

PENNSYLVANIA OFFICE OF CONSUMER ADVOCATE

ANNUAL REPORT

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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
FPFTY	Fully Projected Future Test Year
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 regulatory requirements for water and wastewater. Proceedings continue to include changes resulting from Act 11 of 2012 including 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, and the combination of water and wastewater revenue requirements. The OCA continues to participate in application cases involving 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 2020-2021, stemming from Act 11, the OCA challenged an electric utility's proposed recovery of certain costs through the DSIC and completed its review of a water and wastewater utility's request to waive the statutory DSIC cap and levelize the DSIC rate, one electric utility filed a second LTIIP, two gas utilities filed an LTIIP modification, one electric utility filed an initial LTIIP and one water utility filed an initial LTIIP and DSIC. In addition, five DSIC cases on appeal during Fiscal Year 2020-2021 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, were decided in July 2021. During Fiscal Year 2020-2021, nine cases 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 2020-2021, 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.

During Fiscal Year 2020-2021, OCA participated in 23 base rate filings. In addition, the OCA participated in numerous Public Utility Commission investigations, such as universal service, Chapter 56 requirements, Chapters 63 and 64 requirements, alternative ratemaking, default service, 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. During Fiscal Year 2020-2021, the OCA continued to participate 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 2020-2021, there were seven 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. The OCA is also involved in initial and second LTIP filings by two electric distribution companies, and filed a complaint against one electric distribution company's quarterly DSIC filing made pursuant to Act 11 of 2012. During Fiscal Year 2020-2021, the OCA has been involved in distribution base rate proceedings filed by six 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. A majority of the Pennsylvania

Supreme Court (5-2) upheld the OCA's position and affirmed the orders of the Commonwealth Court remanding four electric company cases to the PUC for the purpose of requiring the utility companies to revise their tariffs and DSIC calculations in accordance with Section 1301.1(a) of the Public Utility Code. The OCA is involved in an application filed, in Fiscal Year 2020-2021, by the parent holding company seeking authorization under the Public Utility Code to transfer control of the electric and natural gas utilities to an independent investment management firm. During Fiscal Year 2020-2021, 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, the 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 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. The OCA also is involved in the ongoing quarterly DSIC filings made pursuant to Act 11 of 2012 by natural gas companies and an LTIIP modification filing necessitated by a merger in Fiscal Year 2019-2020. During the Fiscal Year 2020-2021, the OCA participated in five natural gas distribution base rate cases and continued our work on natural gas main extensions and proposed abandonments of natural gas service to consumers. The OCA also participates in proceedings at FERC that involve the major interstate pipelines that serve Pennsylvania's retail natural gas distribution companies, including a rate increase filing by Columbia Gas Transmission. The OCA is involved in an application filed, in Fiscal Year 2020-2021, by the parent holding company seeking authorization under the Public Utility Code to transfer control of the electric and natural gas utilities to an independent investment management firm.

In telecommunications, the OCA has participated in cases involving quality of service, network maintenance, and basic service pricing in Pennsylvania. During Fiscal Year 2020-2021, the OCA continued to address price change opportunity filings, including its pending complaints 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. During the current fiscal year the OCA has been involved in the Emergency Broadband Benefit (EBB) program, established in May 2021 by the Federal Communications Commission, that addresses COVID-19 remote learning and related challenges faced by low-income households that cannot afford broadband service. The OCA also continues to monitor consumer complaints and inquiries regarding the availability of broadband in areas around the Commonwealth. In addition, the OCA has continued its 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. 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 2020-2021, the OCA addressed Pittsburgh Water and Sewer Authority's second and third base rate cases under PUC jurisdiction, including its first proposed stormwater rate, Stage 1 and Stage 2 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 2020-2021, the OCA participated in 12 water, wastewater, and stormwater base rate cases, including four that included claims for alternative ratemaking and multi-year plans pursuant to Act 58 of 2018. The OCA also participated in nine 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 2020-2021, 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 leveled DSICs, and an initial LTIP and DSIC plan. The OCA has also participated in appellate proceedings addressing changes to the calculation of taxes in the DSIC as a result of Act 40. A majority of the Pennsylvania Supreme Court (5-2) upheld the OCA's position and affirmed the orders of the Commonwealth Court remanding one water company

case to the PUC for the purpose of requiring the utility companies to revise their tariffs and DSIC calculations in accordance with Section 1301.1(a) of the Public Utility Code. 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. In addition, the OCA has participated in service quality cases, mandatory takeover cases, and merger, abandonment, and other 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 2020-2021, the OCA participated in a case 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).

During the last fiscal year, and the current fiscal year, the OCA has seen five rate filings that contained requests for approval of alternative ratemaking and multi-year rate plans pursuant to Section 1330 of the Public Utility Code (Act 58 of 2018) and the Commission's Policy Statement. 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, a Pilot Program to Implement American Water Works Association AWWA Water Audit Methodology, and default service. During Fiscal Year 2020-2021, the collaborative addressing the filing requirements related to the use of a Fully Projected Future Test Year pursuant to Act 11 of 2012 ended and the Commission moved to an Advanced Notice of Proposed Rulemaking.

During the last fiscal year, in addition to its litigation activities, OCA participated on behalf of utility consumers in state and federal legislative and policy debates. During Fiscal Year 2020-2021, the OCA has been called on to present formal testimony in the Pennsylvania General Assembly regarding the impacts of the COVID-19 crisis, utility terminations, electricity outages, reliability, and preparedness, and Section 1329 of the Public Utility Code.

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. Members of the OCA staff have helped participated 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 2020-2021 and through September 2021, the OCA participated in 40

consumer outreach events (drive-thru, virtual, and in person) across Pennsylvania, many of which were sponsored by members of the General Assembly. 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 recently refreshed website at www.oca.pa.gov and its social media presence on Facebook and Twitter. The OCA posted on utility-related issues more than 220 times during Fiscal Year 2020-2021. 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.

Much of this work was done under the exemplary leadership of Tanya J. McCloskey, who held the position of Acting Consumer Advocate since 2012 and represented consumers on behalf of the OCA for 34 years. Following Ms. McCloskey's retirement in May 2021, the Office continues its important work, with Christine Maloni Hoover serving as Interim Acting Consumer Advocate.

ELECTRIC: UTILITY-SPECIFIC PUC PROCEEDINGS

Alphabetically by Utility Name

Citizens' Electric Co. of Lewisburg, PA

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 would utilize competitively-bid, load-following, full-requirements contracts with wholesale suppliers. The contracts would be for the full four-year DSP VI period. Pricing of the energy component of the contracts would be adjusted every six months based on an index of on-peak prices at the PJM West Hub. The winning suppliers would be responsible for procuring all Alternative Energy Credits (AECs) 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.

After Testimony was submitted, the parties engaged in discussions which resulted in a complete Settlement, which addressed two of the OCA's primary issues. First, it provided that if Alternative Energy Credit requirements are increased during DSP VI, wholesale suppliers will be permitted to pass through the increased cost without markup subject to certain limitations. This alleviated concerns about significant risk premiums having to be included in the four-year bids to compensate for uncertain AEC costs. Second, the Companies agreed to discuss incorporating the services of an independent evaluator into the competitive procurement process, if an evaluator is required by FERC. An ALJ Decision was issued on October 1, 2020, which recommended that the Commission approve the settlement without modification. That recommendation was accepted by the Commission, which by Order issued October 29, 2020, adopted the ALJ's Recommended Decision in its entirety.

Docket Nos. P-2020-3023523, P-2020-3023524, P-2020-3023525. On February 16, 2021, a Joint Petition of Citizens' Electric, Wellsboro Electric Co. and Valley Energy Inc. for Deferral Accounting of Extraordinary Expenses Associated with the Coronavirus (COVID-19) Pandemic was filed with the Commission. On March 17, 2021, the OCA intervened in each of these matters. No further action has occurred in these dockets since that time.

Duquesne Light Co.

Docket No. M-2019-3008227. On February 29, 2019, Duquesne filed its proposed Universal Service and Energy Conservation Plan (USECP) for 2020-2023. The Commission subsequently extended the duration of the Plan through 2025. On January 6, 2020, the Company proposed to modify its USECP to make changes, including to the energy burdens, in response to the Commission's Final CAP Policy Statement and Order at Docket No. M-2019-3012599. On November 19, 2020, the Commission issued its Tentative Order regarding the Company's USECP and proposed amendments. On December 7, 2020, the OCA filed its Notice of Intervention. On December 22, 2020, Duquesne filed a Petition to delay implementation of its Percentage of Income Payment Plan until April 1, 2021.

