11.92 per month. The OCA also proposed adjustments to the Company’s proposed cost of equity, rate base including the Company’s use of an end of test year rate base for the

Fully Projected Future Test year and corresponding depreciation adjustments, use of an across-the-board inflation factor, cash working capital, taxes and net operating income items. Further, the OCA proposed adjustments to the Company's revenue allocation and rate design.

The ALJs issued a Recommended Decision on February 28, 2020, that adopted many of the OCA's recommended adjustments resulting in a recommended increase of annual operating revenue of \$954,649, approximately \$45,000 less than the revised increase sought by the Company. The OCA filed Exceptions and Reply Exceptions, which recommended further adjustments to the annual operating revenue increase.

The OCA's exceptions were granted in part by the Commission. In total, the Commission authorized Wellsboro an increase in revenues of approximately \$950,243 to become effective for service rendered on and after May 1, 2020, approximately \$50,000 less than the revised increase sought by the Company.

## **NATURAL GAS: UTILITY-SPECIFIC PUC PROCEEDINGS**

### **Columbia Gas of Pennsylvania, Inc.**

Docket No. R-2020-3018835. On April 24, 2020, Columbia filed a tariff supplement seeking an increase in annual distribution revenues of \$100.4 million for a fully projected future test year (FPFTY) ending on December 31, 2021. If approved, the total monthly bill for residential customers using 70 therms per month, would increase from \$87.57 to \$103.19 (17.84%). Columbia proposed an increase in the residential customer charge from \$16.75 to \$23.00. Columbia also proposed a new Revenue Normalization Rider (RNA) that would establish a benchmark revenue amount at which revenue collected from residential customers that exceeds that benchmark would be refunded to customers and revenue amounts that fall below the benchmark level would be recouped by the Company.

The OCA filed a Formal Complaint opposing the filing on May 5, 2020. The OCA raised concerns about increasing rates given the financial hardships faced by customers from the COVID-19 pandemic. The OCA also identified concerns with the proposed increase to the fixed residential customer charge, which cannot be reduced through customers' conservation measures and questioned whether the RNA was reasonable given that residential class usage is relatively constant over time. At the end of the 2019-2020 Fiscal Year, the OCA was developing its recommendations and preparing testimony.

---

### **PECO Energy Co. – Gas**

Docket No. R-2020-3019661. On April 30, 2020, PECO submitted its annual purchased gas cost (PGC) pre-filing seeking to update its PGC rates to reflect costs that will be incurred over the following year to provide natural gas to its customers. On May 29, 2020, PECO filed its definitive PGC filing to become effective for service rendered on and after December 1, 2020.

On May 18, 2020, the OCA filed a Formal Complaint to help ensure that the proposed PGC rates were consistent with a least cost fuel procurement policy and would not result in rates and charges that are excessive, unjust or unreasonable, discriminatory, or otherwise contrary to Commission regulations or policy. The OCA's particular concern was that the Company's method for calculating its retainage charge rate assessed a greater than system-average share of losses to PGC customers. The OCA identified a similar concern with regard to PECO's calculation of its balancing charge for high volume transportation service, which by excluding certain costs, has the result of increasing rates for PGC customers. At the end of the 2019-2020 Fiscal Year, the OCA was preparing testimony addressing these matters.

### **Peoples Gas Co.**

Docket No. A-2018-3006061. On November 13, 2018, Aqua America, Inc., Aqua Pennsylvania, Aqua Pennsylvania Wastewater, Peoples Natural Gas Co., and Peoples Gas Co. (collectively, the Applicants) filed an Application seeking Commission approval to transfer 100% of the issued and outstanding membership interests in LDC Funding, LLC, an indirect parent company of Peoples Natural Gas and Peoples Gas, from LDC Parent, LLC, to Aqua America. Under the Purchase Agreement, Aqua America would acquire Peoples for \$4.275 billion, which included approximately \$1.3 billion of debt assumed by Aqua America. On December 19, 2018, the OCA filed a Notice of Intervention and Protest to investigate the Application.

The OCA submitted testimony arguing that the transaction, as proposed by the Applicants, did not provide substantial affirmative benefits to the Applicants' customers. Specifically, that the transaction would eventually result in savings for the Applicants and that these savings should be passed on to customers. Additionally, the OCA was concerned that the transaction could financially weaken either or both of the Applicants post-closing, which could cause the Applicants to provide unsafe and unreliable service.

Discussion among the parties resulted in a Settlement. The Settlement sufficiently addressed the OCA's concerns with respect to financing the transaction, how the Applicants would be governed post-transaction and how savings as a result of the

transaction would be flowed to customers. Specifically, the Settlement provided for a one-time \$10 million dollar rate credit to be provided to customers before the end of 2019. Additionally, the Settlement required the Aqua and Peoples entities to continue operating as distinct utilities to ensure that both remain financially healthy and able to provide safe, adequate, and reliable service post-closing.

Of particular concern to the OCA was the remediation of the Goodwin and Tombaugh Gathering Systems located in Greene County and Washington County, PA. Both gathering systems experience high levels of unaccounted-for gas and are in need of extensive repairs to address leaks and to ensure safe and reliable service. Approximately 1,700 customers are currently served from these Systems. As part of the Settlement, Aqua America committed to repair and replace the Goodwin/Tombaugh systems in their entirety. The remediation would begin three months after closing the acquisition. As part of the Settlement, Aqua agreed to provide an upfront, one-time rate credit of \$13 million to Peoples customers. This \$13 million credit will be provided to customers before the end of 2019. Further, future repair costs for the Goodwin/Tombaugh Systems cannot be claimed through the DSIC but rather can only be claimed in future base rate proceedings. In this manner, the rehabilitation expenses can be thoroughly reviewed and analyzed before being included in new rates.

In July 2019, the OCA filed a Brief in support of the proposed Settlement. On October 3, 2019, the Commission approved the Settlement without modification.

Docket No. R-2020-3017846. On March 2, 2020, the Company (PG) submitted its pre-filing materials for its annual purchased gas cost filing under Public Utility Code section 1307(f). Its definitive filing was made on April 1, 2020. On March 13, 2020, the OCA filed a Complaint in order to initiate discovery to determine if the Company had followed a least-cost procurement strategy for the natural gas it purchases for customers. The OCA offered testimony, which recommended that: (1) that the PG's balancing charge calculations should be modified to include interstate pipeline storage variable withdrawal/injection charges, withdrawal/injection fuel charges and on-system storage losses and (2) that the Company's proposed retainage charge be increased to account for additional compressor station fuel.

A settlement was reached on the issues identified by the OCA. Under the proposed settlement, the OCA and Company reached an agreement with respect to compressor fuel, based on PG's explanation that only one compressor station both uses natural gas as fuel and moves gathered gas into its distribution system. Regarding the balancing charge, PG agreed to increase the amount of money included in its balancing charge calculation as a stand-in for a portion of its on-system storage losses. With this

concession, the OCA determined the settlement, on balance, to be in the interest of customers. At the end of the 2019-2020 Fiscal Year, the Settlement was filed and under review by the Presiding Officer.

### **Peoples Natural Gas Co.**

Docket No. R-2020-3017850. As required by the Commission's regulations, the Company submitted its pre-filing materials for its annual Purchased Gas Cost review on March 2, 2020. Its definitive filing was made on April 1, 2020. On March 13, 2020, the OCA filed a Complaint in the proceeding in order to initiate discovery to determine if the Company had followed a least-cost procurement strategy for the natural gas it purchases. Based on its review of the case, the OCA submitted testimony that recommended the following: (1) that the balancing charges proposed by PNG should be adjusted to account for on-system storage losses, variable pipeline storage injection/withdrawal charges, Equitrans LP storage losses and Equitrans overrun charges; and (2) that the Company should adopt separate retainage charges for its distribution and gathering systems based on the significant disparity in Lost and Unaccounted For Gas between the two systems. PNG agreed to accept the OCA's position with respect to the variable pipeline storage injection/withdrawal charges and the Equitrans overrun charges.

A Settlement was reached on the majority of other issues identified by the OCA. Under the proposed Settlement, PNG agreed to include a component of the Equitrans storage losses in the calculation of the balancing charge. With regard to the separate retainage charge issue, the Company agreed to analyze and examine the implications and equity of imposing an additional retainage charge on the gas supplies acquired by customers that purchase local production gathering supplies, that would not be imposed on customers that acquire interstate pipeline-delivered supplies and present a report in its 2021 PGC pre-filing. Taking into account all aspects of the case, the OCA determined that the Settlement represented a satisfactory compromise that is in the interest of customers. At the end of the 2019-2020 Fiscal Year, the Settlement was pending review by the ALJ and Commission.

### **Philadelphia Gas Works**

Docket No. P-2014-2459362. On May 7, 2020, PGW filed a Petition for approval of its Demand-Side Management Plan (DSM) for fiscal year 2021-2023 to extend its current DSM Plan until 2023. On June 5, 2020, the OCA filed a Notice of Intervention and was considering whether changes should be made, whether and what additional information is needed to evaluate the program and its cost effectiveness.

---

Docket Nos. P-2020-3018867, 421 CD 2020, 422 CD 2020. On January 6, 2020, PGW voluntarily proposed a pilot program seeking to comply with the Commission Policy Statement and Order in Docket No. M-2019-3012599. Through its pilot program, PGW sought to reduce its maximum energy burdens for its Customer Assistance Program, the Customer Responsibility Program (CRP), remove the obligation to pay \$5/month towards pre-program arrears, and modify the CRP's consumption limits. PGW projected that these changes would increase the overall cost of its program by more than \$27 million. PGW requested that the Commission expedite its approval of the pilot by March 31, 2020.

On March 2, 2020, the OCA filed an Answer and Notice of Intervention noting that the Company's proposal raised serious concerns and should not be approved until a full review could be completed. Specifically, the OCA raised concerns about the cost of the program, the increased costs related to the proposed amendments, the impact of the amendments on the overall plan, and the continued cost-effectiveness of the plan, among others.

On March 26, 2020, the Commission approved PGW's pilot program on an expedited basis. The OCA filed a Petition for Reconsideration requesting that the Commission provide the OCA an opportunity to investigate the filing, which was denied. On May 4, 2020, the OCA filed an appeal with the Commonwealth Court of Pennsylvania. The parties await a briefing schedule.

Docket No. R-2020-3017206. On February 28, 2020, PGW filed a tariff supplement proposing to increase rates to produce additional annual operating revenue of \$70 million. As a part of this increase, the Company sought to raise the residential customer charge by \$5.50, from \$13.75 to \$19.25, or a 40.0% increase. On March 10, 2020, the OCA filed a Formal Complaint opposing PGW's requested increase and, subsequently, filed testimony in support of its position that no increase should be granted because of the hardships facing PGW customers due to the COVID-19 pandemic. Alternatively, the OCA recommended reductions to net construction expenditures, numerous adjustments to PGW's proposed budgeted expenses, a debt service coverage of 1.88, and a customer charge of no greater than \$16.00 to reduce the rate impact on customers. The OCA will submit surrebuttal testimony in support of its position in July 2020.

Docket No. R-2020-3017934. On January 30, 2020, PGW filed its pre-filing information required for its annual gas cost rate proceeding, and on March 2, 2020, the Company made its definitive filing. Relative to the then-current rate of \$4.2724/Mcf, the Company's definitive filing anticipated a decrease of \$0.0195/Mcf, to a rate of \$4.2529/Mcf, to be effective September 1, 2020. On February 11, 2020, the OCA filed a

Formal Complaint to participate and determine whether the Company's proposed PGC rates were consistent with Section 1307(f) of the Public Utility Code.

Following the submission of testimony, a Joint Petition for Settlement was filed on June 5, 2020, which addressed the concerns raised by the OCA regarding the need for a crediting procedure on off-system sales margin, made adjustments to the Company's pipeline capacity release procedures, and adopted the OCA's recommendation to adjust the Choice Suppliers imbalances to reflect injection and withdrawal fuel charges in the Load Balancing Charge calculation. Each of these provisions will help to reduce PGC rates for residential customers, while ensuring that PGC rates reflect the true cost to serve those customers. The proposed Settlement is pending review by the Commission.

### **UGI Utilities, Inc. – Gas Division**

Docket Nos. M-2019-3014966, P-2020-3019196. On May 21, 2020, UGI filed a Petition to Amend Its Universal Service and Energy Conservation Plan for January 1, 2020 through December 31, 2025. Through its Petition, the Company sought to amend its current USECP to comply with portions of the Commission's recent Final Policy Statement and Order issued at Docket No. M-2019-3012599. Most importantly, UGI proposed to implement new maximum-tiered energy burdens for its percentage of income payment (PIP) program, which would reduce the asked-to-pay amount for certain customers currently participating in the Company's Customer Assistance Program. On June 10, 2020, the OCA filed an Answer requesting that the Commission provide an opportunity for full investigation and review of the filing, including the cost of the program, the increased costs related to the proposed amendments, the impact of the amendments on the overall plan, and the continued cost-effectiveness of the plan, among others. The OCA awaits Commission action.

Docket No. R-2019-3015162. On January 28, 2020, UGI filed a tariff supplement seeking Commission approval to increase rates to produce additional annual operating revenue of \$74.6 million, or an increase of 8.5%. The Company proposed to allocate \$61.2 million, or 82% of the proposed \$74.6 million increase, to the residential customer class. As part of this proposal, UGI sought to increase the residential customer charge by \$5.35, from \$14.60 to \$19.95, or a 36.6% increase.

On February 12, 2020, the OCA filed a Formal Complaint opposing UGI's requested increase. As a result of the ongoing novel coronavirus pandemic, the OCA filed testimony recommending that the Commission either reduce rates or at a minimum deny any rate increase to UGI. In addition to this general policy recommendation, the OCA made several adjustments to UGI's filing, including a reduced return on equity,

adjustments to projected plant in service, expenses, and revenues. In total, if the OCA's adjustments were adopted, UGI would receive a decrease of approximately \$7.2 million in annual revenue. Subsequent adjustments resulted in an OCA recommendation of a \$10,000 decrease. At the end of the 2019-2020 Fiscal Year, the parties were engaged in settlement discussions.