On December 29, 2020 and January 13, 2021, respectively, the OCA filed Comments and Reply Comments regarding: (1) lowering the energy burdens, including the need for additional cost control measures; (2) evaluating CAP household bills; (3) the proposed Customer Outreach and Education Plan; (4) Dollar Energy Fund's (DEF) Administration of the Company's Hardship Fund; (5) the maximum CAP credit ceilings; and (6) the Company's Language Access Policy. On August 13, 2021, the parties filed a Joint Petition for Settlement. The Joint Petition for Settlement will provide for the following modifications to the Company's USECP: (1) lowering of the energy burdens consistent with the Commission's CAP Policy Statement; (2) increasing the timeframe for arrearage forgiveness from 24 months to 36 months and modifications to the application of arrearage forgiveness; (3) a collaborative and filing a Petition if the USECP costs are expected to exceed 10% of the projected budget; (4) modifications to the carry-over of the LIURP budget; (7) modifications to the landlord consent form for LIURP treatments; (8) increases to the Health and Safety budget for LIURP; (9) additional targeted outreach measures for LIURP; and (10) additional reporting requirements related to LIURP and CAP customer usage in relation to the maximum CAP credit. At the end of Fiscal Year 2020-2021, the matter is pending before the Commission.

Docket No. M-2020-3020818. On November 30, 2020, Duquesne filed its Energy Efficiency and Conservation Plan. The Plan relied heavily on the use of home energy

reports (HERs) which motivate customers to reduce energy consumption by comparing a home's energy usage to neighborhood usage and recommending energy savings measures and tips based on specific energy-usage patterns.

The OCA filed a Petition to Intervene on December 31, 2020 and, in January 2021, submitted testimony in support of its recommendation that the Company should reduce its reliance on HERs and invest a portion of that budget into residential measures that produce longer-lived savings. The OCA also raised concerns regarding how underperformance on a peak demand nomination into the Forward Capacity Market would impact ratepayers, as penalties would be recouped through a surcharge on the rate class where demand reductions were not realized. The extent of impact from a penalty would not be known until a penalty was assessed.

On February 18, 2021, the parties submitted a full, unopposed Settlement, in which Duquesne agreed to shift a portion of its proposed HERs budget into long-lived measures. This will help to ensure that Duquesne's resources are reasonably balanced between programs that provide assistance with longer-lived direct install measures to reduce consumption while still providing useful educational information to consumers. Duquesne also agreed to only bid nonresidential peak demand savings that it judges to be among the lowest risk of yielding a PJM penalty, to help protect residential ratepayers from penalties.

On March 1, 2021, Duquesne filed its Revised Phase IV Energy Efficiency & Conservation Plan, consistent with the terms of the Settlement. The record was certified to the Commission on March 2, 2021.

By Opinion and Order entered March 25, 2021, the Commission granted Duquesne's Energy Efficiency and Conservation Phase IV Plan and approved the Joint Petition for Full Settlement without modification.

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 (EV TOU) Pilot Program for DSP IX. Participants would 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. The key concerns the OCA raised in testimony were the use of the third-party vendor to enroll and market customers for the SOP, that Duquesne study the prices paid by SOP customers who stay with their SOP suppliers at the end of the SOP contract, that effective consumer education materials be developed in connection with CAP shopping program, that the EV TOU rate factors be reset on an annual basis and that before entering into a long-term contract with a utility-scale solar project, Duquesne demonstrate that the project is projected to be at least revenue-neutral for Duquesne's customers.

Discussions among the parties led to a Partial Settlement of many of the issues in the case, including the procurement plans and rate setting methodology, an expanded role for Duquesne's auction monitor, Duquesne's bills for shopping customers will clearly display the Price to Compare and the Company will prohibit EGS non-basic services from being charged on the Company's consolidated bills.

The OCA also entered into Joint Stipulations with the Company and other parties with respect to the SOP, CAP Shopping and the EV TOU Pilot Program. Among other things, these Joint Stipulations provided for parties to be able to review the scripts used by the third-party SOP enrollment agent, delayed implementation of CAP Shopping until after a final unappealable order implementing CAP Shopping in the PPL territory and provided that EV TOU rate factors would be reset annually. The Joint Stipulations were not entered into by all parties and were therefore litigated. On November 12, 2020, the ALJ issued a Decision recommending Commission approval of the Partial Settlement and the Joint Stipulations. The OCA filed a Reply to an Exception opposing the Joint Stipulation on CAP Shopping. On January 14, 2021, the Commission issued its Order approving the Partial Settlement and the Joint Stipulations. The Commission modified the Joint Stipulation on CAP Shopping to link Duquesne's timing for filing a CAP Shopping proposal to the issuance of a Final Commission Policy Statement on CAP Shopping.

Docket No. P-2021-3025892. On May 14, 2021, Duquesne filed a Petition requesting the Commission's expedited review and approval to adjust its DSIC rate effective July 1, 2021 to recover a \$2 million undercollection resulting from a billing error. The OCA filed

an Answer on May 24, 2021, in which it did not oppose the adjustment, if the adjusted rate is capped at 5%. The OCA identified alternatives to recouping the underbilled amount that were not raised in the Petition and argued that Duquesne had not shown that a waiver of the 5% cap was necessary to ensure and maintain adequate, efficient, safe, reliable and reasonable service. In an Order entered on June 17, 2021, the Commission agreed with the OCA and granted the Petition to adjust the July 1 DSIC rate but denied a waiver of the 5% DSIC cap.

Docket No. R-2021-3024750. On April 16, 2021, Duquesne filed a proposal to increase its annual operating revenues by \$85.8 million, or 15.6%, over the amount of annual distribution revenues at present rates. This net increase in base distribution revenues was comprised of an increase of approximately \$115 million in base rates, offset by reductions of \$29.2 million per year in other current charges, including the zeroing out of the Company's DSIC. Among other things, the Company proposed to increase the residential customer charge from \$12.50 to \$16.00. In addition, pursuant to Section 1330 of the Public Utility Code, Duquesne requested approval of the following alternative rate mechanisms: (1) Residential Subscription Rate; (2) a non-residential Community Development Rider; (3) Federal Tax Adjustment clause; and (4) Electric Vehicle Service. For the Residential Subscription Rate pilot, Duquesne proposed a residential customer pilot program to allow customers to select a specified level of grid access of distribution service for a set monthly charge. The proposed Federal Tax Adjustment clause rider provided for adjustments to base rate distribution revenue to reflect the effects of future increases or decreases to the federal corporate income tax rate. For Electric Vehicle Service, Duquesne proposed a five year Electric Vehicle Home Charging Pilot to install, own, and maintain L2 stations for residential customers.

Under the rate increase as proposed, the total bill for a residential customer using an average of 600 kWh per month would increase on a monthly basis from \$100.12 per month to \$107.85 per month, or 7.72% on a total bill basis (distribution, transmission, and generation charges).

The OCA filed a Formal Complaint on April 27, 2021 and, at the end of Fiscal Year 2020-2021, the OCA submitted testimony which recommended a substantially lesser revenue increase and to maintain the current residential fixed, monthly customer charge, and raised concerns regarding several of Duquesne's proposals for alternative rate mechanisms.

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 and briefs 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.

The presiding ALJ issued an Initial Decision on November 18, 2020 which sustained the EGSs' complaint that the EDCs' "on-bill" billing practices are unreasonably discriminatory and required the EDCs to report to the Commission's Bureau of Technical Utility Services (TUS) their methodology for coming into compliance with applicable statutes and regulations within 60 days of a final order. The OCA filed Exceptions supporting its position that the EGSs' requested relief, to have their non-commodity products and services added to the EDCs' regulated utility bill, is not a reasonable solution. At the end of Fiscal Year 2020-2021, the OCA was awaiting Commission action.

Docket Nos. M-2020-3020820, M-2020-3020821, M-2020-3020822, M-2020-3020823.

On November 30, 2020, the FirstEnergy Companies filed a Joint Petition for Consolidation of Proceedings and Approval of Energy Efficiency and Conservation Plans (EE&C Plan) Phase IV of Met-Ed, Penelec, Penn Power and West Penn. On December 21, 2020, the OCA filed its Notice of Intervention to ensure that the proposed Plan and programs are in accordance with Act 129 and all other applicable statutes, regulations, and Commission Orders; and to ensure that any increase in rates resulting from the adoption of the proposed programs and any related expenses are just and reasonable.