Docket No. R-2020-3019680. On May 1, 2020, UGI Utilities, Inc. – Gas Division submitted its pre-filing information in support of its annual reconciliation of PGC rates. On May 29, 2020, the OCA filed a Formal Complaint. On June 1, 2020, UGI Gas made its definitive filing. In that filing, the Company proposed a PGC rate of \$4.3450 per Mcf for the residential class, which was a decrease from the then-current PGC rate of \$4.3631 per Mcf. Preliminarily, the OCA raised questions regarding the capacity reserve margin requested by the Company and the allocation of capacity reserve margin costs, to ensure that costs are fairly shared by PGC and Choice customers. At the end of the 2019-2020 Fiscal Year, the OCA was preparing to submit testimony in support of its recommendations.

### **Valley Energy, Inc.**

Docket No. R-2019-3008209. On July 1, 2019, Valley Energy filed a tariff supplement, in which it proposed an annual overall distribution rate increase of \$1,034,186, or approximately 20.60%, over current annual overall distribution rates. Valley subsequently revised its requested increase downward to approximately \$834,497, or approximately 13%. Valley Energy also proposed to increase its residential monthly customer charge from \$49.75 to \$56.94. On July 30, 2019, the OCA filed a Formal Complaint and Public Statement indicating its opposition to the proposed rate increase.

In the rebuttal phase of the case, the Company reduced its requested revenue requirement to \$744,000 in annual distribution revenues. In its testimony, the OCA recommended an increase of no more than \$227,888 in annual distribution charges and a customer charge of no more than \$12.79 per month. The OCA proposed adjustments to the Company's proposed cost of equity, rate base including the Company's use of an end of test year rate base for the Fully Projected Future Test year and corresponding depreciation adjustments, use of an across-the-board inflation factor, cash working capital, and net operating income items. The OCA also opposed the Company's proposal to increase reconnection and disconnection fees by \$10.

The ALJs issued a Recommended Decision on February 28, 2020, which adopted many of the OCA's recommended adjustments resulting in a recommended increase of annual operating revenue of \$497,080, approximately \$330,000 less than the revised

increase sought by the Company. The OCA filed Exceptions and Reply Exceptions, which recommended further adjustments to the annual operating revenue increase.

The OCA's exceptions were granted, in part, and denied in part by the Commission. In total, the Commission authorized Valley an increase in revenues of approximately \$469,097 to become effective for service rendered on and after May 1, 2020, approximately \$360,000 less than the revised increase sought by the Company.

## **TELECOM: UTILITY-SPECIFIC PUC PROCEEDINGS**

### **Bentleyville Communications Corp.**

Docket Nos. R-2018-3001213, C-2018-3001871, R-2019-3009230, C-2019-3009899. In early May 2018, Bentleyville and its affiliates Consolidated Communications of Pennsylvania and Marianna & Scenery Hill Telephone filed separate Chapter 30 Plan Price Stability Index (PSI) Reports, which calculated allowed annual revenue increases based upon changes in inflation. These companies proposed no change in rates for basic residential and business telephone service.

In May 2019, Bentleyville, Consolidated, and Marianna filed their 2019 PSI Reports. Again the companies proposed no change in rates.

The OCA filed Complaints against the current rates and respective 2018 PSI Reports of these three affiliated companies and other companies (named below; collectively RLECs). The OCA filed Complaints in 2019 against the 2019 PSI Reports of most of the same RLECs. The OCA 2018 and 2019 Complaints fault the RLECs' PSI Reports for omitting recognition of tax savings arising from the TCJA. In 2018 and early 2019, the Commission approved each RLEC's PSI Report, subject to resolution of the OCA Formal Complaints. The OCA requested consolidation of its 2018 and 2019 Complaints, on a company by company basis. At the end of the 2019-2020 Fiscal Year, the OCA was engaged in settlement discussions in the matter of the Bentleyville 2018 and 2019 PSI filings, and other similar RLEC PSI filings.

### **Citizens Telephone Co. of Kecksburg**

Docket Nos. R-2019-3007258, C-2019-3007888. The Company filed its annual PSI report on February 1, 2019. Based upon the change in inflation between late 2017 and late 2018, the Company calculated an allowed increase in revenues. The Company proposed to bank the calculated allowed increase. The PSI report did not include an adjustment for tax savings arising from the TCJA. Accordingly, the Company's residential and other non-competitive service rates may be unjust and unreasonable. In

March 2019, the Commission accepted the 2019 PSI Report, subject to resolution of the OCA Formal Complaint. At the end of the 2019-2020 Fiscal Year, the OCA was engaged in settlement discussions.

#### **Consolidated Communications of Pennsylvania Co.**

Docket Nos. R-2018-3001104, C-2018-3001863, R-2019-3009336, C-2019-3009897.  
See write-up above, under Bentleyville.

#### **Frontier Communications Breezewood**

Docket Nos. R-2019-3007239, C-2019-3007906, R-2020-3016157, C-2020-3018498. Frontier Communications Breezewood and its affiliates filed their separate annual PSI reports on February 1, 2019. Based upon the change in inflation between late 2017 and late 2018, each company calculated an allowed increase in revenues. Each Frontier company proposed to bank the allowed increase. The OCA filed a Complaint. The PSI report did not include an adjustment for tax savings arising from the TCJA. Accordingly, each company's non-competitive residential and rates may be unjust and unreasonable. In March 2019, the Commission entered Orders which accepted the individual Frontier Companies' 2019 PSI reports, subject to resolution of the OCA's Formal Complaints. At the end of the 2019-2020 Fiscal Year, the OCA was engaged in settlement discussions.

Docket Nos. R-2020-3016157, C-2020-3018498. Frontier Communications Breezewood and its affiliates filed their separate annual PSI reports on February 1, 2020. Based upon the change in inflation between late 2018 and late 2019, each company calculated an allowed increase in revenues. Each Frontier company proposed to bank the allowed revenue increase for possible use in the future. The OCA filed Formal Complaints against each 2020 PSI filing, which do not include an adjustment for TCJA based tax savings. At the end of the 2019-2020 Fiscal Year, the OCA was engaged in settlement discussions.

#### **Frontier Communications Canton**

Docket Nos. R-2019-3007239, C-2019-3007907. See write-ups above for Frontier Communications Breezewood, regarding 2019 and 2020 PSI Reports.

#### **Frontier Communications Commonwealth**

Docket Nos. R-2019-3007237, C-2019-3007911, R-2020-3016152, C-2020-3018501.  
See write-up above, under Frontier Breezewood, regarding 2019 and 2020 PSI Reports.

---

### **Frontier Communications Lakewood**

Docket Nos. R-2019-3007239, C-2019-3007912. See write-up above for Frontier Communications Breezewood, regarding 2019 and 2020 PSI Reports.

### **Frontier Communications Oswayo River**

Docket Nos. R-2019-3007239, C-2019-3007913. See write-up above for Frontier Communications Breezewood, regarding 2019 and 2020 PSI Reports.

### **Frontier Communications Pennsylvania**

Docket Nos. R-2019-3007239, C-2019-3007910. See write-up above for Frontier Communications Breezewood, regarding 2019 and 2020 PSI Reports.

### **Hickory Telephone Co.**

Docket Nos. R-2018-3001217, C-2018-3001917. See write-up above, under Bentleyville, regarding 2018 PSI Reports.

### **Ironton Telephone Co.**

Docket Nos. R-2019-3007258, C-2019-3007887. The Company filed its annual PSI report on March 1, 2019 and proposed to bank the calculated allowed increase. The PSI report did not include an adjustment for tax savings arising from the TCJA. Accordingly, the Company's non-competitive residential and other rates may be unjust and unreasonable. The OCA filed a Formal Complaint. In March 2019, the Commission accepted the Company's 2019 PSI Report, subject to resolution of the OCA Formal Complaint. At the end of the 2019-2020 Fiscal Year, the OCA was engaged in settlement discussions.

Docket Nos. R-2020-3016018, C-2020-3018500. The Company filed its annual PSI report on March 1, 2020 and proposed to bank the calculated allowed increase. The PSI report did not include an adjustment for tax savings arising from the TCJA. The OCA filed a Formal Complaint. At the end of the 2019-2020 Fiscal Year, the OCA was engaged in settlement discussions.

### **Lackawaxen Telecommunications Services, Inc.**

Docket Nos. R-2018-3001199, C-2018-3001913, R-2019-3009233, C-2019-3008991. See write-up above, under Bentleyville.

---

**Marianna & Scenery Hill Telephone Co.**

Docket Nos. R-2018-3001201, C-2018-3001912, R-2019-3009241, C-2019-9894. See write-up above, under Bentleyville.

**TDS Telecom/Mahanoy & Mahantango Telephone Co.**

Docket Nos. R-2019-3007949, C-2019-3008487. The Company filed its annual PSI report on March 1, 2019 and proposed to bank the calculated allowed increase. The OCA filed a Complaint. The PSI report did not include an adjustment for tax savings arising from the TCJA. Accordingly, the Company's non-competitive residential and other rates may be unjust and unreasonable. The Commission approved the 2019 PSI reports in April 2019, subject to the resolution of the OCA Formal Complaint. At the end of the 2019-2020 Fiscal Year, the OCA was engaged in settlement discussions.

**TDS Telecom/Sugar Valley Telephone Co.**

Docket Nos. R-2019-3007948, C-2019-3008478. See write-up above, under TDS Telecom/Mahanoy & Mahantango.

**The North-Eastern Pennsylvania Telephone Co.**

Docket Nos. R-2018-3001197, C-2018-3001915, R-2019-3009237, C-2019-3009896. See write-up above, under Bentleyville.

**United Telephone Co. of Pennsylvania d/b/a CenturyLink**

Docket Nos. R-2018-3004019, C-2018-3005400. In late August 2018, CenturyLink filed its annual PSI report. CenturyLink calculated an allowed annual increase in revenues, but CenturyLink chose not to propose an increase to rates for non-competitive services. The OCA filed a Formal Complaint alleging CenturyLink had not made an adjustment to reflect savings in tax expense arising from the TCJA. The Commission approved the PSI Report, subject to resolution of the OCA Formal Complaint. The Commission later granted consolidation of this matter with the CenturyLink 2019 PSI filing (see below). In January 2020, the OCA, OSBA, and Company submitted a Joint Petition for Settlement with supporting expert statements to the presiding ALJ. The ALJ declined to recommend approval of the proposed Settlement. In June 2020, the OCA filed Exceptions, identifying the public interest benefits of the Settlement for CenturyLink's retail customers.

Docket Nos. R-2019-3012238, C-2019-3012878. In late August 2019, CenturyLink filed its annual PSI report. The OCA filed a Formal Complaint alleging CenturyLink had not made an adjustment to reflect savings in tax expense arising from the TCJA. The Commission approved the PSI Report, subject to resolution of the OCA Formal Complaint and granted consolidation with the 2018 matter. (See above re settlement).

### **Verizon North LLC**

Docket Nos. P-2014-2446303, P-2014-2446304. In 2015, the Commission granted Verizon North and Verizon Pennsylvania “competitive classification” of protected local residential and small business services in certain areas where the Companies’ had shown competitive alternatives existed. The Commission also granted to the Companies conditional, temporary waivers of specific Chapter 63 and 64 regulations regarding quality of service and residential billing, suspension and termination of service for a period of five years, unless the Commission completes a rulemaking sooner. In July 2018, the Commission commenced a new rulemaking, to review the waived regulations and decide what regulatory protections should apply in competitively classified areas. In February 2020, the PUC granted Verizon North and Verizon Pennsylvania an extension of the conditional waivers, over the objections of the OCA. See also the write-up below, under Chapters 63 and 64 Rulemaking.

Docket Nos. R-2018-3005793, C-2018-3005975. Verizon North filed its 2019 Price Change Opportunity report and proposed rate increases in November 2018. Verizon North calculated an allowed annual increase in non-competitive service revenues of \$246,000, based on changes in inflation. Verizon North proposed increases to basic residential and business service rates to produce \$321,900 in additional annual revenue. In November 2018, the OCA filed a Formal Complaint against the Verizon North filing, in part to address whether Verizon North had tax savings as a result of the federal Tax Cuts and Jobs Act and should share them with non-competitive residential and business customers. The OSBA filed a Complaint (Docket C-2018-3006040). In December 2018, consistent with the OCA Formal Complaint, the Commission denied the Verizon PA and Verizon North proposal to debit the Verizon PA 2003 PCO banked decrease for the benefit of Verizon North. As a result, Verizon North filed revised tariffs to implement rate increases, pending resolution of the OCA and OSBA Formal Complaints. At the end of the 2019-2020 Fiscal Year, the OCA was engaged in settlement discussions.

---

### **Verizon Pennsylvania LLC**

Docket Nos. P-2014-2446303, P-2014-2446304. See write-up above, under Verizon North and below, under Chapter 63 and 64 Rulemaking.

Docket Nos. R-2018-3005792, C-2018-3005972. Verizon PA filed its 2019 Price Change Opportunity report and proposed rate increases in November 2018. Verizon PA calculated an allowed annual increase in non-competitive service revenues of \$1,303,000, based on changes in inflation. Verizon PA proposed increases to basic residential and business service rates to produce \$944,700 in additional annual revenue. In November 2018, OCA filed a Formal Complaint against the Verizon PA filing, in part to address whether Verizon PA had tax savings as a result of the federal TCJA and should share them with non-competitive residential and business customers. The OSBA also filed a Complaint (Docket C-2018-3006035). Verizon PA filed a pleading to exclude the tax savings issue. In December 2018, consistent with the OCA Formal Complaint, the Commission entered an Order denying the Verizon PA and Verizon North proposal to debit the Verizon PA 2003 PCO banked decrease for the benefit of Verizon North. At the end of the 2019-2020 Fiscal Year, the OCA was engaged in settlement discussions.

### **Windstream Buffalo Valley, Inc.**

Docket Nos. R-2018-3001132, C-2018-3001865, R-2019-3010106, C-2019-3010150. See write-up above, under Bentleyville.

### **Windstream Conestoga, Inc.**

Docket Nos. R-2018-3001135, C-2018-3001864, R-2019-3010097, C-2019-3010148. See write-up above, under Bentleyville.