The OCA submitted testimony that supported decreasing the Plans' reliance on the residential behavioral programs, increasing reporting of information regarding the PJM peak demand response bidding process, clarifications to the Companies' cost recovery provisions included in their Tariff Rider F, and coordination of the low-income programs with the EE&C Plan.

The OCA entered into a Settlement that was filed on February 16, 2021. The Settlement addressed each of the issues raised by the OCA by reducing by 13% the Plan's reliance on residential behavioral programs, collecting additional information that will allow the parties to be able to assess how conservative the PJM peak demand response bidding process is, clarifying the Tariff Rider F cost recovery mechanism in the Companies' tariffs, and emphasizing the importance of coordination of the low-income programs with the EE&C Plan. On March 25, 2021, the Commission approved the Settlement without modification.

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 would 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. (NAWC), 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. Oral argument was held on October 21, 2020. In June 2021, OCA was awaiting action by the Court.

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. In Testimony filed in March 2020, 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. To date, a new procedural schedule has not been set.

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 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 projected that these changes would 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. The matter was pending before the Commission at the end of Fiscal Year 2020-2021.

Mid-Atlantic Interstate Transmission Co.

Docket No. A-2020-3023487. On December 22, 2020, MAIT, a subsidiary of FirstEnergy, filed a Letter of Notification with the Pennsylvania Public Utility Commission, seeking siting authority to install a transmission line loop approximately 2,800 feet from the existing Hunterstown-Vinco 500 kV Transmission Line to the proposed Rice Substation associated with the Independence Energy Connection Project (IEC Project). MAIT's proposed transmission line loop is part of the larger IEC Project, which itself is the subject of continued adversarial proceedings before the

Commission at Docket No. A-2017-2640195, et al. As such, the need for MAIT's Project is directly dependent upon whether this Commission approves the IEC Project.

On December 31, 2020, the OCA filed an Intervention in this matter. The OCA has opposed construction of the IEC Project in Pennsylvania and advocated that the Commission deny approval. Accordingly, the OCA determined to argue in these proceedings that the Commission should not approve this Project if the IEC Project is denied. The IEC matter is currently on appeal in the Federal District Court and also the Commonwealth Court. As of the end of Fiscal Year 2020-2021, the Commission had taken no further action on this Application.

PECO Energy Co. – Electric

Docket No. A-2020-3023303, A-2020-3023332, A-2020-3023335, A-2020-3023337. On December 16, 2020, PECO filed a Letter of Notification and several Eminent Domain Applications seeking approval to site and construct two new 500 kilovolt (kV) transmission lines approximately 0.5 miles in length in Lower Chanceford Township, York County, Pennsylvania. The new transmission lines would tap PECO's existing Peach Bottom-TMI 500 kV Transmission line in order to connect it to the proposed 500 kV/230 kV Furnace Run Substation. This filing is dependent on the outcome of an on-going proceeding regarding the Independence Energy Connection Project at Docket No. A-2017-2640195, et al., which is discussed further below.

The OCA filed Notices of Intervention in these consolidated proceedings to ensure that the customer interest in the IEC Project is protected and that PECO's filing meets all legal requirements of the Public Utility Code, applicable Commission rules and regulations, and Pennsylvania law. On February 5, 2021, PECO filed a Motion to hold the proceedings in abeyance pending the outcome of the IEC Project proceeding, which was granted by the presiding officers on March 25, 2021. This matter continues to be held in abeyance as the Transource appeals continue to proceed in both state and federal courts.

Docket No. C-2020-3021557. On August 25, 2020, Tenant Union Representative Network (TURN) filed a Formal Complaint regarding PECO's compliance with the Joint Petition for Settlement in the matter of PECO's Universal Service and Energy Conservation Plan 2013-2015 at Docket No. M-2012-2290911. In its Complaint, TURN argued that PECO is not in compliance with the Settlement because PECO did not change the energy burdens used to calculate its Fixed Credit Option (FCO) upon the issuance of the CAP Policy Statement Order at Docket No. M-2019-3012599.

On September 23, 2020, the OCA, as a signatory to the Settlement, filed a Notice of Intervention to ensure that any changes to PECO's Customer Assistance Program sought are consistent with the Settlement, Commission regulations, statutes and applicable case law and in the public interest. On January 7, 2021, the OCA submitted testimony recommending that TURN's complaint be denied because the Complaint misinterprets the Settlement and only examines one provision of the Settlement out of the context of the full Settlement, does not consider the impact of the Settlement's FCO evaluation that determined that the FCO fails to improve affordability and that changes to the energy burdens would not address this design flaw, and identifies implementation and operational issues with the proposal. The ALJ determined that PECO had substantially complied with the Settlement and recommended denying the Formal Complaint. The matter was pending before the Commission and the end of June 2021.

Docket Nos. M-2018-3005795, P-2020-3020727, P-2020-3022154. On July 8, 2020, PECO submitted its Amended Proposed USECP for program years 2019-2024, seeking to make several significant changes to its universal service program. This includes transitioning from its currently approved Fixed Credit Option payment plan to a Percent of Income Payment Plan (PIPP) incorporating certain energy burdens outlined in the Commission's recent Final Policy Statement and Order issued at Docket No. M-2019-3012599. PECO is also seeking to eliminate the assessment of late payment charges for CAP customers, utilize the Commission's standardized zero-income form, update its recertification requirements to better align with the Final Policy Statement and Order, and expand its customer outreach and education program.

On July 20, 2020, the OCA filed an Answer requesting a full and complete evaluation of the proposed amendments to PECO's universal service program, including the appropriate design of the program, the reasonableness of the energy burdens, the cost of the program, the increased costs related to the proposed amendments, the impact of the amendments on the overall plan, and the cost-effectiveness of the new plan, among others.

On May 6, 2021, the Commission issued a Tentative Order requesting further information from PECO and providing the parties an opportunity to submit Comments. At the end of Fiscal Year 2020-2021, the OCA was preparing Comments addressing affordability, cost control, outreach to customers below 50% of the Federal Poverty Level and customer enrollment.

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 would 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. On July 15, 2020, the OCA filed Exceptions to the ALJ's decision. On June 17, 2021, the Commission issued an Opinion and Order denying the OCA's Exceptions.

Docket No. M-2020-3020830. On November 30, 2020, PECO petitioned the Commission for approval of the Company's Phase IV Energy Efficiency and Conservation Plan to achieve energy and demand savings in accordance with the requirements of Act 129 of 2008. PECO's Phase IV Plan is projected to cost \$427.4 million over 5 years and designed to produce 1,605,958 MWh in energy savings, which is 116% of PECO overall energy savings target.

On December 30, 2020, the OCA intervened in the matter to ensure that the programs and provisions in PECO's Phase IV Plan complied with Act 129 and other relevant statutes and any resulting increases in rates or expenses are just and reasonable. The OCA submitted testimony which found that PECO's plan largely complied with Act 129 and recommended its approval upon the adoption of several recommended modifications. Specifically, the OCA recommended that (1) a portion of the Research & Development budget be dedicated to exploring and innovating its residential programs and offerings, (2) the home energy reports program be paused if it does not render a majority of its projected savings in the first year because of the impacts of COVID-19 on home energy consumption, and (3) the Plan ensure that ratepayers will not pay for any deficiency penalties associated with bidding resources into the PJM Forward Capacity Market.

The parties reached a full Settlement, filed on February 26, 2021, which addressed the OCA's recommendations. Specifically, PECO increased its budget for the income-eligible program by \$1 million and committed to pilot studies to assess (1) the use of various techniques and incentives aimed at attracting more residential participants and (2) whether removing health and safety barriers in income-eligible homes would allow PECO to provide increased efficiency measures to those customers while advancing its energy savings goals. Also, the terms of Settlement help to protect customers from the

risks associated with PECO's proposal to bid resources into the PJM Forward Capacity Market.

On March 25, 2021, the Commission granted PECO's Phase IV Petition and approved, without modification, the Joint Petition for Settlement.

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.

A partial Settlement was reached, which addressed the issues of principal concern to the OCA. The Settlement retained the 1% spot market purchases for the residential portfolio, which the OCA accepted based on information regarding the costs that would have to be incurred to eliminate that portfolio element. With respect to the TOU product, the Settlement adopted the OCA's recommendation that the rate multipliers applicable to the different pricing periods should be reset on an annual basis rather than at the outset of DSP V and retained for 4 years.

The Settlement also accepted certain OCA recommendations related to the SOP. The PECO SOP will be renamed from PECO Smart Energy Choice Program to the more neutral Customer Referral Program, to address the OCA's concern that the current name was misleading and not reflective of the nature of the program. The OCA was also concerned that PECO's third-party administrator for SOP was enrolling customers before identifying the supplier that would provide them service. The Settlement provided that the third-party administrator will ask the customer's permission to sign on with a specific supplier before enrolling the customer. This responded to the OCA's concern that the third-party administrator was not making all consumer protection disclosures prior to having a customer select an SOP supplier. Under the Settlement, PECO will conduct monthly evaluations of the third-party administrator's customer service representatives and their presentation of consumer protection disclosures to prospective SOP customers and take any necessary corrective measures to assure that information is presented properly. Prior to the next DSP, PECO will conduct a survey of former SOP customers to determine their understanding of and level of satisfaction with the program. Lastly, the partial Settlement provided for convening a stakeholder group to improve PECO customer bills by including information making it easier for shopping customers to compare supplier rates with the Company's Price to Compare.

With regard to CAP customer shopping, under the settlement, PECO will withdraw its proposal and await a decision in a parallel case that is reviewing a redesign of PECO's CAP program. A new shopping proposal will be submitted following a decision on the redesign. The OCA was also able to reach a stipulation with the Office of Small Business Advocate related to the allocation of TOU costs between the residential and small commercial customer classes.

As noted, the Settlement in this case was a partial settlement. Issues not covered by the settlement involve the use of long-term contracts and renewable energy in PECO's default supply portfolio. The OCA took no position on these issues. On October 20, 2020, the ALJ issued a Decision which recommended Commission approval of the partial Settlement. On December 3, 2020, the Commission issued an Order approving the partial Settlement without modification.

Docket No. P-2021-3024841. On March 25, 2021, the Philadelphia Energy Authority (PEA) filed a Petition with the Commission requesting an amendment of 52 Pa. Code §§ 75.13 (d) and (e) (the Crediting Provisions) to correct alleged inconsistencies with the Alternative Energy Portfolio Standards Act (AEPS). According to PEA, because the Crediting Provisions allow accumulated generation credits to be measured only on a going forward basis, customers who generate less electricity than they actually consume on an annual basis often do not receive full credit against their retail bills for that generation. PEA argues that this effect is exacerbated because the measurement year ends on May 31 after most solar customers have earned credits that they cannot later use in the energy-heavy summer months following May. The OCA filed a Notice of Intervention on April 27, 2021 and various stakeholders have submitted Letters in Support of the Petition. At the end of Fiscal Year 2020-2021, the Petition was pending before the Commission.

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. On July 2, 2020, NRG filed a Petition for Allowance of Appeal at the Pennsylvania Supreme Court, and the OCA filed an Answer in Opposition. On January 19, 2021, the Pennsylvania Supreme Court denied NRG's Petition for Allocatur.

Docket No. R-2021-3024601. On March 30, 2021, PECO filed a tariff for an overall increase in revenues of \$246 million per year, or approximately 7.0% over present revenues. PECO proposes that the rate increase become effective on May 29, 2021. Under PECO's proposal, the total bill for a residential customer who uses 700 kWh per month would increase by \$9.68 from \$100.29 to \$109.97, or by approximately 9.65%. PECO's proposed rate increase, if approved, would produce a 7.68% overall rate of return on its rate base, including a 10.95% return on common equity. On April 13, 2021, the OCA filed a Formal Complaint.

The OCA filed testimony at the end of June 2021 recommending a lesser increase of approximately \$28.9 million because its witnesses provided evidence that the Company's return on equity (ROE) was too high, the Company's projected plant additions were overstated, and approximately \$15,348,325 of operations and maintenance claimed expenses, excluding income tax effects, and \$3,003,732 to the Company's claim for depreciation expense, excluding income tax effects, were not supported.

Pennsylvania Power Co.

Docket No. M-2021-3026675. On June 21, 2021, Penn Power filed Supplement No. 97, which proposed to change the DSIC to 3.58%, effective July 1, 2021. According to its filing, Penn Power began claiming investment in its Advanced Distribution Management System (ADMS) as of December 2020. The recovery of ADMS costs was the subject of a settlement in a prior case. The settling parties, which included Penn Power and the OCA, agreed that the Company could present a future claim to recover ADMS costs in rates and that the other parties could review and challenge such a claim.

On June 25, 2021, the OCA filed a Formal Complaint challenging Penn Power's inclusion of ADMS costs in its DSIC rate. The OCA challenged recovery of ADMS investment through the DSIC because those costs are not specific to distribution system improvements. Electronic systems and software are necessary in the normal course of business, and are properly recovered through base rates as part of the Company's overall capital improvements program. The OCA requested, among other things, that the Commission investigate the Company's DSIC tariff and rate and refund all charges found to be improper. At the end of Fiscal Year 2020-2021, the parties were engaged in discovery.

Pike County Light and Power Co. – Electric

Docket No. A-2021-3025662. On April 30, 2021, Pike, Leatherstocking Gas Company LLC and Corning Natural Gas Holding Corporation (CNGH, the corporate parent of Pike and Leatherstocking), filed a Joint Application with the PUC seeking authorization under the Public Utility Code to transfer control of CNGH (and by extension, Pike and Leatherstocking) to an independent investment management firm headquartered in New York called Argo Infrastructure Partners.

On June 1, 2021, the OCA filed a Protest to the Application requesting the PUC to investigate and hold hearings to determine whether the proposed transfer of control is in the public interest, provides substantial, affirmative benefits to the ratepayers of Pike and Leatherstocking and is in accordance with the requirements of the Public Utility Code. The matter was assigned to the Office of Administrative Law Judge for hearings and a prehearing conference was scheduled for July 2, 2021.

Docket No. R-2020-3022135. On October 26, 2020, Pike Electric filed a tariff supplement in which it requested to increase its rates by \$1.93 million, or 24.7% in total electric revenues. The Company also proposed an increase in the residential customer charge by 37%. Under the initial request, for the residential customer class, a customer

using 674 kWh would see their average bill rise from \$103.90 to \$121.90 per month, or by approximately 17.3%.

On November 16, 2020, the OCA filed a Formal Complaint opposing the proposed rate increase. The OCA filed testimony addressing revenue requirement, the impact of the TCJA on rates, revenue allocation, rate of return, and regulatory policy. The OCA recommended a revenue increase of approximately \$1 million, roughly \$900,000 less than what was requested. The OCA recommended no increase to customer charges. In crafting its recommendations, the OCA took into consideration the testimony presented by consumers at the Public Input Hearings, especially testimony detailing service issues.

Following testimony and negotiations, in April 2021, the parties reached a partial Settlement that provided for an electric revenue increase of \$1.4 million, or 13.8% in overall electric revenues, and 26.9% in electric distribution revenues. Additionally, Pike agreed to a customer charge of \$8.00, a reduction of \$2.61 from the charge proposed in Pike's filing. Most of the parties were also able to reach a Settlement of revenue allocation issues, which would result in the average monthly residential customer bill for electric distribution costs increasing by 12.1%, or roughly \$12.59.

On May 5, 2021, the ALJ issued a Decision recommending approval of the Settlements without modification. The matter is pending before the Commission.

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.

On October 27, 2020, the Commonwealth Court reversed the Commission's decision that a substantial public benefit standard should be applied and remanded the matter back to the Commission for a determination regarding whether the proposed internal restructuring is proper for servicing the public with electricity and a Certificate of Public Convenience.

On May 14, 2021, PPL and OSBA filed a Joint Settlement which provided that under the specific facts and circumstances of the case, the application meets the standard set forth in Section 1103 of the Public Utility Code. The OCA did not oppose. At the end of Fiscal Year 2020-2021, the ALJ issued a Recommended Decision approving the Settlement. The matter awaits decision by the Commission.

Docket No. M-2020-3020824. On November 30, 2020, PPL Electric filed a Petition for approval of its Phase IV Energy Efficiency and Conservation Plan. PPL Electric proposed two residential customer energy efficiency programs for residential and low-income customers. PPL Electric projected the five-year cost of its Plan to be \$307.5 million. The Company stated that it planned to achieve a total overall gross verified energy reduction of at least 1,250,157 MWh and a total overall gross verified demand reduction of at least 229 MW by May 31, 2026. On December 23, 2020, the OCA filed a Notice of Intervention to ensure the proposed Plan was just and reasonable and in compliance with Act 129 of 2008 and all other applicable statutes, regulations, and Commission Orders.