### **Windstream D&E, Inc.**

Docket Nos. R-2018-3001133, C-2018-3001870, R-2019-3010100, C-2019-3010149. See write-up above, under Bentleyville.

### **Windstream Pennsylvania, LLC**

Docket Nos. R-2018-3001150, C-2018-3001871, R-2019-3010101, C-2019-3010152. See write-up above, under Bentleyville.

---

## WATER & WASTEWATER: UTILITY-SPECIFIC PUC PROCEEDINGS

### **Aqua Pennsylvania Wastewater, Inc.**

Docket Nos. A-2016-2580061, 1624 C.D. 2017. On December 15, 2016, Aqua Pennsylvania Wastewater filed an application with the Commission, under Sections 1102 and 1329 of the Public Utility Code, seeking approval of the acquisition of the wastewater system assets of New Garden Township and the New Garden Township Sewer Authority and an order establishing the fair market value ratemaking rate base of the New Garden wastewater system assets. This was the first case filed under Section 1329, enacted in 2016. On January 17, 2017, the OCA filed a Protest.

Aqua proposed to acquire the sewer assets for \$29.5 million and requested that the same amount be approved for ratemaking purposes as it was lower than the average of the two appraisals provided with its application. In addition, Aqua sought approval of the Asset Purchase Agreement (APA) with the Township and Authority. In the APA, Aqua agreed to keep rates frozen for 730 days for New Garden customers and agreed to a 4% Compound Annual Growth Rate ceiling that would keep the rate increases after the first 730 days to no more than 4% compounded annually for New Garden customers. Aqua also agreed to expend approximately \$2.5 million for projects in the New Garden territory.

Through testimony and briefs, the OCA supported its primary position that the Applicant failed to meet the legal requirements of Section 1102 because the harm to customers outweighed any benefits. In the event the Commission disagreed, the OCA recommended conditions, including the condition that the language in the APA does not restrict the PUC's authority to allocate revenues to the New Garden customers that are in excess of the restrictions shown in the APA. Moreover, Aqua and its shareholders should bear the risk of any shortfall between the revenues it is permitted to recover under its agreement with New Garden and the costs that the Company will incur for this system. The OCA also showed that the average appraisal amount was overstated and the ratemaking rate base amount should be \$28.8 million.

The ALJ recommended that the PUC deny the Application because he agreed with the OCA that there were no affirmative public benefits. The ALJ adopted two of the OCA's adjustments to the appraisals, and rejected arguments that the OCA was not permitted under Section 1329 to make any adjustments to any appraisals.

On June 29, 2017, the PUC entered an Order to approve the transaction and rate base amount of \$29.5 million, with one Commissioner dissenting. The Commission required New Garden to submit a cost of service study separating the costs, capital and

operating expenses of providing wastewater service to the acquired customers as a separate rate class and an analysis of the effects of establishing a separate, stand-alone rate zone for the acquired customers. The PUC adopted the OCA's contingent position that, Aqua and its shareholders should bear all risk of a shortfall between revenues it is permitted to recover under its APA and the costs it incurs with respect to the acquired system, *i.e.* that excess costs should not be spread to other ratepayers. On October 5, 2017, the PUC entered an Order denying a Petition for Reconsideration filed by I&E.

On November 3, 2017, the OCA filed a Petition for Review of the Order before the Commonwealth Court, which was docketed at 1624 C.D. 2017. The OCA argued that the PUC erred as a matter of law by finding that the transaction will provide any substantial, affirmative benefits. The OCA raised additional issues regarding the PUC's application of the two separate statutes applicable to acquisitions filed under Sections 1102 and 1329 and due process concerns regarding notice and opportunity for customers to be heard. In October 2018, the Court entered an Order vacating the Commission's Order and remanding the case to the Commission to (1) consider the uncontradicted evidence that rates would increase substantially in determining whether substantial benefits would result from the transaction and (2) require individualized notice and an opportunity to participate in the Section 1329 proceeding be heard to all ratepayers, because their rates could increase as a result of the acquisition.

On November 8, 2018, Aqua filed a Petition for Allowance of Appeal with the Pennsylvania Supreme Court at 743 MAL 2018. The OCA filed an Answer supporting the Commonwealth Court's holding that individual notice to existing and acquired customers is required for Section 1329 acquisitions because there are substantial property interests at issue.

On April 23, 2019, the Pennsylvania Supreme Court denied the appeal and the case was remanded to the Commission for proceedings in accordance with the Commonwealth Court's decision. In November 2019, the case was assigned to an ALJ. On February 21, 2020, the parties to the remand proceeding filed a Settlement, which addressed the Court's individual notice requirement. The notice provided the estimated impact of the ratemaking rate base, described provisions of the Settlement and provided a process to afford customers the opportunity to file comments and request a hearing. The Settlement also contained provisions to facilitate movement of New Garden rates toward cost of service and Zone 1 rates.

In April 2020, the ALJ extended the comment deadline to June 8, 2020, due to the COVID-19 emergency. The parties await action on the Settlement.

Docket No. A-2018-3006061. On November 13, 2018, Aqua America, Inc., Aqua Pennsylvania, Aqua Pennsylvania Wastewater, Peoples Natural Gas Co., and Peoples Gas Co. filed an Application seeking Commission approval to transfer 100% of the issued and outstanding membership interests in LDC Funding, LLC, an indirect parent company of Peoples Natural Gas and Peoples Gas, from LDC Parent, LLC to Aqua America. Under the Purchase Agreement, Aqua America would acquire Peoples for \$4.275 billion, which includes approximately \$1.3 billion of debt assumed by Aqua America. On December 19, 2018, the OCA filed a Notice of Intervention and Protest.

See write-up above, under Peoples Gas Co., Docket No. A-2018-3006061, for additional information.

Docket No. A-2019-3008491, 1647 CD 2019. On March 12, 2019, Aqua filed an Application seeking approval to acquire the wastewater assets of Cheltenham Township under Sections 1102(a), 1329 and 507 of the Public Utility Code. At the time of the Application, Cheltenham served 10,219 customers in Cheltenham Township and in neighboring municipalities Montgomery County. Aqua provided wastewater service to 24,000 customer accounts throughout Pennsylvania. The purchase price and amount that Aqua sought to have approved as an addition to ratemaking rate base was \$50.25 million, for a system with depreciated original cost of \$15.41 million. Aqua estimated that during the first 10 years of ownership, it would incur capital costs of \$54.8 million (\$73.3 million with pro-rata cost sharing with adjacent municipalities).

On May 13, 2019, the OCA filed a Protest against the Application raising issues related to the appraisals, whether there were substantial affirmative public benefits, and whether there were conditions that may be necessary to protect Aqua's existing customers. The OCA provided testimony supporting several adjustments to the UVE appraisals that reduced the ratemaking rate base value to \$31.5 million. The OCA also recommended that Aqua provide a separate Cost of Service Study in the first base rate case which includes Cheltenham's assets, in order to separately identify the cost of serving the Cheltenham water system which will permit the parties to recommend establishing rates for Cheltenham customers that differ, as appropriate, from rates established for other wastewater customers.

On August 14, 2019, the ALJ issued a Recommended Decision that adopted many of the OCA's recommended adjustments, resulting in a recommended rate base amount of \$44.25 million, approximately \$6 million less than the rate base value Aqua initially sought. The OCA filed Exceptions and Reply Exceptions, which recommended further adjustments to the ratemaking rate base approved by the ALJ.

On October 24, 2019, the Commission issued an Order denying Swift & Choi Development, LLC from intervening in the proceeding. The Commission issued an Order on November 5, 2019 approving the ALJ's Recommended Decision regarding the ratemaking rate base but also requiring that Aqua provide a separate Cost of Service Study in the first base rate case which includes Cheltenham's assets, as recommended by the OCA. On November 22, 2019, Swift & Choi filed a Petition for Review in the Commonwealth Court appealing the denial of intervention. The OCA is observing the appeal and awaits the Commonwealth Court's determination.

Docket No. A-2019-3015173. On March 3, 2020, Aqua filed an Application seeking approval to acquire the wastewater Assets of the Delaware County Regional Water Control Authority (DELCORA) under Sections 1102, 1329 and 507 of the Public Utility Code. DELCORA provides direct retail service to approximately 16,000 customers and provides collection, conveyance, and treatment service to approximately 200,000 Equivalent Dwelling Units in Delaware and Chester Counties. Aqua provides wastewater service to approximately 35,000 customer accounts. The purchase price and amount that Aqua sought to have approved as an addition to ratemaking rate base was \$276,500,000, for a system with a depreciated original cost of \$71,908,130. The average of the fair market appraisals performed by Aqua's and DELCORA's experts was \$358,538,503.

On April 2, 2020, the OCA filed a Protest, in which it requested a public input hearing be held to obtain customer input. The OCA noted the impact the proposed ratemaking rate base would have on the rates of existing and acquired Aqua customers - 14% for wastewater, 4.5% for water and 12.5% for DELCORA customers and the need for additional information to determine whether (1) the proposed rates and ratemaking rate base are reasonable and (2) conditions and mitigation measures are needed to protect customers. At the end of the 2019-2020 fiscal year, the OCA was engaged in discovery and developing testimony to be filed in September 2020.

### **Artesian Water Pennsylvania**

Docket Nos. A-2017-2639994, G-2016-2544455, 1360 C.D. 2019. Artesian PA filed an Application on May 10, 2016, under 66 Pa. C.S. 2101-2107, requesting Commission approval of assignments between Artesian PA and its parent affiliate Artesian Resources Corporation of two existing easement agreements and related rights. On December 7, 2017 the Commission entered the December 2017 Order which directed Artesian PA to provide any necessary supplemental materials for review of the Application under Chapter 11 as well as Chapter 21. On December 21, 2017, Artesian filed supplemental information, intended to show the proposed transaction meets the

standards for granting Certificates of Public Convenience. New Garden Township (NGT) and Save Our Water (SOW) protested the Application, raising concerns that approval of the transaction and, specifically, the resulting ability of Artesian DE to draw from a well would diminish supply to residents of New Garden Township drawing from the same aquifer. On March 14, 2018, the OCA filed a Notice of Intervention and Public Statement and participated in this case to investigate whether the proposed transfer of real property will impact the rates or service of existing Artesian PA customers.

On February 11, 2019, the ALJ issued a Recommended Decision that recommended approval of the Application but that the Commission rescind an Order in a related investigation at Docket No. M-2018-2637177. In that Order, the Commission approved a Settlement regarding a civil penalty to be imposed for Artesian PA's delayed submission of an application for approval of the assignment arrangements. The Presiding Officer recommended that the Protestants to the Application proceeding be afforded the opportunity to comment on the Settlement proposed in Docket No. M-2018-263177.

On August 29, 2019, the Commission entered an Order rejecting the ALJ's recommendation to rescind the Order in the related investigation, finding that personal or property interests were not impacted and, as such, no individual notice was required. Further, the Commission held that adequate notice and opportunity to participate was provided without individual notice. The Commission agreed with the ALJ that Artesian PA had met the standards for approval of its Application and granted a Certificate of Public Convenience.

On September 30, 2019, New Garden filed a Petition for Review from the Commission's Order with the Commonwealth Court contesting the approval of Artesian PA's Affiliated Interest Agreements, at Docket No. 1360 C.D. 2019. On October 17, 2019, as directed by the Commission's August 29, 2019 Opinion and Order, Artesian PA filed an Application for Approval of Interest Agreement. On December 11, 2019, NGT filed a Protest and asked the Commission to stay its review pending the Commonwealth Court's disposition of NGT's Petition for Review. The PUC entered an Order on May 21, 2020 denying that request. At the end of the 2019-2020 Fiscal Year, the appeal is pending before the Court.

### **Audubon Water Co.**

Docket No. R-2020-3020919. On July 20, 2020, Audubon filed a tariff supplement seeking Commission approval to recover an estimated annual increase in base rate revenues of \$934,243, or an approximate overall 42.56% increase in revenues at present rates. Audubon used a fully projected future test year ending March 31, 2022.

Under the Company's proposal, the proposed rates for an average residential customer using 4,000 gallons per month would increase from \$38.84 to \$55.38, or by 43%. Audubon also proposed to increase its DSIC cap from 5% to 7.5%. The Company serves more than 2,800 customers in Montgomery County.

On August 19, 2020, the OCA filed a Formal Complaint opposing the requested base rate increase and DSIC cap waiver. The OCA is investigating present and proposed rates and quality of service, and will participate in the Prehearing Conference scheduled for October 30, 2020.

### **David and Diane Miller Water Co.**

Docket No. A-2019-3014015. On October 30, 2019, Miller Water filed an Application seeking approval of the transfer of the 70 Miller Water customers to Petroleum Valley Regional Water Authority (PVRWA) and abandonment of service by Miller Water. On December 2, 2019, the OCA filed a Protest, seeking to protect the interests of the Miller Water customers and, in particular, to help to ensure that service by the Authority would be safe, reasonable and adequate. In its Protest, the OCA argued that additional information was necessary for the Commission to determine that PVRWA had adequate supply and capacity to provide water to the Miller Water customers and had a good compliance record with the Department of Environmental Protection (DEP). The OCA sought to ensure that service by PVRWA would be adequate and reasonable and, because the transfer was proposed to occur in stages, to confirm that Miller Water would continue provide water service until all of its customers were connected to the Authority. The OCA asserted that Miller Water should provide individual notice to its affected customers of the change in rates which would result from the abandonment and to identify other costs or requirements that would be imposed.

As a result of the OCA's participation, PVRWA provided individual notice to all customers and a period for comment and protest. Further the notice provided details about the interconnection project, details about rates, and contact information for questions. On February 25, 2020 after extensive informal discovery and discussions with PVRWA and Miller Water, all parties agreed to supplement the record with additional evidence and reached a Settlement. The parties requested that the Commission condition approval of the Application on verification that all 70 Miller Water customers were transferred and receiving service from PVRWA. The terms of Settlement also provide for reporting throughout the project to connect the customers to inform the OCA and Commission regarding PVRWA's progress and timeframe for completion. Because of the phased connection, the Karns City Area School District can begin receiving service from PVRWA as soon as the Application is conditionally

approved. This is a significant benefit to the School District, which will no longer incur the expense and inconvenience of utilizing bottled water for its students and staff. Following from the Settlement and approval of the transfer, the Miller Water customers will pay the same rates as existing PVRWA customers and most importantly will be receiving potable water service.