The OCA submitted testimony which found that PPL's plan largely complied with Act 129 and recommended its approval upon the adoption of several recommended modifications. Specifically, the OCA recommended that (1) the Company provide market evidence or a marketing plan to support the level of Ductless Mini-Split Heat Pumps forecasted in the Energy Efficient Homes Component, (2) the Company develop a methodology to allocate and track the savings captured under the Low-Income Program when it leverages funding from its Low-Income Usage Reduction Program to avoid double counting of energy savings, and that when a measure is funded by both programs, the energy savings should be allocated based on the amount paid by each funding source, and (3) the Commission require the Company to file its plan for nominating demand response into the PJM Forward Capacity Market, which should include: the delivery year for the first nomination; measures that will provide demand reductions, by customer class; a methodology to determine which rate classes have delivered demand reductions; and details on how the Company would limit ratepayer exposure to penalties.

The parties reached a Settlement, filed on February 26, 2021, which addressed the OCA's recommendations. The record was certified to the Commission, which entered an Order on March 25, 2021 granting the Settlement and approving the Phase IV Plan.

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.

After completing its review of the Company's filing, the OCA filed its direct testimony on February 5, 2020. In its direct and surrebuttal testimony, the OCA continued to advance its position as stated in its Answer. On October 5, 2020, following negotiations, the parties filed a Joint Petition for Settlement resolving all issues. The Settlement provided that PPL may require new DER applicants to install a smart inverter pursuant to temporary requirements, pending adoption of the full industry-wide standards. Furthermore, the Company may implement a pilot program with its DER management device to test the benefits of remote monitoring and management of the DER. The pilot program limits the amount of management devices that may be installed per year and establishes important consumer protections, such as annual reporting requirements, limitations on how the Company may utilize these remote capabilities, and the right to challenge the prudence and reasonableness of the costs of the pilot program and how they are recovered.

On December 17, 2020, the Commission adopted the Recommended Decision, without modification, approving the Settlement. Subsequently, PPL filed a Pilot Implementation Plan pursuant to the Settlement and the OCA provided Comments suggesting improvements to the use cases and data collection practices as part of the pilot program. PPL filed its Revised Pilot Implementation Plan on March 1, 2021.

Docket No. P-2019-3011463. On June 19, 2019, Itron, Inc. filed a Petition seeking approval from the Commission that PPL must provide Itron with adequate customer meter data allowing Itron to continue administering its Pennsylvania Peak Saver Program, which is a load management program where enrolled customers receive incentive payments in exchange for curtailment of certain devices in the customer's home during hours of peak load.

On July 12, 2019, the Office of Consumer Advocate filed an Answer, seeking to ensure that the Company was a licensed entity entitled to receive such information and, furthermore, that the Company had obtained appropriate customer consent to access customer meter data and that any such obtained consent was current.

While this proceeding was pending before an ALJ, the parties conducted discovery and it was determined that Itron was a properly certificated Conservation Service Provider (CSP) that is entitled to access such customer information. Moreover, all participants in the Pennsylvania Peak Saver Program had given consent to enroll in the program when it began and continue to take incentive payments from Itron when applicable. Accordingly, the parties reached a settlement agreement where PPL will provide Itron access to the EGS portal for the limited purposes of obtaining the customer information necessary to operate the program. The Settlement also contains certain restrictions and protections for participating customers, as Itron may only obtain certain data, can only use that data for certain purposes, and can only transfer the data to certain parties.

On January 14, 2021, the Commission issued an Order adopting the Settlement without modification.

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 is proposing 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 is also proposing 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, 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.

A partial Settlement was filed on September 17, 2020 that adopts PPL's proposals related to default service products, process for competitive bidding and schedule for procurement. It establishes PPL's AEC auction proposal as a pilot program for DSP V with reports being provided to the Commission in connection with each AEC auction. The settlement provides that the Renewable Energy Rate Program will be withdrawn without prejudice to its being refiled at another time. The Company will also perform additional analysis of its TOU program during DSP V and present the results in its next DSP filing. Finally, of importance to the OCA, the settlement provides that for the SOP, the Company will work with interested parties in revising the guidelines and scripts used by PPL and its third-party SOP administrator and it will increase its monitoring of the third-party administrator to ensure that the program is being properly presented to prospective participants. These provisions reflect concerns raised by the OCA in testimony. SOP-related issues that were not part of the Settlement and the issue of shopping by the Company's CAP participants were reserved for litigation. The OCA filed Main and Reply Briefs on these matters on September 4 and 18, 2020.

In its Briefs, the OCA supported PPL's proposal to require CAP customers to be served under default service. It also argued that customers who are eligible for CAP that have existing contracts with suppliers should be permitted to enter the CAP program. With respect to SOP, the OCA supported PPL's proposal to require that SOP participants be returned to default service at the end of their initial 12-month SOP contract if they have not made another affirmative choice regarding their future supply. A Decision was issued by the ALJ on October 13, 2020, which recommended Commission approval of the partial Settlement, the return of SOP customers to default service at the end of their contract period in the absence of an affirmative decision to the contrary and the elimination of CAP shopping with all CAP customers to be served under default service. The SOP and CAP shopping rulings were the subject of Exceptions filed by the Electric

Generation Supplier parties to the proceeding. The OCA filed Reply Exceptions on these points. The Commission issued its Order in the case on December 17, 2020. The Commission approved the partial Settlement, denied PPL's proposal to return SOP customers to default service at the end of their contract term, and ordered the termination of PPL's CAP SOP program, requiring CAP customers to be served under default service.

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 March 9, 2020, Respond Power filed a Petition for Review in Commonwealth Court. The OCA filed a Notice of Intervention on April 7, 2020. On February 9, 2021, the Commonwealth Court issued an Order affirming the Commission's decision.

Transource PA

Docket Nos. A-2017-2640195, A-2017-2640200, 689 C.D. 2021. On December 27, 2017, Transource 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 in Portions of York County and Franklin County. The IEC Project involves the siting and construction of a new Furnace Run-Conastone 230 kV Transmission Line that would extend approximately 15.8 miles connecting the existing Conastone Substation located near Norrisville, Harford County, Maryland to the proposed Furnace Run Substation to be located in York County, Pennsylvania (IEC-East Project). Approximately 12.7 miles of the IEC-East Project would be located in Pennsylvania. The IEC Project also involves the siting and construction of a new Rice-Ringgold 230 kV Transmission Line that would extend approximately 29 miles connecting the existing Ringgold Substation located near Smithsburg, Washington County, Maryland, to the proposed Rice Substation to be located in Franklin County, Pennsylvania (IEC-West Project). Approximately 24.4 miles of the IEC-West Project would be located in Pennsylvania. Approved as a market efficiency project, Transource PA alleges that the IEC 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, in August and September 2020, the OCA filed Briefs in support of its recommendation that the Commission deny the IEC Project, inclusive of the amendment.

On December 22, 2020, the Presiding Officer issued a Decision recommending that the Commission deny the IEC Project because the IEC Project is not needed. On May 24, 2021, the Commission entered an Order denying approval of the IEC Project.

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 would be procured in two tranches. Any variance between actual load and scheduled electric deliveries would be covered through purchases in the PJM real-time energy market. A small portion of UGI's default service supply would come from a preexisting arrangement between UGI and Allegheny Electric Cooperative. Winning bidders for the LFFR contracts would be responsible for acquiring the Alternative Energy Credits necessary for compliance with the Alternative Energy Portfolio Standards Act. UGI would acquire the AECs required in connection with the block purchases.

The OCA intervened in the case on June 30, 2020. The key issues addressed in the OCA's testimony were the type and mix of default service products. Specifically, the OCA proposed eliminating the block purchases and replacing them with 24-month LFFR contracts and that the length of the reconciliation period over which default supply over or undercollections are amortized should be increased from 3 to 12 months. An issue not raised by the OCA, but which became a point of contention, was whether the procurement of default service supply for residential and small commercial customers should continue to be done on a combined basis or done separately; or, alternatively, if continued to be combined, whether the residential and small commercial classes should have separate rates.

The parties reached a Settlement of all issues which was presented to the ALJ on October 23, 2020. Under the Settlement, UGI's default service supply for residential and small commercial customers will consist of 75% LFFR contracts and 25% block purchases. The LFFR contracts will be a combination of 12- and 24-months' duration. Procurement for the residential and small commercial classes will be done on a combined basis. However, by June 30, 2022, UGI is required to submit a study of the relative costs of procurement for the two classes. The study is to examine the costs of both block purchases and LFFR purchases, as well as the costs of separate or combined procurement for the two classes. On the basis of the study, UGI is to make

recommendations as to whether to: (1) continue combined purchases (and rates) for the residential and small commercial customer classes or move to a separate procurement for each class with separate rates; or (2) continue combined procurement but set different rates for each class. Any change made in response to the study would take effect on June 1, 2023. With respect to reconciliation of over or undercollections of default service revenue, the Settlement provides that when the difference between revenues and costs would result in a change in the average residential total bill of more than 5%, UGI will refund or recover the balance over a 6 to 12 month period. Authorization for recovery over a 3-month period in such a case is eliminated. On December 11, 2020, the ALJ rendered a decision which recommended that the Commission approve the Settlement without modification. On January 14, 2021, the Commission issued an Order adopting the ALJ's Recommended Decision as its action in this proceeding.

Docket No. R-2021-3023618. On February 8, 2021, UGI Electric filed tariff supplements seeking to increase its annual distribution operating revenues by \$8.7 million, which would produce an increase in total revenues (including distribution and generation revenues) of approximately 10.0%. The Company proposed to allocate approximately \$8.12 million of the increase to the residential class based on the results of its class cost of service study. If approved, the total average monthly bill of a residential customer using 1,000 kWh per month would increase from \$110.18 to \$123.83 per month, or by 12.4%. In addition, the Company proposed modifications that included: changes to its High Tension Power Service Rate; a new Rate for charging electric vehicles; changes to its service extension provisions; and a battery storage investment project. If UGI Electric's request were approved, the Company would also be allowed an overall return on rate base of 7.57%, based upon a 10.75% return on common equity.

On February 18, 2021, the OCA filed a Formal Complaint opposing UGI Electric's proposed increase. In May and June 2021, the OCA served testimony recommending that the Commission reduce the Company's requested revenue increase to no more than \$4.986 million based upon adjustments to the Company's claimed operating expenses and planned plant additions. The OCA also recommended denial of the battery storage project. At the end of Fiscal Year 2020-2021, the OCA was preparing for evidentiary hearings.

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 (i.e. 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, in response to I&E-served data requests, 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. To that end, the OCA filed a Statement in Opposition to a non-unanimous Settlement filed by I&E and Verde on June 30, 2020. In its Statement, the OCA explained that, based on the seriousness of the allegations, the Commission should allow the matter to proceed so that the alleged violations can be assessed in greater detail and the reasonableness of the proposed remedies in the Settlement can be determined.

On November 9, 2020, the OCA filed Comments on the proposed Settlement. Verde filed a Motion to Strike portions of the OCA's Comments and the Affidavit, and the OCA filed its Answer. On January 15, 2021, the ALJ issued an Interim Order Granting Verde's Motion to Strike in its entirety. The OCA sought review of the ALJ's Order. At the end of Fiscal Year 2020-2021, the OCA's Petition was pending a decision by the Commission, and the proposed Settlement remained before the ALJ.

Wellsboro Electric Co.

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

Docket Nos. P-2020-3023523, P-2020-3023524, P-2020-3023525. See write-up above, under Citizens Electric Co.

NATURAL GAS: UTILITY-SPECIFIC PUC PROCEEDINGS

Alphabetically by Utility Name

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 filed testimony recommending that Columbia's proposed rate increase be rejected due to the recent financial hardships faced by customers from the COVID-19 pandemic. If, however, a rate increase is approved, the OCA's recommended adjustments supported a lesser overall rate increase, including a significantly lower increase in the residential customer charge, and more gradual movement of primary customer classes toward the average cost of service. The OCA opposed the RNA as unsupported and unreasonable to apply to the residential class whose usage is relatively constant over time.

On November 4, 2020, the Presiding Officer issued a Recommended Decision denying Columbia's proposed rate increase in full because Columbia failed to provide evidence that its FPFTY projections made prior to the Covid-19 pandemic were accurate and would lead to just and reasonable rates. In the case that the Commission disagreed with the presiding officer's conclusion on the rate increase request, the RD also evaluated each item of Columbia's rate increase request and denied a large amount of the Company's claimed expense increases based upon its lack of documentation and support. The OCA supported the ALJ's primary recommendation but filed Exceptions on December 22, 2020 regarding the recommended allocation of universal service charges and the need for improvements in Columbia's outreach efforts and also in regard to the rate of return finding that adopted I&E's proxy group and did not specify that the appropriate cost of equity for Columbia should be no greater than 8.50%.

On February 19, 2021, the Commission issued an Order rejecting the ALJ's primary recommendation of zero increase and granted Columbia a \$63.5 million increase in annual revenues. The Commission determined that using the traditional ratemaking methodologies during the COVID-19 pandemic was consistent with setting just and reasonable rates and constitutional standards and there was a lack of substantial evidence to support a complete denial of Columbia's requested increase. The Commission adopted many of the expense adjustments recommended by the OCA and set an authorized overall rate of return for Columbia of 7.41%.

On March 8, 2021, the OCA filed a Petition for Reconsideration regarding the Commission's reliance on other utilities receiving rate increases during the pandemic, where the parties had negotiated the increase in a Settlement, as precedent for granting an increase to Columbia. The OCA submitted that the Commission failed to consider the inappropriateness of using settled cases as precedent and the chilling effect it could have on settlements in the future. On March 11, 2021, the Commission issued an Opinion and Order denying the OCA's Petition for Reconsideration on the merits.

Docket No. R-2021-3024296. On March 30, 2021, Columbia filed a tariff supplement with the Commission to become effective May 29, 2021. In the filing, Columbia is seeking an increase in annual distribution revenues of \$98.3 million for a fully projected future test year ending on December 31, 2022. According to Columbia's filing, the total monthly bill for residential customers using 70 therms per month, will increase from \$100.77 to \$115.37 (14.49%). Columbia also proposes an increase in the residential customer charge from \$16.75 to \$19.33. On April 6, 2021, the OCA filed a Formal Complaint and Public Statement in this proceeding.

The OCA submitted testimony in June 2021, in which the OCA's experts presented evidence that Columbia's requested increase was overstated by approximately \$85.4 million. The OCA also argued that the Company's requested increase in the residential customer charge was unreasonable given that Columbia's current charge is still the highest among Pennsylvania NGDCs. At the end of the last Fiscal Year, the OCA was preparing further testimony in support of its recommendations.

Leatherstocking Gas Co.

Docket No. A-2021-3025662. See write-up above, under Pike County (electric).

PECO Energy Co. – Gas

Docket No. R-2020-3018929. On September 30, 2020, PECO Gas filed a tariff supplement seeking to increase rates to produce additional annual operating revenues of \$68.7 million, or an increase of 8.9% on a total revenue basis. If approved, the Company would be allowed to earn an overall rate of return of 7.70%, including a 10.95% return on equity. The Company also proposed to increase the residential monthly customer charge by \$4.25, from \$11.75 to \$16.00, or by 36.2%. As the proceeding progressed, the Company updated its rate increase request, proposing to increase rates to produce additional annual operating revenues of approximately \$66.2 million.

On October 14, 2020, the OCA filed a Formal Complaint opposing PECO Gas' proposed increase. As a result of the ongoing coronavirus pandemic, the OCA filed testimony and briefs recommending that the Commission deny the Company's requested rate increase. If the Commission determined to consider the Company's claims, however, the OCA also filed testimony recommending that rates should be reduced by approximately \$11.5 million. The testimony included adjustments to PECO Gas' filing, including a reduced return on equity, a new cost of service study, and adjustments to projected plant in service, expenses, and revenues. The testimony also recommended a continuation of PECO's current budget levels for the residential and commercial energy efficiency and conservation programs, and that the Company implement an Emergency Relief Program designed to provide arrearage relief to customers that have accumulated arrears during the COVID-19 Pandemic.

On April 9, 2021, the Presiding Officer issued a decision rejecting the OCA's position to deny PECO's requested rate increase, but recommended reducing the rate increase to \$23.9 million, which is the result of adopting many of the OCA's adjustments to the Company's claimed operating expenses and planned plant additions.

On April 26, 2021, the OCA filed Exceptions to the RD arguing, among other things, that the ALJ erred in granting an increase to PECO based upon prior litigated and settled cases during the pandemic. The OCA also filed Reply Exceptions on May 3, 2021 defending various expense adjustments adopted in the Recommended Decision.

On June 22, 2021, the Commission entered an Opinion and Order approving an annual revenue increase of \$29.1 million, or 4.94%. The Commission adopted the ALJ's decision, but granted PECO's Exception and reversed the ALJ's recommendation to apply a downward adjustment of \$47.6 million to the Company's net plant additions projected for the FPFTY.