On April 17, 2020, the Commission entered an Order adopting the ALJ's recommendation and approving the Settlement with only a procedural modification. The Commission will issue a Certificate to abandon when the conditions of the acquisition are met. The parties await an update from the Authority that residential customers are being connected. In the interim, there is a related DEP enforcement action pending against Miller Water in civil court.

### **Hidden Valley Utility Services - Water and Wastewater (HVUS)**

Docket Nos. C-2014-2447138, C-2014-2447169, C-2019-3008093. On October 9, 2014 the OCA filed Complaints against HVUS due to water quality and water/wastewater quality of service issues, as well as financial and managerial issues. The Complaints requested that HVUS be required to maintain its system to eliminate water discoloration, to provide adequate, efficient, safe and reasonable service and facilities, and to make all necessary repairs to its system.

The OCA submitted testimony and briefs centering on the constant, severe brown and dirty water and customers' inability to use it for all household purposes. The OCA recommended that either the Company take prompt action to provide adequate service or the Commission direct HVUS to transfer the utility to more capable ownership. An Initial Decision was issued on August 23, 2016, wherein the ALJ adopted the OCA's position that HVUS was failing to provide adequate water and wastewater service to customers. However, ALJ Watson did not accept the OCA's recommendation that rates be reduced by 50% until the Company begins providing adequate service. The Initial Decision included various steps and timelines that the Company had to follow to improve service quality.

The Commission entered an Order on January 8, 2018 adopting the majority of the ALJ's recommendations but, in response to the OCA's Exceptions, modified the Initial Decision to (1) add additional specific requirements to ensure that the water being provided to customers was treated as effectively as possible and (2) clarify that the Company's failure to comply with deadlines would result in a Section 529 proceeding to transfer ownership to a capable utility.

In 2018, HVUS filed Petitions for reconsideration to reduce oversight of the Company during the compliance period and extending the Company's time to comply, which the OCA opposed and the Commission denied. On February 19, 2019, HVUS filed a Petition for Review of the Commission's January 17 Order in the Commonwealth Court at 187 C.D. 2019. The Petition was challenged by the Commission and successfully quashed by Order of the Commonwealth Court entered on May 15, 2019. During arguments to the Court, the Commission indicated that evidentiary hearings would be held in the near future to address the adequacy of the water and wastewater systems, quality of water, the appropriateness of penalties, ratepayer refunds, as well as the validity of the recommendations and proposed time schedules contained in the engineer's report. The failure of the Company to comply with the January 2019 deadline to improve the system also triggered the Commission's initiation of a separate proceeding under Section 529 relating to directing a competent utility to acquire HVUS.

The OCA submitted testimony and participated in further hearings addressing issues related to the adequacy of the engineer's 2018 report and recommendations and deadlines missed in the complaint case dockets. The OCA recommended that the Company be required to complete actions needed to permanently resolve the iron and manganese problems no later than July 2021 and, until then rates should be reduced temporarily to reflect that customers will continue to have inadequate service. Briefs were submitted in June 2020. The parties await a Recommended Decision and the initiation of a Section 529 proceeding in a separate docket.

### **Indian Springs Water Co.**

Docket Nos. M-2019-3011972, C-2019-3012933. On February 17, 2019, DEP issued a Field Order to Indian Springs requiring it issue to its customers a Tier One Public Notification in the form of a Do Not Drink the Water Warning. This Warning remains in effect. On August 8, 2019, the Commission issued an Order directing PAWC to act as a receiver for Indian Springs beginning August 19, 2019 and instituted an investigation into whether the Commission should order a capable public utility to acquire Indian Springs under Section 529 of the Public Utility Code. The OCA intervened on August 21, 2019.

A majority of Indian Springs customers have installed wells on their properties and requested to be disconnected from the company's system, however, some customers continue to express their desire to not drill wells or have not committed to drilling a well. One customer filed a Formal Complaint with the Commission, which was consolidated with this proceeding.

At the end of the 2019-2020 Fiscal Year, four homes remain connected to the system. The OCA continues to work with Indian Springs and PAWC to find a resolution that ensures safe, adequate and continuous water supply to Indian Springs customers and provides some contribution by ISWC toward the costs incurred by current and former customers to drill wells.

### **James Black Water Co.**

Docket Nos. A-2013-2395443, M-2019-3012563. On November 25, 2013, the *de facto* utility filed an Application for a Certificate of Public Convenience to serve water to 18 customers. On December 30, 2013, the OCA filed a Protest. The OCA pointed out numerous deficiencies in the filing, making it non-compliant with Commission regulations and statutory requirements. The OCA recommended that the PUC direct the filing of a complete application. The OCA investigated the technical, managerial and financial fitness of JBW to serve.

The OCA developed a record showing that the utility did not have the fitness to provide safe and reliable water service at just and reasonable rates, in the long term. The OCA recommended that the application be denied and that JBW pursue acquisition by a viable water provider. A Recommended Decision was issued on June 20, 2016, recommending denial of the application because the Company was not technically or financially fit to provide the proposed service. In conjunction, the ALJs adopted the OCA's recommendation to initiate a Section 529 investigation to determine whether the PUC should order acquisition by a capable utility. The ALJs found that JBW had and continues to recover illegal rates but did not order refunds, pending the outcome of the Section 529 proceeding. The OCA filed limited Exceptions on July 10, 2017 to clarify that refunds will be addressed and where.

On April 5, 2018, the Commission entered an Order reversing the RD and granting a conditional Certificate of Public Convenience. The Commission imposed deadlines for acquiring a spare pump, billing, Security Planning and Readiness, original cost study and depreciation schedule, tank repairs, annual reports, and tariff. TUS was directed to monitor compliance and recommend further action. A section 529 proceeding was initiated and referred to Law Bureau. The Commission deferred the issue of refunds and directed it be addressed in the Section 529 investigation.

On August 29, 2019, JBW filed a Petition for Emergency Order seeking the appointment of a Receiver for the system. On September 3, 2019, the Commission's Executive Director issued an Ex Parte Emergency Order appointing Aqua PA as the Receiver to manage and operate JBW during the pendency of a Section 529 proceeding. Aqua

already served customers in a bordering service territory. The Commission ratified the Emergency Order on September 19, 2019. The OCA intervened on the same date, to ensure that adequate service is provided to existing JBW customers at just and reasonable rates and that receivership by Aqua provides all necessary and proper customer protections.

Aqua submitted status reports regarding its operation of the system on November 12, 2019, February 10, 2020 and May 14, 2020. The next report is due on August 12, 2020. The parties await Commission action regarding the Section 529 proceeding.

### **Newtown Artesian Water Co.**

Docket No. R-2017-2624240. On September 1, 2017, the Company filed a tariff supplement seeking approval to increase its DSIC cap from 5 to 7.5%. The OCA filed testimony supporting its position that the increase will not accelerate infrastructure replacement or otherwise benefit customers. The OCA's witness also showed errors in the Company's application and calculation of its existing DSIC mechanism and recommended corrections. The OCA showed, *inter alia*, that the DSIC rate was calculated incorrectly for at least 4 years and asked for refunds if there was an overcollection; recent legislation required NAWC to include income tax deductions to reduce the DSIC rate going-forward; and the Company had not charged the DSIC rate to private fire protection customers. On February 9, 2018, the ALJ issued a Recommended Decision denying the proposed cap increase and adopting the OCA's recommendations to correct the existing DSIC mechanism.

On April 26, 2018, the Commission entered an Order adopting the OCA's recommended corrections except for the calculation of income tax deductions. The Commission remanded the cap increase issue for the taking of additional evidence regarding NAWC's 2018 DSIC rates and projected rates. Testimony and briefs were filed in May 2018. In his Recommended Decision on the remand issue, issued on June 15, 2018, the ALJ agreed with the OCA's position that the fact that NAWC had calculated a DSIC rate above 5% and may continue to do so, does not support a waiver of the DSIC cap. He was persuaded that waiver is not necessary and would serve to further extend the time between NAWC's base rate cases (currently a 7 year interval).

The Commission entered an Order on Remand on July 27, 2018, wherein it adopted the OCA and ALJ's position and denied the requested cap waiver and rate increase.

On August 27, 2018, the OCA filed a Petition for Review by the Commonwealth Court of the April 26th Commission Order, which denied the OCA's position that Act 40 applies to the calculation of income taxes in the DSIC calculation. The OCA also appealed an

Order involving the FirstEnergy companies, where the Commission had ruled on the same issue. The Court heard the two appeals together and entered Orders on July 11, 2019, in which it agreed with the OCA that Section 1301.1 applies to DSIC rates. The Court reversed the Commission's Orders and remanded the matter to the Commission for the purpose of requiring the utilities to revise their tariffs and DSIC calculations in accordance with Section 1301.1. On July 25, 2019, the Commission and FirstEnergy filed Petitions seeking reargument before the Court en banc. On October 4, 2019, the Court granted the OCA's Application requesting the Court to publish the July 11, 2019 unreported opinion. On the same date, the Commission filed a Petition for Allowance of Appeal with the Pennsylvania Supreme Court. The Petition was granted on April 7, 2020 in Docket No. 26 MAP 2020 and consolidated with related appeals at Docket Nos. 24 MAP 2020 and 25 MAP 2020. The OCA is preparing its Brief to be filed in August 2020.

#### **North Heidelberg Sewer Co.**

Docket Nos. I-2018-3001161, M-2018-2645983, P-2017-2594688. On March 21, 2017, I&E filed a Petition for an Emergency Order related to North Heidelberg and Metropolitan Edison Co. I&E sought an emergency order because North Heidelberg had received a termination notice from Met-Ed. North Heidelberg had a large arrearage and, according to I&E, had failed to make payment for electric service. I&E requested the Commission act to ensure continued wastewater service to North Heidelberg's customers. The PUC issued an ex parte emergency order on March 22, 2017, granting I&E's Petition and ordering that North Heidelberg provide notice to its customers that they are not under threat of losing wastewater service as a result of electric service termination, that North Heidelberg pay all of its current bills, and that in the event that North Heidelberg fails to make any payment, Aqua PA would immediately take over billing and operation of the system.

The OCA participated in this proceeding to protect the interests of North Heidelberg's and Met-Ed's customers. The OCA sought to ensure that a resolution was found that is in accordance with applicable statutes and maintains service to North Heidelberg's 253 customers.

On May 4, 2017, the Commission entered an Order consistent with the OCA's position. It ratified the Emergency Order and modified it, *inter alia*, by setting up a payment plan for NHSC's arrearages and providing for a Section 529 investigation (takeover by a viable utility) if the plan is not met or if Audits and TUS identify concerns about rates or service. The Order also ensured that Met-Ed will not terminate electric service without prior PUC approval.

North Heidelberg filed a Petition for Review of the Commission Order and requested the case be remanded for further hearing. On July 5, 2017, the Commonwealth Court granted the Petition and remanded the matter to afford NHSC an opportunity to present evidence regarding its financial position relevant to establishing a payment arrangement. The OCA participated in the hearing, continuing its efforts to protect the interests of North Heidelberg's and Met-Ed's customers.

On September 9, 2017, the Presiding Officer issued a recommendation that there be no modification to the original PUC Order and that North Heidelberg comply with the plan to pay its arrearages. As well, the recommendation continued the assurance that Met-Ed will not termination electric service without prior PUC approval, which helped ensure that North Heidelberg's customers will not be deprived of wastewater service due to termination of their utility's electric service. The PUC entered an Order on October 5, 2017 approving the ALJ's recommendation. On December 14, 2017, Met-Ed filed a letter stating that NHS failed to pay its arrearages by the deadline imposed by the PUC.

By Order entered February 9, 2018, at Docket No. M-2018-2645983, the Commission initiated a mandatory takeover investigation pursuant to 66 Pa. C.S. § 529 and appointed Aqua PA Wastewater as receiver under Section 529(g). The OCA is participating in the investigation to ensure that NHSC's customers receive safe, adequate and reasonable service from a viable provider.

In its most recent bi-monthly status report in May 2020, Aqua stated it continues to investigate the system's operations and financial status, and make necessary improvements to operate NHSC to ensure quality service to the NHSC customers for the period of its receivership duties during the 529 proceeding. No major issues were reported. Aqua will provide its next status report on or before August 3, 2020.

### **Pennsylvania-American Water Co. - Water Division**

Docket No. R-2018-3002502. On June 5, 2018, PAWC filed a tariff supplement with an effective date of August 4, 2018. The proposed tariff supplement addressed the treatment and calculation of customer contributions, customer advances and certain customer deposits after the TCJA. The Company proposed the "no gross up" method which would require customers, rather than the entities contributing the capital, to pay the income taxes associated with the deposit, advance or contribution.

The OCA intervened in the case on July 25, 2018 to protect the interests of consumers in PAWC's service territory and to ensure that the resolution of the proposed tariff is just and reasonable. Briefs in support of the parties' positions were filed in November 2018. On December 5, 2018, a Recommended Decision was issued, which recommended

that the Commission deny PAWC's request to use the no gross up method for contributions and advances, except that PAWC may continue to apply the no gross up method to contributions and advances received from governmental entities. The Commission entered an Order on February 7, 2019, in which it adopted the ALJ's recommendations and made the decision effective for extension agreements executed on or after January 1, 2018.

PAWC filed a Petition for Reconsideration on February 21, 2019. While that Petition was pending, a new statute (Act 53 of 2019) was enacted pertaining to the computation of income tax expense and specifying that water or wastewater utilities shall be solely responsible for funding the income taxes or taxable contributions and advances, *i.e.* it requires that utilities use the no gross-up method and rejected the method approved by the Commission in its February 2019 Order.

Docket Nos. R-2020-3019369, R-2020-3019371. On April 29, 2020, PAWC filed a multiyear rate plan (MYRP) requesting to increase annual operating revenues for its water and wastewater divisions by approximately \$138.6 million over a two year period; \$92.4 million in 2021 (12.9%) and \$46.2 million in 2022 (5.8%). On May 7, 2020, the OCA filed a Formal Complaint stating its opposition to any rate increase, at this time, due to the COVID-19 pandemic and asking that the filing be suspended and investigated, and that Public Input Hearings be held to allow customers to provide input.

### **Pennsylvania-American Water Co. - Wastewater Division**

Docket No. A-2019-3014248. On December 2, 2019, PAWC filed an Application seeking Commission approval to acquire the Borough of Kane Authority's wastewater collection and treatment system assets under Sections 1102(a), 1329 and 507 of the Public Utility Code. The Authority provides wastewater service to approximately 2,019 customers. The purchase price and amount that PAWC sought to have approved as an addition to ratemaking rate base was \$17.5 million, for a system with depreciated original cost of \$12 million. The average of the fair market value appraisals performed by PAWC's and the Authority's experts was \$23.6 million.

On February 6, 2020, the OCA filed a Protest. The OCA served testimony supporting several adjustments to the appraisals, addressing the rate increases that may result from the acquisition as one of the important considerations in weighing affirmative public benefits, and recommending conditions that should be adopted to protect PAWC's existing customers, if the transaction was approved. In particular, the OCA recommended that PAWC provide a separate Cost of Service Study in the first base rate case which includes Kane's assets, in order to separately identify the cost of

servicing the Kane system which will permit the parties to recommend establishing rates for those customers that differ, as appropriate, from rates established for PAWC's existing wastewater customers.

On April 17, 2020 the parties filed a Settlement, which proposed conditions and changes to the transaction originally proposed by PAWC and Kane. For example, PAWC agreed to accept two of the OCA's adjustments to the UVE appraisals. The adjustments reflect accepted financial and ratemaking principles and will help improve the reliability of data used in appraisals and the integrity of the result. PAWC also agreed to provide cost of service studies that would provide a means for the parties to use the data to set rates for the Kane customers that differ, as appropriate, from rates established for other wastewater customers. The proposed Settlement allows for Kane customers to begin contributing, up to 5% of their total wastewater bill, toward DSIC-eligible capital projects, while also helping to ensure that projects and expenditures already planned for existing PAWC wastewater customers will not be given less priority as a result of the acquisition. The Commission adopted the Settlement by Order entered on June 18, 2020.

Docket Nos. R-2020-3019369, R-2020-3019371. See write-up above, under PAWC-Water Division.

### **Pittsburgh Water and Sewer Authority**

Docket Nos. M-2018-2640802, M-2018-2640803. Act 65, signed into law on December 21, 2017, amended the Public Utility Code with the effect of bringing the Pittsburgh Water and Sewer Authority under the jurisdiction of the PUC on April 1, 2018. On January 18, 2018, the Commission issued a Tentative Implementation Order laying out a proposed process for implementing the new legislation, including tariff approval, ratemaking, compliance plan, and assessment provisions. On February 7, 2018, the OCA filed comments on the Tentative Implementation Order and made several recommendations intended to ensure that PWSA customers receive high quality water and wastewater service at reasonable cost. These recommendations included, among other things: implementing a separate stormwater tariff, applying PUC consumer protections where there is a conflict with the Company's prior tariff, delaying termination notices during the transition period, informing customers about the transition, requiring additional information, considering whether to use cashflow method after the initial rate filing, using the NARUC system of accounts consistent with other PUC-regulated utilities. The Commission issued a Final Implementation Order on March 15, 2018, which included a timeline for PWSA filings and direction on a variety of issues required to comply with Act 65 and bring PWSA under PUC jurisdiction.

On March 30, 2018, PWSA filed its Official Prior Tariffs with the Commission and officially came under PUC jurisdiction as of April 2, 2018. The OCA and other parties held a variety of meetings and a site visit to discuss aspects of PWSA's operations and necessary improvements, including issues related to customer service, billing, and operations.

On September 28, 2018, PWSA filed its Compliance Plan with the Commission. The proposed Compliance Plan presented PWSA's understanding of its current status of compliance with all aspects of the Public Utility Code and Commission regulations and included proposals to bring PWSA operations and practices into full compliance. The OCA intervened in the proceeding and filed an Answer on October 18, 2018, and participated to protect the interests of PWSA's customers.

Also, on September 28, 2018, PWSA filed its LTIP, which OCA reviewed and, on November 2, 2018, filed Comments to ensure that the LTIP accelerated infrastructure repair and replacement in a cost effective manner as required by Act 11.

On November 28, 2018, the Commission issued a Secretarial Letter laying out a two stage review process for PWSA's Compliance Plan. Stage 1 addressed urgent infrastructure, remediation, improvement, revenue, and financing requirements. Stage 2 addressed billing and customer services issues and development of a proposed stormwater tariff.

The OCA filed testimony addressing a variety of issues in the Stage 1 proceeding, including revenue and financing requirements, the Cooperation Agreement with the City of Pittsburgh and other contractual issues, lead service line replacements, metering and billing currently unmetered properties, termination practices, design concepts for universal service programs, and infrastructure improvements.

Since that time, the parties have participated in extensive settlement conferences. As a result, the parties were able to resolve many but not all issues in this proceeding. The litigated issues include the 1995 Cooperation Agreement, how to meter and bill municipal properties and public fire hydrants, and specific items related to lead service line replacements.

The parties submitted a proposed Settlement and Briefs on the remaining issues in September 2019. On October 29, 2019, the Office of Administrative Law Judge issued a decision recommending approval of the Partial Settlement. The ALJs did not adopt OCA's position that the Commission should: (1) require PWSA to begin charging a flat rate to unmetered and/or unbilled municipal properties and non-profits which "ramps up" during a five-year transition period; and (2) require PWSA to replace customer-owned

lead service lines and reject PWSA's income-based reimbursement policy and direct PWSA to develop a comprehensive plan to replace all lead service lines, both public and private, in the system at no direct cost to customers. The Commission entered an Order on March 26, 2020, in which it denied the OCA's Exceptions filed in support of its position. The Commission directed PWSA to file a compliance proposal by September 30, 2020.

Per the November 28, 2018 Secretarial Letter, the OCA is also participating in workshops convened by the Commission's Bureau of Consumer Services (BCS) regarding PWSA's compliance with the applicable billing and consumer protection regulations. Further, as a result of the 2018 base rate case Settlement and the partial Settlement in this proceeding, the OCA is participating the PWSA's Community Lead Response Advisory Committee and Low-Income Assistance Advisory Committee.

Docket No. P-2020-3019019. On March 3, 2020, PWSA filed a Petition for approval to waive the 5% DSIC cap, to permit levelization of DSIC charges with a 10% DSIC cap, and pay-as-you-go method of financing. On March 6, 2020, the Authority filed a Petition to consolidate this proceeding with its base rate filings. On March 13, 2020, PWSA filed a letter stating its position that the substantive questions raised by the filing should be addressed within the rate case, waiving any right it may have to receive Answers to its DSIC filing and reiterating its request for consolidation. On May 19, 2020, the ALJ in the rate proceeding granted the Petition for consolidation. Further updates will be provided below, under Docket Nos. R-2020-3017951 and R-2020-3017970.

Docket Nos. R-2020-3017951, R-2020-3017970. PWSA filed for increases to its rates for water and wastewater service on March 6, 2020. PWSA requested that the increases go into effect over two years, including a proposed 10% DSIC applicable to water and wastewater bills: \$43.4 million in 2021 and an additional \$12.6 million in 2022. As filed, a typical residential water customer using 3,000 gallons per month would see their monthly bill increase by \$8.80, from \$49.35 to \$58.15, or 17.8%. A typical residential wastewater customer using 3,000 gallons per month would see their monthly bill increase by \$5.02, from \$23.14 to \$28.16, or 21.7%. PWSA subsequently increased its requested revenue increase in supplemental testimony to 23.5% and 31.6% for typical water and wastewater customers, respectively.

The OCA filed a Formal Complaint against the proposed increases on March 24, 2020 and provided testimony supporting its recommendation that no increase be approved given the pandemic-related financial crisis or that, in the alternative, a substantially lesser increase be approved with no second year increase, i.e. no multi-year rate plan. The OCA also demonstrated that the DSIC should be limited to 5% and recommended

a range of improvements to PWSA's customer service, low-income programs and measures to ensure and improve quality of service.

Docket No. U-2020-3015258. On December 20, 2019, PWSA filed a cooperation agreement between the Authority and the City of Pittsburgh. The OCA filed a Notice of Intervention on May 4, 2020, to ensure that approval of the agreement is in accordance with sound ratemaking principles and the Public Utility Code. At the end of the 2019-2020 Fiscal Year, the OCA was reviewing the agreement.

### **School House Village - Water Division**

Docket No. A-2019-3007833. On February 8, 2019, School House Village filed an Application seeking Commission approval to abandon water service to five homes, one apartment and approximately 17 unbuilt lots on Village Lane in Fulton County, Pennsylvania. The Applicant proposed to install or pay to install individual wells for certain properties. The Commission's Bureau of Technical Utility Services (TUS) raised concerns regarding this proposal, in discovery questions it issued to the Applicant on March 5, 2019. TUS inquired *inter alia* about the technical and financial feasibility of installing individual wells, compliance with applicable municipal and county comprehensive plans and zoning ordinances, and consideration of alternatives to drilling individual wells.

The OCA filed a Notice of Intervention on March 11, 2019. Through its participation, the OCA sought to ensure that the School House Village customers continue to receive safe, adequate and reasonable service and that the proposed transaction provides all necessary and proper customer protections for customers and lot owners which are justified, reasonable, and in accordance with sound ratemaking principles and the Public Utility Code. On November 14, 2019, the Commission entered an Order approving the Application with extensive conditions to be met by the Company to ensure that wells are drilled and producing water of adequate quality and quantity. The Commission also gave all lot owners a 20-day period to file protests. No Protests were filed. On March 16, 2020, the Company filed statements verifying that wells are constructed, connecting and producing, payments were made to certain customers, and the Company's water supply lines are cut and capped. The Company also provided pictures confirming that additional grading work identified by TUS was completed. TUS indicated it will perform a physical inspection prior to finalizing the abandonment. Due to the COVID-19 emergency, that inspection has been delayed.

---

**SUEZ Water Pennsylvania, Inc.**

Docket Nos. A-2019-3014990, A-2019-3014991. On December 13, 2019, SWPA and Overbrook jointly filed an application for SWPA to acquire the Overbrook water system and for Overbrook to abandon service. On January 21, 2020, the OCA filed a Protest. The OCA identified areas that require further consideration and submitted they should be resolved prior to Commission approval of the Application. The OCA noted that these issues might be resolved through the Applicants' provision of additional information.

The OCA and SWPA participated in informal discovery regarding the matters raised in the OCA's Protest. At the request of the OCA, on February 28, 2020, SWPA filed additional data responses in the docket regarding the basis for SWPA's planned investment in the Overbrook system, responsibility for compliance with corrective actions required by DEP, and the apparent service by PAWC to customers within the territory to be transferred. This additional information helped to complete the record before the Commission and addressed the concerns raised in the OCA's Protest.

On March 3, 2020, the OCA filed a Notice to withdraw its Protest. By Order entered March 10, 2020, the case was reassigned to TUS. On April 22, 2020, SWPA filed an Amended Application in which it reduced the proposed service territory to the area presently served by Overbrook. The initial Application included additional territory that (1) was not within Overbrook's certificated territory and (2) was within Overbrook's certificated territory but presently served by PAWC. On June 18, 2020, the Commission approved the amended Application.

**Twin Lakes Utilities, Inc.**

Docket No. R-2019-3010958. On July 22, 2019, Twin Lakes filed a tariff supplement, in which it requested to increase its annual water service operating revenues by \$211,793, or approximately 158.6%, over the amount at present rates. Twin Lakes also proposed to increase its residential customer charge by \$98.20, or 162%. On July 30, 2019, the OCA filed a Formal Complaint and Public Statement indicating its opposition to the proposed rate increase.

In direct testimony, the OCA recommended reducing the overall revenue requirement from \$211,793 to \$134,631. Further, the OCA raised concerns regarding the quality of service provided by Twin Lakes because of a lack of a back-up well, excessive leakage and unreasonably high unaccounted for water, exceedance of the lead action level, and boil water advisories (BWA). The OCA also raised concerns about the affordability of rates.

At Public Input Hearings held in October 2019, customers of Twin Lakes testified against the rate increase and raised quality of service issues, including numerous BWAs, not understanding why the BWAs were issued and not being notified when a BWA was lifted. Additionally, a customer testified that he was discriminated against by the Company's customer service because of the way he spoke English, and another customer complained about a water meter installation underneath his home. Subsequently, tests showed exceedances of the lead action level. The Company filed a Stipulation on December 18, 2019 enumerating its plans to handle the lead concern, including water sampling, educational outreach to customers about how to reduce exposure, and offering to test water at a customers' home upon request.

The ALJ issued a Recommended Decision on February 19, 2020, which recommended an overall annual increase of about \$111,000. The OCA filed Exceptions arguing for additional downward adjustments and a 0% return on equity to reflect both inadequate service and affordability of rates noting that, even with a 0% return on equity, revenue and resulting rates would increase dramatically. On March 26, 2020, the Commission approved a higher annual revenue increase of \$117,374 or 87.91%.

### **Winola Water Co.**

Docket Nos. C-2018-2644592, P-2018-3006216, I-2018-3006498. On November 28, 2018, I&E filed its Petition for the Issuance of an *Ex Parte* Emergency Order regarding the Winola Water Co. in response to a Do Not Consume Order issued by the Department of Environmental Protection on October 5, 2018. The Petition argues that cadmium and lead levels in the water exceed the DEP regulations and that Winola Water did not provide an alternative source of potable water to customers. The Petition requested that: (1) a proceeding under 66 Pa. C.S. § 529 be initiated; (2) that a competent water utility be appointed as receiver; and (3) that the receiver provide an alternative source of drinking water to the customers. On November 29, 2018, the OCA filed a Notice of Intervention.

On November 9, 2018, an *Ex Parte* Emergency Order was issued, initiating a Section 529 proceeding, and appointing Pennsylvania American Water Co. as Receiver. On December 6, 2018, the Commission ratified the Emergency Order. PAWC sought to amend the Order to allow for special accounting treatment, which the Commission denied in an Order entered on July 11, 2019 and referred the matter to be addressed in the Complaint proceeding.