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 would 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. After review and investigation of the Company's filing, the OCA filed testimony on July 10, 2020, recommending that the Company make a few adjustments to its method for calculating its balancing charge and retainage rate.

The parties reached a settlement where PECO agreed to adopt the OCA's recommendations. The Presiding Officer issued a Recommended Decision on September 17, 2020, approving the settlement without modification. On October 8, 2020, the Commission adopted the Recommended Decision.

Docket No. R-2021-3025629. On April 30, 2021, PECO submitted its annual 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 28, 2021, PECO filed its definitive PGC filing to become effective for service rendered on and after December 1, 2021.

On May 18, 2021, the OCA filed a Formal Complaint and Public Statement 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 or otherwise contrary to Commission regulations or policy. At the end of Fiscal Year 2020-2021, the OCA was engaged in discovery.

Peoples Gas Co.

Docket Nos. M-2018-3003177, M-2020-3021343, P-2019-3007044, P-2020-3017641, M-2014-2432515. On July 2, 2018, the Peoples Companies filed their proposed Universal Service and Energy Conservation Plan for 2019-2021. By Commission Order, the USECP was subsequently extended until 2024. On January 6, 2020, the Companies also proposed to modify their USECP to make changes, including to the energy burdens, in response to the Commission's Final CAP Policy Statement and Order at Docket No. M-2019-3012599. The Companies also proposed in an April 24, 2020 filing further modifications to the Customer Assistance Program, Emergency Furnace and

Service Line Repair program, Hardship Fund budgets and Hardship Fund enrollment projections. On August 17, 2020, the Commission issued its Tentative Order regarding the Companies' USECP and proposed amendments to the USECP. On September 23, 2020, the OCA filed its Notice of Intervention.

On October 20, 2020 and November 2, 2020, respectively, the OCA filed Comments and Reply Comments regarding: (1) lowering the energy burdens, including the impact of unused LIHEAP grant dollars; (2) continuing the E-CAP for customers between 151%-200% of the Federal Poverty Level; (3) changing the Company's policy regarding maximum CAP credit; (4) changing program requirements under the Dollar Energy Fund (DEF) administration of the Hardship Fund; and (5) DEF cross-enrollment in CAP with overlapping water and electric utilities. The matter is pending before the Commission.

Docket No. P-2020-3022041. On September 21, 2020, Peoples Gas filed a Petition seeking expedited approval to use pipeline penalty credits and refund proceeds as funding for a temporary program to provide grants to certain customers experiencing a reduction in income due to the COVID-19 pandemic. On October 13, 2020, the OCA filed an Answer in Support of the Petition because the use of the pipeline refunds for COVID-19 relief is a first step towards addressing the devastating financial impact of COVID-19 on residential customers. Also, the Petition did not identify any specific requirements for eligibility for a grant. The OCA proposed that given the limited nature of the funding, the Company may want to consider prioritizing those customers who have experienced an impact such as a loss of income or increased expenses. The matter was pending before the Commission at the end of the Fiscal Year 2020-2021.

Docket No. R-2020-3017846. On March 2, 2020, the Company (or 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 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 for customers. The OCA offered the 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. The Settlement was approved by the Commission on August 27, 2020, without modification.

Docket No. R-2021-3023967. Peoples Gas Company filed its annual Purchased Gas Cost rate proceeding with the Commission on April 1, 2021. The Company proposed an increase in its residential PGC rate of \$0.7881 per Mcf from the April 1, 2021 rate when new rates take effect on October 1, 2021. The OCA filed a Formal Complaint on March 16, 2021, asking the PUC to investigate the proposed increase and hold hearings. The OCA filed testimony in April 2021, which primarily addressed the manner in which Peoples Gas calculated its retainage charge. The OCA recommended that the Company's retainage rate be calculated based on a three-year average of the Company's actual lost and unaccounted-for gas volumes rather than a three-year average of the percentage of its total volumes that were lost and unaccounted-for.

The parties subsequently reached a Settlement filed in June 2021, which proposed a percentage rate of 7.4% for the retainage charge. This rate is a compromise between a rate of 8.6% using the OCA's calculation method and 6.9% using the Company's method. In view of the evidence presented, indicating the strengths and weaknesses of both methods of calculating the retainage charge, the OCA determined that this was a reasonable compromise between the positions of the parties. The proposed Settlement is pending before the ALJ.

Peoples Natural Gas Co.

Docket Nos. A-2021-3026794, A-2021-3026796. See write-up above, under Peoples Gas Co.

Docket Nos. M-2018-3003177, M-2020-3021343, P-2019-3007044, P-2020-3017641, M-2014-2432515. See write-up above, under Peoples Gas Co.

Docket No. P-2020-3021191. On March 31, 2020, PNG filed a Petition requesting accounting and regulatory approval to establish a regulatory liability related to tax benefits realized by the Company in prior tax years as a result of a recent tax repair election. The Company proposed to establish a surcredit on customer bills to return 40 percent of the tax benefits over a period of four years. For the remaining 60 percent of the tax benefit, the Company proposed that it defer and amortize this amount to offset

income tax expense over a three-year period from 2023 through 2025 in increasing increments.

On August 26, 2020, the OCA filed an Answer raising concerns about the proposal, including lack of discussion over the current annual tax benefits, how the tax benefits were calculated for prior tax years, and the method of return proposed by the Company. The OCA provided testimony supporting its position that Peoples should return the entirety of the tax benefit in prior tax years related to the tax repair election to customers over a five-year period in equal increments through a customer surcharge. The OCA also recommended that the Company normalize its annual tax repair deductions going forward, which would benefit customers by providing an offset to rate base and reduce Peoples' tax expense for ratemaking purposes in future years.

On March 11, 2021, the parties filed a Settlement, which addresses these concerns. The Settlement provides that PNG will: (1) return 100% of the related tax benefit from the approximately \$380.7 million catch-up deduction to the Company's ratepayers through a surcredit of approximately \$27.845 million per year over five years; (2) file its next base rate case before December 31, 2023, to reflect ongoing, annual tax repairs deductions in rates sooner; (3) propose a tracker mechanism in its next base rate proceeding to track variances in future tax repairs deductions, such that substantial increases in tax repairs deductions in future years will require PNG to return any related tax savings to customers; (4) provide bill credits to all customers for 70 percent of their total aged past due balance that began accruing in March 2020; and (5) provide a one-time non-rate recoverable contribution of \$500,000 to Dollar Energy and increase the eligibility requirements of Dollar Energy to 250% of the Federal Poverty Level.

On April 14, 2021, the Presiding Officer issued a Recommended Decision adopting the Settlement without modification. On May 6, 2021, the Commission issued an Order adopting the Recommended Decision.

Docket No. P-2020-3022043. On September 21, 2020, Peoples Natural Gas filed a Petition seeking expedited approval to use pipeline penalty credits and refund proceeds as funding for a temporary program to provide grants to certain customers experiencing a reduction in income due to the COVID-19 pandemic. On October 13, 2020, the OCA filed an Answer in Support of the Petition because the use of the pipeline refunds for COVID-19 relief is a first step towards addressing the devastating financial impact of COVID-19 on residential customers. Also, the Petition did not identify any specific requirements for eligibility for a grant. The OCA proposed that given the limited nature of the funding, the Company may want to consider prioritizing those customers who

have experienced an impact such as a loss of income or increased expenses. In June 2021, the matter was pending before the Commission.

Docket No. R-2021-3023965. Peoples Natural Gas filed its annual PGC rate proceeding with the Commission on April 1, 2021. The Company proposed an increase in its residential PGC rate of \$ 1.217 per Mcf from the April 1, 2021 rate when new rates take effect on October 1, 2021. The OCA filed a Formal Complaint requesting the PUC to investigate the proposed increase and hold hearings on the matter.

The OCA filed testimony in April 2021, which principally addressed its concern with the manner in which PNG calculated its retainage charge. The OCA recommended that the Company's retainage rate be calculated based on a three-year average of the Company's actual lost and unaccounted-for gas volumes rather than a three-year average of the percentage of its total volumes that were lost and unaccounted-for.

The parties subsequently reached a Settlement filed in June 2021, which proposed a percentage rate of 5.6% for the retainage charge. This rate is a compromise between a rate of 5.8% using the OCA's calculation method and 5.4% using the Company's method. In view of the evidence presented, indicating the strengths and weaknesses of both methods of calculating the retainage charge, the OCA determined that this was a reasonable compromise between the positions of the parties. The Settlement was under review by the ALJ, at the end of Fiscal Year 2020-2021.