On October 29, 2019, DEP lifted the Do Not Consumer Order; however, lead and copper action level exceedances continue. On May 28, 2020, PAWC and Winola

entered into an Asset Purchase Agreement by which PAWC will acquire the system for \$1. On June 2, 2020, PAWC, Winola, OCA and I&E filed a Settlement, which includes a plan for immediate, short-term and long-term improvements to the system and provides reasonable cost recovery, recognizing that PAWC had been acting as Receiver since December 2018. Customer rates will remain the same until meters are installed and metered rates can be established that reflect customers' actual usage. The result of the Settlement should be an improvement to water service. At the end of the 2019-2020 Fiscal Year, the Settlement was pending before the ALJ.

## **GENERIC PUC PROCEEDINGS: ELECTRIC**

### **Energy Efficiency & Conservation Programs (Phase IV)**

M-2020-3015228, P-2020-3019562. On March 12, 2020, the Commission issued a Tentative Implementation Order for the Phase IV implementation of Act 129 energy efficiency and conservation (EE&C) plans. On April 27, 2020 and May 12, 2020, the OCA filed Comments regarding the Order and the findings of the Statewide Evaluator (SWE). The OCA raised concerns that the acquisition costs for the outlined energy reduction measures had significantly increased from the Phase III Plan and that the SWE's report was dated and did not accurately capture or account for the changed conditions due to the COVID-19 pandemic.

On June 18, 2020, the Commission issued its Implementation Order. In response to the increased acquisition costs, the Commission made slight downward adjustments to the energy reduction targets. On the COVID-19 issue, the Commission found that the OCA and other Parties' concerns were premature as the full extent of the effects of the pandemic could not be known at this time.

In a separate but related matter, on April 22, 2020, the Industrial Energy Consumers of Pennsylvania (IECPA) submitted a Petition seeking to have the Commission delay the implementation of the Phase IV plan for at least 270 days. In its Answer, submitted May 7, 2020, the OCA largely supported the Petition for many of the same reasons expressed in its Comments to the Phase IV Order. To date, the Commission has not specifically acted on the Petition.

## **GENERIC PUC PROCEEDINGS: NATURAL GAS**

### **"Gas on Gas" Competition**

Docket No. I-2012-2320323. On December 8, 2011, I&E, the OCA, the Office of Small Business Advocate, Peoples TWP LLC and Peoples Natural Gas Co. filed a Petition

with the Commission seeking an investigation into the practice of “gas-on-gas competition” in Pennsylvania. This practice only occurs in limited portions of western Pennsylvania, mainly in and around the City of Pittsburgh, where more than one natural gas distribution company (NGDC) has distribution lines in the same geographic location. Customers in those areas, mainly commercial and small industrial customers, can extract lower distribution rates from their existing NGDC through the threat of leaving the system, or they can physically leave the system and connect to another NGDC. The revenue losses created by either of these events are eventually passed through to all of the NGDC’s remaining ratepayers. The OCA has been investigating and seeking a resolution of this practice for at least the last 10 years. This form of monopoly utility “competition” seen in Western Pennsylvania is extremely rare and this may be the only place in the United States where such activity is present.

On July 25, 2012, the Commission issued a Secretarial Letter, which granted the relief sought in the Joint Petition, and ordered a generic investigation. On June 24, 2014, the ALJ issued a Recommended Decision that adopted the OCA’s position on all counts.

On May 4, 2017, the PUC issued an Order in this matter. The PUC held that gas-on-gas flex rates should continue, but the affected NGDCs must file new tariffs consistent with the Order limiting how such rates would be applied.

In August 2017, the OCA filed Comments setting forth its position that further gas-on-gas competition should be limited, consistent with the PUC Order. In particular, new customers should be given one opportunity to pick an NGDC but no further switching after that. In addition, no duplicative facilities should be built in order to facilitate further gas-on-gas competition unless the potential customer is paying the full cost of same.

After settlement discussions, all active Parties reached a consensus and provided uniform Reply Comments in September 2017 as to how gas-on-gas competition should continue.

On June 13, 2019, the PUC issued an Order, which accepted all of the recommendations provided by the Parties and ordered a collaborative process to address the unresolved issues. In August 2019, the Commission issued a Secretarial Letter instituting the Gas-on-Gas Collaborative Working Group.

On August 26, 2019, a Secretarial Letter was issued advising that the first meeting of the Collaborative would take place on October 3, 2019. On September 26, 2019, the OCA submitted Comments and supplementary information. The OCA participated in the first meeting, along with representatives from Columbia and Peoples. Subsequent to that meeting, the Parties have engaged in discussions mainly centering around how to

establish the “lowest tariff rate” in accord with the PUC’s Order. Those discussions continue.

## **GENERIC PUC PROCEEDINGS: TELECOM**

### **Chapter 63 and 64**

Docket No. L-2018-3001391. In July 2018, the Commission issued an Advance Notice of Proposed Rulemaking to review whether and which Chapter 63 and 64 regulations should still apply in competitively classified areas. In October 2018 Comments, the OCA recommended preservation of the majority of the service quality, billing, and consumer protection regulations. The OCA Reply Comments opposed Incumbent Local Exchange Carrier requests for elimination or significant scale back of existing quality of service, billing, and consumer protection regulations. In February 2020, the Commission granted Verizon PA and Verizon North an extension of the conditional waiver, over the OCA’s objections. The OCA filed brief supplemental Comments in March 2020 supporting the Commission’s plan to have PUC Staff evaluate certain, limited Verizon data. The OCA awaits action by the Commission.

Docket No. P-2018-3005224. On October 3, 2018, most Pennsylvania rural local exchange companies (RLECs) filed a joint Petition for temporary waiver of major portions of Chapters 63 and 64, until the PUC completes the Chapter 63 and 64 Rulemaking (see, Docket L-2018-3001391, above). The RLEC Petition requested relief in areas still designated as non-competitive. The OCA opposed the RLEC waiver request in an Answer filed on October 26, 2018. The OCA sought to assure that telephone service customers receive quality telephone service, credits for outages, and protection from suspension or cancellation of service without notice. The Petition was pending before the Commission at the end of the 2019-2020 Fiscal Year.

### **Pole Attachments**

Docket No. L-2018-3002672. In July 2018, the Commission proposed to assume jurisdiction over the attachment of wires, cables, and wireless facilities to public utility poles. The Commission proposed to adopt the FCC’s current and future regulations governing pole attachments. The OCA filed Comments on October 29, 2018, which supported the Commission’s proposal as beneficial to Pennsylvania interests. In September 2019, the Commission adopted new regulations. The Commission will rule on pole attachments disputes, applying the FCC’s standards combined with the Commission’s regulatory dispute resolution and complaint processes. The Commission’s jurisdiction commenced on March 18, 2020. The OCA is monitoring

complaints brought by utilities that own and/or seek to attach to utility poles. The OCA will participate in a PUC-led working group to address issues that arise from the PUC's new exercise of jurisdiction.

## **GENERIC PUC PROCEEDINGS: CONSUMER ADVISORY COUNCIL**

### **Consumer Advisory Council Reform**

Docket No. L-2018-3004948. In October 2018, the Commission issued an Advance Notice of Proposed Rulemaking which proposed changes to the functions and composition of the Consumer Advisory Council (CAC). The OCA filed Comments in February 2019. The OCA supported continuation of the CAC as an important vehicle for public input and advice to the Commission. The OCA recommended that the Commission preserve the CAC's standing as a regulation-based advisory group and revise the regulations to improve how the CAC functions and communicates advice to the Commission. The matter is pending before the PUC.

## **GENERIC PUC PROCEEDINGS: IMPLEMENTATION OF ACT 11 OF 2012**

### **Fully Projected Future Test Year (FPFTY)**

In addition to the DSIC, Act 11 of 2012 authorized use of a fully projected future test year in utility base rate cases. 66 Pa. C.S. § 315. On December 22, 2017, in Docket No. L-2012-2317273, the Commission entered an Advance Notice of Proposed Rulemaking Order identifying proposed procedures and filing requirements for use of a FPFTY. Any new procedures and filing requirements, if adopted, would be added to Section 53.53 of the Commission's regulations. The Commission suspended written Comments while stakeholders met to discuss issues raised by the FPFTY. The OCA participated in stakeholder meetings in April, September and November 2018 and January, March, June, September, and October 2019. The OCA continues to seek to address, *inter alia*, the data required to support claims, whether the FPFTY can be less than one year, and how after-the-fact reporting is used to adjust utility rates in accordance with Act 11.

## **GENERIC PUC PROCEEDINGS: IMPLEMENTATION OF ACT 120 OF 2018**

### **Lead Service Lines and Damaged Wastewater Laterals**

Act 120 of 2018 permitted utilities providing water and/or wastewater service to replace customer-owned lead service lines (LSLs) and damaged wastewater laterals (DWWLs) and receive rate base/rate of return recovery of those costs, as well as additional

requirements that must be met including a reasonable warranty period and reimbursement to customers who previously replaced their LSL at their own expense. On October 3, 2019, in Docket No. M-2019-3013286, the Commission entered a Joint Motion directing the Bureau of Technical Utility Services (TUS) and Law Bureau (LAW) to develop recommendations for additional parameters surrounding LSL and DWWL replacement programs.

On November 2, 2019, a Secretarial Letter was issued directing all interested parties to provide comments on certain issues related to the replacement of LSLs and DWWLs. On November 22, 2019, the OCA submitted its Comments recommending that any replacement program should ensure that customers are informed, treated equitably, and provided with safe, adequate, and reliable service. This includes, *inter alia*, locating and identifying LSLs and DWWLs in an efficient, timely manner, communicating effectively with customers to notify them of the presence of LSLs or DWWLs, providing a four-year warranty on any replacement to ensure adequate workmanship, and creating replacement policies that serve the need of the utility's customers.

The OCA participated in a stakeholder collaborative on December 19, 2019. At the collaborative, the OCA provided additional explanation of its Comments, listened to other parties' positions, and gave additional input on other topics.

## **GENERIC PUC PROCEEDINGS: RESIDENTIAL SERVICE**

### **Chapter 56**

Docket No. L-2015-2508421. On July 21, 2016, the Commission adopted a Proposed Rulemaking Order to amend Chapter 56 of the Commission's regulations, which relate to standards and practices for residential public utility service, to comply with the 2014 amendments to Chapter 14 of the Public Utility Code. The Commission had previously addressed a number of urgent issues in Chapter 56 that resulted from the Chapter 14 amendments. The remaining issues that the Proposed Rulemaking Order sought to address included: amending definitions of applicant, customer, and public utility; clarifying the 90-day deposit payment period; revising the credit methodology; and expanding protections for individuals with Protection from Abuse Orders (PFAs) to include individuals with other types of court orders related to domestic violence. As part of this rulemaking, the Commission also sought comment on issues such as privacy guidelines, cost of compliance, and collections reporting.

The OCA submitted detailed Comments on the Proposed Rulemaking Order on April 19, 2017. The OCA's Comments sought to ensure that the regulations were internally

consistent, included clear definitions, reflected current technology, and provided customers with important protections. The OCA also addressed issues related to protecting customer privacy, suggested other sections that should be revisited, and proposed that a working group should be convened to address issues related to protections for victims of domestic violence.

On July 13, 2017, the Commission issued an Order Seeking Additional Comments in which it requested additional Comments on three specific issues: privacy guidelines, usage of medical certificates, and cost of compliance. The Order also sought input on two new, related proposals on third party notification of supplier switching and a customer's ability to retain utility service pending formal appeal. The OCA submitted Additional Comments in September 2017. In its Additional Comments, the OCA urged the Commission to ensure that customer information is adequately protected, and to obtain additional information from utilities regarding compliance costs and the use of medical certificates. The OCA also supported third party notification of supplier switching and a proposed clarification that customers retain utility service while a formal appeal is pending.

On February 28, 2019, the Commission issued a Final Rulemaking Order, which made a variety of changes to Chapter 56 including clarifying language, updates regarding electronic contact with customers, and changes regarding the use of medical certificates. The regulations became effective in June 2019.

On August 28, 2019, the Commission issued a Secretarial Letter creating a Chapter 56 Working Group to address items not resolved through the Rulemaking, including the form of medical certificates, other court orders identifying victims of domestic violence, and the Commission's privacy guidelines relating to emails, text messages, and other electronic messaging. The OCA submitted its Initial Comments on October 4, 2019. On October 29, 2019, the OCA participated in the Chapter 56 Working Group. In response to a request by the Commission, on December 19, 2019, the OCA submitted its suggested revisions to the Rights and Responsibilities booklet, to reflect the revisions to Chapter 56. The OCA awaits further Commission action.

## **FEDERAL COMMUNICATIONS COMMISSION (FCC)**

### **Truth-in-Billing and IP-Enabled Services**

WC Docket No. 04-36, CC Docket No. 98-170. The FCC's Wireline Competition Bureau invited comments and reply comments to refresh the record regarding any new needs

for truth-in-billing consumer protections and whether the regulatory protections should apply to interconnected Voice-over-Internet-Protocol (VoIP) services. The OCA drafted the NASUCA Reply Comments filed in March 2020. The NASUCA filing cited the record developed in prior NASUCA comments identifying the need for these consumer protections. Even if there is competition among providers, consumer bills may still include unnecessary charges or charges with misleading labels. NASUCA supports extension of the truth-in-billing protections to VoIP services which more consumers rely upon. At the end of the 2019-2020 Fiscal Year, the parties awaited action by the FCC.

### **Universal Service Fund (USF)**

The OCA monitors and works to improve at the state and federal level the efficiency and benefits for Pennsylvania consumers provided by the federal Universal Service Programs, with a focus on the High Cost/Connect America Fund support for telecom and broadband networks and the Lifeline program. Pennsylvania telecommunications carriers and broadband service providers are projected to receive in 2019 roughly \$58.4 million in federal Universal Service Fund support for high cost and Connect America Fund support for voice and broadband networks, out of \$4.482 billion in funding nationwide.

The efficient operation of the Lifeline universal service program is of vital importance to Pennsylvanians. The federal USF paid out \$1.03 billion in 2018 for Lifeline discounted service nationwide, in non-tribal areas. That amount included \$47.5 million for discounted Lifeline service to eligible Pennsylvanians. Other consumers support the federal Universal Service Fund through surcharges on interstate telephone services, known as the “contributions base.”

WC Docket No. 06-122. On May 31, 2019, the FCC released a Notice of Proposed Rulemaking. The FCC proposed that the total size of the Federal Universal Service Fund should be capped and rules should be adopted to govern allocation of funds, in the event demand exceeds the cap. The High Cost/Connect America Fund, Lifeline, Schools & Libraries or “E-Rate Fund,” and Rural Healthcare Funds are subject to some budget limitations but the FCC has adjusted funding levels as needed to address the needs of individual programs, inflation, and other reasons. In June 2019, the OCA assisted the National Association of State Utility Consumer Advocates (NASUCA) in the development of Resolution 2019-04, which describes NASUCA’s policy on this important rulemaking. The OCA drafted the NASUCA Comments filed in July 2019. NASUCA recommended against adoption of a hard cap on the total size of the USF. NASUCA urged the FCC to evaluate the affordability of services made available through USF programs and to reform and broaden the contributions base, to be more equitable.

WC Docket Nos. 11-42, 17-287. In 2016, the FCC set minimum service standards for Lifeline services (voice, data, broadband), subject to annual increases to those service floors. The FCC also set a schedule to reduce Lifeline support for voice services, commencing December 1, 2019. A coalition of public interest groups petitioned the FCC to stay these changes. NASUCA filed comments in July 2019, in support of the Petition. The OCA drafted the NASUCA comments. In November 2019, the FCC denied the request to stay the decrease in Lifeline support for voice service, on the grounds that the petitioners had not supported the requested. The FCC Order did not address the merits of the comments filed by NASUCA and other parties in support of this request for relief. The FCC did modify the Lifeline minimum service standard for wireless data, which NASUCA supported. In the first half of 2020, NASUCA was exploring ways to encourage the FCC to relax Lifeline requirements, to allow eligible low income consumers to have more connectivity during the COVID-19 pandemic.

WC Docket No. 19-126. In August 2019, the FCC proposed to create a “Rural Digital Opportunity Fund.” (RDOF) The FCC invited comment on its proposal to commit \$20.4 billion in Universal Service Fund support over ten years to support deployment of broadband to underserved areas. In September 2019, the OCA filed Joint Comments with the PUC and Office of Small Business Advocate (OSBA) recommending that the FCC modify its allocation plan to direct support to unserved areas that do not even have broadband connectivity at 10 Mbps down and 1 Mbps up speeds. The OCA, PUC, and OSBA filed Joint Reply Comments in October 2019. OCA contributed to the separate NASUCA Reply Comments. In February 2020, the FCC released its Report and Order establishing the parameters and schedule for the RDOF reverse auction to distribute USF support. The FCC did not adopt some of the PUC/OCA/OSBA recommendations. The OCA is monitoring the application process and related developments, in advance of the late October 2020 auction.

## **FEDERAL ENERGY REGULATORY COMMISSION (FERC)**

### **New England Ratepayers Association**

Docket No. EL20-42-000. On April 14, 2020, the New England Ratepayers Association (NERA) filed its Petition for Declaratory Order Concerning Unlawful Pricing on Certain Wholesale Sales. Specifically, NERA requested that FERC declare its jurisdiction over net metering billing practices, which have traditionally been regulated by States. In effect, NERA asserted that net metering sales should be priced at a lower unit of compensation than typically provided by States at present.

On June 15, 2020, in concert with the New Jersey Division of Rate Counsel, the Office of People's Counsel for the District of Columbia, Maryland Office of People's Counsel, and Iowa Office of Consumer Advocate, the OCA filed Initial Comments opposing NERA's Petition. The Joint Consumer Advocates argued that FERC is correct to treat these as local retail transactions and emphasized that overturning this regulatory scheme would be detrimental to enacted legislation of States, to those that have invested in these alternative energy resources on the basis of these statewide plans, and those that have worked to craft policies around net metering to meet state legislative goals. At the end of the 2019-2020 Fiscal Year, FERC issued an Order dismissing the Petition for Declaratory Order.

### **PECO Energy Co.**

Docket No. ER17-1519. On May 1, 2017, PJM Interconnection, LLC, on behalf of PECO Energy Co. - Electric, filed an Application at FERC requesting approval of a new transmission formula rate and formula rate protocols, to become effective July 1, 2017. In its filing, through a combination of the formula network transmission rate and the Monthly Deferred Tax Adjustment Charge, PECO sought an overall increase of approximately 12.4%.

On May 30, 2017, the OCA filed a Motion to Intervene in PECO's formula rate proceeding, as well as a Protest in opposition to PECO's proposed formula rate. In particular, the OCA argued in its Protest that PECO's proposed formula rate may be neither just nor reasonable, and may result in excessive residential customer rates. The OCA identified several flaws in PECO's filing, including that: (1) the proposed base Return on Equity (ROE) of 10.5% as well as the total ROE of 11% sought by Applicants was not just and reasonable and may produce rates which are unjust and unreasonable; (2) Applicants failed to justify the proposed 50 basis point ROE adder; and (3) Applicants failed to provide adequate information necessary to conduct a thorough review and analysis of the Company's filing. The OCA requested evidentiary hearings on all issues, a maximum rate suspension period of five months, and for FERC to set an effective date for customer refunds in the event that rates are indeed found to be excessive.

In August and October 2018, the OCA filed Testimony in support of its position that (1) PECO's proposed Monthly Deferred Tax Adjustment Charge is not just and reasonable, (2) the proposed Formula Rate Template and Formula Rate Implementation Protocols lack transparency, (3) the OCA's recommendations for amortization of Excess Deferred Income Taxes (EDIT) and the impact of the Federal Corporate Income Tax Rate (FCIT) under the TCJA should be adopted, (4) an 8.71% cost of common equity is appropriate

for PECO, and (5) PECO should not be awarded a 50 basis point adder for Regional Transmission Organization (RTO) membership.

Settlement discussions were successful and the parties submitted a Settlement to FERC in July 2019. The Settlement provided for enhanced transparency of the formula rate and greater assurances for customers in the accuracy of inputs that compose the formula rate. The Settlement also established a formal structure for challenging the inputs to the formula rate in future Annual Updates. Further, the Settlement provided for certain refunds to customer and reflects an ROE of 10.35%, which would provide significant savings to customers over the 11.0% ROE original proposed by PECO.

On December 5, 2019, FERC approved the Settlement in its entirety without modification. The rates agreed to in the Settlement will provide ratepayers with an annual savings of \$3.7 million as compared to PECO's originally filed rates.

### **Texas Eastern Transmission, LP**

Docket No. RP19-343-000. On November 30, 2018, Texas Eastern filed a general Section 4 rate filing with FERC seeking to increase the revenue requirement by \$1.1 billion, and a rate base increase from \$1.5 billion to \$6.4 billion. The Company serves a number of Pennsylvania NGDCs that are regulated by the Pennsylvania Public Commission and may also serve NGSs serving end-use customers in Pennsylvania. On December 6, 2018, the OCA intervened in this proceeding.

On October 28, 2019, Texas Eastern filed a Settlement that was the result of extensive negotiations with all the parties. As filed, the Settlement will reduce rates to Pennsylvania NGDCs by approximately \$30,000,000 when compared to the as-filed position of Texas Eastern. On February 25, 2020, FERC issued an Order approving the Settlement without modification.

## **CONSUMER AND LEGISLATIVE OUTREACH**

### **Testimony, Presentations and Speaking Engagements**

Acting Consumer Advocate Tanya McCloskey provided testimony or remarks in the following public forums during the last Fiscal Year:

11-1-19	Pennsylvania House Democratic Policy Committee	Havertown, PA	Testimony regarding the Regional Greenhouse Gas Initiative (RGGI)
3-2-20	PA Office of Attorney General	Harrisburg, PA	Remarks at the National Consumer Protection Week, Consumer Protection Fair. Introduced the OCA and Emphasized the Importance of Consumer Protections as Related to Utility Customers.

Consumer Liaison Heather Yoder, and other members of the OCA Staff participated in the following public forums during the last Fiscal Year:

7-11-19	Senior Expo sponsored by Representative Carl Walker Metzgar	Somerset, PA	Staff an exhibitor's booth, answer questions and distribute materials
7-24-19	Senior Expo sponsored by Representative Jeff Wheeland	Williamsport, PA	Staff an exhibitor's booth, answer questions and distribute materials
7-30-19	PUC Resource Fair	Ardmore, PA	Staff an exhibitor's booth, answer questions and distribute materials
7-31-19	Municipal Public Meeting	York, PA	Presentation on the OCA and participated in a discussion of regulations and gas meter installations in York City.
8-2-19	Senior Expo sponsored by Representative Martin Causer	Bradford, PA	Staff an exhibitor's booth, answer questions and distribute materials
8-2-19	Senior Expo sponsored by Representative Donna Oberlander	Clarion, PA	Staff an exhibitor's booth, answer questions and distribute materials
8-14-19	Senior Expo sponsored by Representative David Millard	Bloomsburg, PA	Staff an exhibitor's booth, answer questions and distribute materials
8-15-19	Senior Expo sponsored by Senator Jake Corman	Lewistown, PA	Staff an exhibitor's booth, answer questions and distribute materials
8-20-19	Senior Expo sponsored by Representative R. Lee James	Franklin, PA	Staff an exhibitor's booth, answer questions and distribute materials
8-23-19	Senior Expo sponsored by Representative Stephanie Borowicz	Lock Haven, PA	Staff an exhibitor's booth, answer questions and distribute materials

8-28-19	Senior Expo sponsored by Senator Joe Pittman Representative Jeff Pyle and Representative Donna Oberlander	Kittanning, PA	Staff an exhibitor's booth, answer questions and distribute materials
9-5-19	Senior Fair sponsored by Senator Wayne Fontana	Dormont, PA	Staff an exhibitor's booth, answer questions and distribute materials
9-5-19	Senior Expo sponsored by Senator John Yudichak and Representative Doyle Heffley	Lehighton, PA	Staff an exhibitor's booth, answer questions and distribute materials
9-6-19	Senior Expo sponsored by Senator Elder Vogel Jr.	Monaca, PA	Staff an exhibitor's booth, answer questions and distribute materials
9-6-19	Senior Expo sponsored by Representative Michael Tobash	Pine Grove, PA	Staff an exhibitor's booth, answer questions and distribute materials
9-12-19	Senior Expo sponsored by Representative Tarah Toohil	Hazleton, PA	Staff an exhibitor's booth, answer questions and distribute materials
9-12-19	Senior Expo sponsored by Representative Sue Helm	Grantville, PA	Staff an exhibitor's booth, answer questions and distribute materials
9-13-19	Senior Expo sponsored by Representative Zachary Mako	Cherryville, PA	Staff an exhibitor's booth, answer questions and distribute materials
9-13-19	Be Utility Wise	Erie, PA	Presentation on Utility Shopping Consumer Protections
9-18-19	Be Utility Wise	Bethlehem, PA	Presentation on Utility Shopping Consumer Protections
9-19-19	Senior Expo sponsored by Senator Gene Yaw and Representative Garth Everett	Montoursville, PA	Staff an exhibitor's booth, answer questions and distribute materials
9-19-19	Senior Expo sponsored by Senator Christine Tartaglione	Philadelphia, PA	Staff an exhibitor's booth, answer questions and distribute materials
9-20-19	Senior Fair sponsored by Representative Rob Kauffman	Fayetteville, PA	Staff an exhibitor's booth, answer questions and distribute materials
9-26-19	Senior Expo sponsored by Southwestern PA Area Agency on Aging and co-hosted by Senator Camera Bartolotta Representative Tim O'Neal and Washington County Commissioners	Washington, PA	Staff an exhibitor's booth, answer questions and distribute materials
9-27-19	Senior Health Expo sponsored by Representative Dan Deasy	Pittsburgh, PA	Staff an exhibitor's booth, answer questions and distribute materials

9-27-19	Senior Expo sponsored by Representative Lori Mizgorski	Allison Park, PA	Staff an exhibitor's booth, answer questions and distribute materials
10-2-19	Senior Expo sponsored by Representative Andrew Lewis	Harrisburg, PA	Staff an exhibitor's booth, answer questions and distribute materials
10-3-19	Senior Expo sponsored by Representative Parke Wentling	Girard, PA	Staff an exhibitor's booth, answer questions and distribute materials
10-3-19	Senior Expo sponsored by Senator Christine Tartaglione	Philadelphia, PA	Staff an exhibitor's booth, answer questions and distribute materials
10-3-19	Senior Expo sponsored by Senator Tom Killion	Media, PA	Staff an exhibitor's booth, answer questions and distribute materials
10-3-19	Senior Expo sponsored by Senator Lisa Baker Senator John Yudichak Representative Aaron Kaufer and Representative Jerry Mullery	Wilkes-Barre, PA	Staff an exhibitor's booth, answer questions and distribute materials
10-10-19	Senior Expo sponsored by Representative Sue Helm	Halifax, PA	Staff an exhibitor's booth, answer questions and distribute materials
10-10-19	Senior Fair sponsored by Representative Kristine Howard	Exton, PA	Staff an exhibitor's booth, answer questions and distribute materials
10-10-19	Senior Expo sponsored by Senator Christine Tartaglione	Philadelphia, PA	Staff an exhibitor's booth, answer questions and distribute materials
10-10-19	Senior Expo sponsored by Representative Bill Kortz	Pittsburgh, PA	Staff an exhibitor's booth, answer questions and distribute materials
10-11-19	Senior Expo sponsored by Representative Martin Causer	Roulette, PA	Staff an exhibitor's booth, answer questions and distribute materials
10-11-19	Health and Wellness Fair sponsored by Representative Natalie Mihalek	Bethel Park, PA	Staff an exhibitor's booth, answer questions and distribute materials
10-11-19	Senior Expo sponsored by Senator John Sabatina	Philadelphia, PA	Staff an exhibitor's booth, answer questions and distribute materials
10-11-19	Senior Expo sponsored by Representative Bob Brooks	Lower Burrell, PA	Staff an exhibitor's booth, answer questions and distribute materials
10-12-19	Family Expo sponsored by Representative Matthew Dowling	Uniontown, PA	Staff an exhibitor's booth, answer questions and distribute materials
10-15-19	Senior Fair sponsored by Representative Frank Dermody	Tarentum, PA	Staff an exhibitor's booth, answer questions and distribute materials
10-17-19	Senior Expo sponsored by Senator Kim Ward	Greensburg, PA	Staff an exhibitor's booth, answer questions and distribute materials

10-17-19	Senior Expo sponsored by Representative Todd Stephens	Montgomeryville, PA	Staff an exhibitor's booth, answer questions and distribute materials
10-17-19	Senior Expo sponsored by Senator Mike Regan	Camp Hill, PA	Staff an exhibitor's booth, answer questions and distribute materials
10-18-19	Senior Citizen Wellness Program sponsored by Representative Valerie Gaydos	Moon Township, PA	Staff an exhibitor's booth, answer questions and distribute materials
10-18-19	Senior Expo sponsored by Representative Todd Polinchock	Doylestown, PA	Staff an exhibitor's booth, answer questions and distribute materials
10-24-19	Senior Expo sponsored by Senator Joe Pittman Representative Jim Struzzi and Representative Cris Dush	Indiana, PA	Staff an exhibitor's booth, answer questions and distribute materials
10-24-19	Be Utility Wise	Wilkes-Barre, PA	Presentation on Utility Shopping Consumer Protections
10-25-19	Senior Expo sponsored by Warren-Forest Eldercare Council	Warren, PA	Staff an exhibitor's booth, answer questions and distribute materials
10-30-19	Be Utility Wise	Johnstown, PA	Presentation on Utility Shopping Consumer Protections
10-31-19	Senior Expo sponsored by The Salvation Army and Representative Jonathan Fritz	Waymart, PA	Staff an exhibitor's booth, answer questions and distribute materials
11-1-19	Berks Be Wise	Reading, PA	Presentation on Utility Shopping Consumer Protections
11-15-19	Be Utility Wise	Harrisburg, PA	Staff an exhibitor's booth, answer questions and distribute materials
11-21-19	Resource Fair at the Ridley Twp. Library	Folsom, PA	Staff an exhibitor's booth, answer questions and distribute materials
2-21-20	Be Utility Wise Utility Forum & Consumer Resources Fair sponsored by The New Covenant Church of Philadelphia in collaboration with The National Coalition of 100 Black Women, Inc. – PA Chapter	Philadelphia, PA	Staff an exhibitor's booth, answer questions and distribute materials
3-2-20	OAG Bureau of Consumer Protection Consumer Fair	Cornwall, PA	Staff an exhibitor's booth, answer questions and distribute materials

3-2-20	OAG Bureau of Consumer Protection Consumer Fair	Harrisburg, PA	Staff an exhibitor's booth, answer questions and distribute materials Offered Remarks introducing the OCA and Emphasized the Importance of Consumer Protections as Related to Utility Customers.
3-12-20	Be Utility Wise Utility Forum & Consumer Resources Fair sponsored by J. Lewis Crozer Library in collaboration with PECO Energy CAADC and the PUC	Chester, PA	Staff an exhibitor's booth, answer questions and distribute materials

### Social Media Outreach

In an effort to increase our visibility and enhance our education and outreach efforts, the OCA launched on social media platforms, Twitter and Facebook, in the first quarter of 2017. During the Fiscal Year, we gained 41 Followers on Twitter and posted 252 Tweets. On Facebook, we gained 83 Followers and posted 271 times.

### Call Center

The OCA's toll free number – 800-684-6560 – was implemented in the year 2000, to aid consumers who have questions about or problems with their utility service. The OCA's consumer service representatives staff the toll free number Monday through Friday. The toll free number with consumer service representatives is another way to expand our outreach to all Pennsylvania utility consumers on the continuing changes in utility regulation.

During the 2019-2020 Fiscal Year, we had a total of 6,282 consumer contacts in the Call Center, including requests for shopping guides, phone calls, letters and emails.

Summarized here are examples of our assistance to individual consumers:

We assisted a consumer referred to us by her State Representative. The consumer's electric and gas service was switched to an alternate supplier without her consent. The customer was with the alternate electric and gas supplier for roughly four months. We obtained records from her electric and natural gas distribution companies to review the usage and calculate how much she was charged versus how much she would have

been charged if she was still with her distribution company. We contacted the supplier on the customer's behalf to request a refund, which the supplier then issued.

We assisted a consumer who was without water during the COVID-19 stay at home order. The customer was being asked to pay \$900 to reinstate service. We contacted the water utility on the customer's behalf and they agreed to place the customer on a payment agreement and restore service immediately.

We assisted a consumer who fell behind on his gas bill due to medical problems and COVID-19. He received a LIHEAP grant earlier in the year for his electricity and reached out to the program again for help with this gas bill. At the time, they were unable to help because he did not have a shut off notice from the gas utility. We reached out to the gas utility on the consumer's behalf. They contacted the consumer and took his application for a hardship grant over the phone. He was approved for a \$500 grant which was applied directly to his account.

We assisted a consumer who had a termination notice for electric service. The utility wanted 75% of the past due amount to avoid the termination. The consumer contacted the utility and the PUC to try to stop the termination but both were unable to assist due to several broken payment arrangements. We contacted the utility on the consumer's behalf. The utility agreed to accept 25% of the past due amount to stop the termination. They also reinstated the consumer's payment arrangement and sent her an application for the utility's customer assistance program.

We assisted a consumer who had a termination notice for electric service. The consumer contacted a charitable organization that offered to pay the outstanding balance but the utility said they would not hold the termination until the check arrived. We contacted the utility and asked for a 10-day extension, in order to give time for the check to be sent and processed. The utility agreed and put a hold on the termination.

We assisted a consumer who thought he was facing termination of his electric service. He had used three medical certificates and was trying to get an extension. We contacted the utility on the consumer's behalf. They advised that the account was not in a termination status but that the customer did have a large bill approaching its due date. Due to the consumer's situation, the utility granted a two week extension for the consumer to make the payment.

We assisted a disabled, elderly consumer who has been having difficulty signing up for her electric distribution company's Critical Care Program. We contacted the utility on the consumer's behalf. A utility representative contacted the consumer and assisted her with completing the form and also provided a direct contact number for any questions or concerns.

An elderly consumer contacted our office due to an increase in her budget billing. She explained she is on a fixed income and cannot afford an increase in her bill. We contacted the utility and were informed that she had a supplier on her account that had been charging double the utility's price to compare. We were able to help the consumer get removed from budget billing and contact the supplier to cancel the higher priced service. We also discussed some customer assistance programs that she could be eligible for, based on her income and household size.

We assisted a consumer who had two rusting transformers on his property that were no longer being used. The utility visited the property and committed to removing the transformers. However, a year passed and the utility did not take any action. We contacted the utility and they removed the transformers in a timely manner.

We assisted a consumer who had not received his electronic electric and natural gas bill for four months and he was unable to obtain his account balance from the online portal. The consumer made multiple calls to the utility but was unable to resolve the issue. We contacted the utility on the consumer's behalf. They acknowledged there was a technical issue and made a commitment to fix it immediately. They also contacted the consumer and offered a payment plan so he could pay (without penalty) for the months he did not have access to his bill.

We assisted a consumer who was having difficulty getting a security deposit returned from his electric utility. He contacted the utility multiple times and each time was told they sent the check. We contacted the utility on the consumer's behalf and they sent the check to the consumer via overnight mail.

We assisted a consumer whose electric generation supplier was not charging the price agreed to in his contract. We contacted the supplier on the consumer's behalf. We requested they cancel his service and refund the difference between the price the consumer agreed to and what he was actually charged. The supplier refunded the customer for the overcharge and cancelled the customer's contract without penalty.

We assisted a consumer who was trying to obtain rebates for new heat pumps that he purchased. The customer made three separate attempts to complete the rebate forms but was unsuccessful. We contacted the utility on the consumer's behalf and provided them with the necessary information. Within a week, the utility sent an inspector and told the customer he would receive reimbursement within 7 to 10 days.

We assisted a consumer who had an electric generation supplier (EGS) added to his account without his consent. He called the EGS and was told there would be a termination fee to cancel. We contacted the EGS on his behalf to see if they would

remove the customer from their service and waive any associated fees. The EGS responded by cancelling the customer's contract with no fee.

We assisted a consumer who was without electricity for two days. He called the electric company several times and was told they were looking into the issue. We contacted the utility on the consumer's behalf. The utility was able to communicate with his meter remotely and found the problem was inside his home. The customer was able to reset his breakers which put him back in service.

We assisted a consumer in getting natural gas service restored after service was terminated for safety issues. The customer called the utility to have the service restored and was told it would take a few days. We contacted the utility on the consumer's behalf and the utility restored the service within a few hours.

We assisted a consumer who was without landline telephone service for 10 days. The consumer stated that the utility missed two repair appointments. The OCA contacted the utility on the consumer's behalf. We were able to get the service restored and the consumer was issued a credit for the time he was out of service.

We assisted an elderly consumer whose telephone number was ported to another utility in error. The consumer was without service for several days prior to contacting our office. We contacted the telephone utility on the consumer's behalf and the service was restored within one day.

We assisted a consumer who was told by her telephone utility that she was ineligible for their low income program due to the services she subscribed to. We contacted the utility on the consumer's behalf. The utility advised that if she applies and is eligible financially she will be able to receive the program benefit. The utility contacted the customer and provided her with the application for the low income program.

## **SERVICE TO PENNSYLVANIA AND THE NATION**

### **Participation in NASUCA and in Other Consumer Interest Organizations**

On the national level, members of the OCA staff continued to serve in leadership positions with the National Association of State Utility Consumer Advocates. NASUCA has members from 40 states, the District of Columbia, Jamaica, Barbados and Puerto Rico and provides valuable input on consumer utility issues.

- Acting Consumer Advocate Tanya McCloskey participates on the Executive Committee.

- Senior Assistant Consumer Advocates Christine Maloni Hoover and Erin Gannon participate in the Water Committee.
- Assistant Consumer Advocate Barrett Sheridan is part of a steering group that helps direct the work of the NASUCA Telecommunications Committee.
- Assistant Consumer Advocates Christy Appleby and J.D. Moore and Consumer Liaison Heather Yoder participate in the Consumer Protection Committee.
- Assistant Consumer Advocate Christy Appleby and Senior Assistant Consumer Advocate Aron Beatty participate in the Gas Committee.
- Acting Consumer Advocate Tanya McCloskey and Assistant Consumer Advocate David Evrard participate in the Electric Committee.
- Acting Consumer Advocate Tanya McCloskey participates in the Tax and Accounting Committee.

Additionally, OCA staff members serve in an advisory role on committees at the federal level.

- Acting Consumer Advocate Tanya McCloskey and Assistant Consumer Advocate David Evrard represent the OCA on the following PJM committees or groups: Members Committee, Markets and Reliability Committee, Market Implementation Committee, Transmission Expansion Advisory Committee, Public Interest/Environmental Organizations Users Group, and the Liaison Committee.
- Acting Consumer Advocate Tanya McCloskey participates on the Executive Committee of the National Council on Electricity Policy.
- Assistant Consumer Advocate Barrett Sheridan is the NASUCA representative on the Lifeline Across America Working Group, a joint effort with the Federal Communications Commission and National Association of Regulatory Utility Commissions. Ms. Sheridan also serves as a member of the advisory staff for the Consumer Representative on the Federal-State Joint Board for Universal Service which advises the FCC.
- Senior Assistant Consumer Advocate Darryl Lawrence was elected to serve a three-year term as a small consumer representative on the newly-formed Reliability and Security Technical Committee of the North American Electric Reliability Corporation.
- Senior Assistant Consumer Advocate Christine Hoover was appointed to the Water Research Foundation's Public Council.

In Pennsylvania, the OCA represents the interests of consumers on a number of different boards and projects.

- 
- Acting Consumer Advocate Tanya McCloskey serves on the Board of the Pennsylvania Sustainable Energy Fund, serves as the OCA's representative on the Pennsylvania Energy Development Authority Board of Directors, and represents the OCA on the Department of Human Services LIHEAP Advisory Committee.
  - Assistant Consumer Advocate Barrett Sheridan represents the OCA on the 911 Task Force, a joint effort between the PUC, PEMA, and members of the Public Safety community. Ms. Sheridan also represents the OCA on the Telephone Relay Service Task Force.
  - Senior Assistant Consumer Advocate Christine Hoover represents consumer interests in issues related to water systems. She serves as a member of the PUC's Small Water Company Task Force. Ms. Hoover also serves on the Technical Assistance Center (TAC) for small water systems. TAC's role is to provide advice to the Department of Environmental Protection on small water system issues and to help coordinate activities among various agencies and organizations affecting small water systems. Senior Assistant Consumer Advocate Erin Gannon is an alternate.

The OCA staff has also shared its expertise with other state agencies, consumers, and industry representatives at conferences and training programs.

---

**OCA STAFF**

Tanya J. McCloskey  
**Acting Consumer Advocate**

Aron J. Beatty  
Erin L. Gannon  
Christine Maloni Hoover  
Darryl A. Lawrence

**Senior Assistant Consumer Advocates**

Laura J. Antinucci  
Christy M. Appleby  
Harrison W. Breitman  
Lauren M. Burge  
Phillip D. Demanchick  
Dianne E. Dusman  
Lauren E. Guerra  
J.D. Moore  
David T. Evrard  
Barrett C. Sheridan  
Santo G. Spataro

**Assistant Consumer Advocates**

Calvin B. Pierre

**Legal Interns**

Morgan N. DeAngelo  
Noah D. Eastman  
Ashley E. Everette

**Regulatory Analyst**

Jeremy A. Diehl  
Tammy M. Gutshall  
Kim M. Yetter

**Administrative Staff**

Cheryl A. Cootes  
Victoria A. Longey  
Lauren R. Myers  
Lindsey T. Rossi  
Paula A. Smith  
JoAnn Spiroff  
Victoria N. Stone

**Clerical Staff**

Cammie A. Shoen  
**Utility Information Officer**

Heather R. Yoder  
**Consumer Liaison**

Taylor N. Doyle  
Joseph A. Graham  
Kevin R. Yiengst  
**Consumer Service Representatives**