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 considered whether changes should be made and whether and what additional information was needed to evaluate the program and its cost effectiveness.

In response to testimony submitted regarding the need for low-income customer program measures, the OCA actively participated in discovery and discussions that resulted in Settlement filed on March 2, 2021. The Settlement addressed the OCA's concerns by providing for low-income customer program measures including a no-cost Smart Thermostat program, enhanced equipment rebate incentives for low-income customers, and a stakeholder meeting to address issues with transitioning to virtual Plan measures. On March 31, 2021, the ALJ recommended in his Initial Decision that the Settlement be approved. On May 6, 2021, the Commission issued its Order adopting the Initial Decision and approving the Settlement.

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 without providing the OCA and other interested parties an opportunity to conduct discovery and submit comments in violation of due process. The OCA filed a Petition for Reconsideration requesting that the Commission provide the OCA an opportunity to investigate the filing. The Commission denied the Petition for Reconsideration. On May 4, 2020, the OCA filed an appeal with the Commonwealth Court of Pennsylvania.

The OCA filed its Brief on January 21, 2021, its Reply Brief on April 26, 2021, and argued the case before the Commonwealth Court on May 12, 2021. The OCA awaits a decision from the Court.

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 due to the hardships facing PGW customers during 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.

With the exception of the environmental stakeholder groups, the parties reached a proposed Settlement which provided for an overall base revenue increase of \$35

million, approximately half of the rate increase amount originally requested by PGW, on a delayed and phased-in schedule. Specifically, rates will increase in January 2021, July 2021 and January 2022 to produce additional revenue of \$10 million, \$10 million and \$15 million, respectively. The reduced rate increase and phase-in schedule was designed to buffer the impact of PGW's rate increase during this economically challenging time. In addition, the residential customer charge was increased to \$14.90 in lieu of PGW's requested \$19.25.

The partial Settlement also provides for a COVID Relief Plan where PGW will apply GCR Pipeline Refunds towards a one-time \$300 per eligible customer "roll-over" credit, up to a total of \$2 million or to 6,660 customers, to apply to a customer's PGW gas bills. In addition, all PUC-related collection efforts towards the eligible customers will be suspended during the pendency of the Commission Emergency Order or April 1, 2021, whichever comes first. This program was proposed by the OCA due to the harms arising from the COVID-19 pandemic to operate as an additional source of relief for the many vulnerable PGW customers.

The proposed Settlement was submitted to the Presiding Officers on August 26, 2020 and, on October 5, 2020, the Presiding Officers recommended approval with the following modifications: (1) the start of the phased-in rate increases be delayed by six months, beginning July of 2021; (2) PGW should not file a general rate increase pursuant to 66 Pa. C.S. § 1308(d) any sooner than January 1, 2023, absent emergency relief, tariff changes or as authorized by Commission order or industry-wide changes in regulatory policy which affect PGW's rates; and (3) no later than 90 days following entry of the Final Order in this matter, and biannually through 2022, PGW must meet with the Commission's Pipeline Safety Division to review PGW's increasing costs of pipeline replacement and to develop a plan to reduce pipeline replacement costs and leaks. On November 4, 2020, the Commission issued an Order which approved the Settlement submitted by the parties and rejected the modifications.

Docket No. R-2021-3023970. On March 1, 2021, PGW filed its definitive annual Gas Cost Rate filing. Relative to the then-effective rate of \$3.4687/Mcf, the Company's definitive filing anticipated an increase of \$0.6674/Mcf, to a rate of \$4.1361/Mcf, effective September 1, 2020. On February 11, 2021, the OCA filed a Formal Complaint in order to determine whether the Company's proposed Gas Cost Rates are consistent with the Public Utility Code. The OCA filed testimony that raised three issues: (1) that the monthly quantity of firm transportation capacity assigned to Choice suppliers should be maintained throughout the year and be set at the Company's system-wide FT capacity to design day demand ratio; (2) that the Load Balancing Charge should be modified to be consistent with the 2020 Settlement and (3) that purchases in the

Renewable Natural Gas (RNG) pilot should not be increased until the pilot is reviewed and that reporting requirements should be implemented to analyze the program.

PGW and the OCA entered a Joint Stipulation adopting with minor modifications the OCA's proposed modifications to the RNG pilot. On May 17, 2021, a Partial Settlement was filed and included the adoption of the OCA's modification to the Load Balancing Charge and the correction of a Universal Service Charge issue. The RNG pilot proposal was reserved for litigation. The ALJ issued a Recommended Decision in June 2021 that recommended approval of the proposed RNG pilot program with minor further design modifications. The ALJ's decision also recommended approval of the Settlement. The OCA awaits an Order from the Commission.

Pike County Light and Power Co. – Gas

Docket No. A-2021-3025662. See write-up above under Pike County (electric).

Docket No. P-2020-3022988. Pike filed a Petition on November 23, 2020 seeking approval of its Default Service Plan for the period June 1, 2021 through May 31, 2024. On December 29, 2020, the OCA filed a Notice of Intervention and an Answer to Pike's petition. Pike proposed to supply default service to residential customers in its territory by purchasing energy from the New York Independent System Operator's spot market. To offset the volatility associated with the spot market purchases, Pike also proposed to employ a hedging strategy by which it would purchase financial hedges that would effectively fix the spot market price for the period of time over which the hedge would be in effect for the portion of the supply that was hedged. Pike proposed purchasing its hedges in two separate procurements for each of the three years of its Plan. Pike proposed using a 50 percent hedging target, that is, 50 percent of its load would have a fixed price based on the hedge prices and 50 percent would be based on the spot market prices. In addition, under Pike's Plan, all of the hedging contracts would terminate at the end of the Plan period, May 31, 2024.

The OCA submitted testimony that recommended three changes to Pike's Plan. First, the OCA recommended that the target hedging percentage be increased above 50 percent. Second, the OCA recommended that Pike enter into financial hedging arrangements that would extend into the next DSP period (beyond May 31, 2024). This would avoid 100 percent of a new portfolio having to be procured at the beginning of the subsequent DSP period because all of the power purchase agreements or financial hedges expired at the conclusion of the prior plan period. Having contracts that continue into the subsequent period extends the price stability benefits of the financial hedges into the beginning part of that following period. The OCA's third recommendation

concerned Pike's mechanism for reconciling the difference between default service costs and default service revenues. Pike proposed to continue its current practice of reconciling costs and revenues on a quarterly basis and recovering differences over the subsequent three-month period. The OCA recommended a six-month/12-month reconciliation mechanism where cost recovery of over- or under-collections occurring over a six-month period would be collected over the subsequent 12-month period. This would provide additional stability in rates for residential default service customers, and also permit the default service rates to be more reflective of market prices.

After submission of testimony, the parties engaged in settlement negotiations which successfully produced a full settlement of all issues. The Settlement provides that Pike will increase its target hedging percentage above 50 percent; that the Company will purchase financial hedges that will extend into 2025, the first year of the subsequent DSP period; and that Pike will adopt the OCA's recommended six-month/12-month reconciliation mechanism.

On March 17, 2021, the ALJ issued a Decision recommending that the Settlement reached by the parties be adopted by the Commission without modification. On April 15, 2021, the Commission issued an Order adopting the ALJ's Recommended Decision as its action in this proceeding.

Docket No. R-2020-3022134. On October 26, 2020, Pike Gas filed a tariff supplement in which it requested to increase its rates by \$262,200, or 16% in total gas revenues. The Company also proposed an increase in the residential customer charge by 42%. Under the initial request, for the residential customer class, a customer using 80 Ccf would see their average bill rise from \$93.57 to \$111.97 per month, or by approximately 19.7%.

On November 16, 2020, the OCA filed a Formal Complaint indicating its opposition to the proposed rate increase. The OCA filed testimony addressing revenue requirement, the impact of the TCJA on rates, revenue allocation, rate of return, and regulatory policy. The OCA recommended a revenue increase of \$97,301, which is \$164,917 less than requested. The OCA recommended no increase to residential customer charges.

The OCA, Pike Gas, and other parties agreed on a Settlement that allowed an overall increase in annual revenues of approximately \$225,000, or 11.6%, representing a 14% reduction from Pike Gas's original request. Also, under terms of the Settlement, Pike Gas's residential customer charge would increase from \$7.50 to \$8.00 per month.

A Recommended Decision approving the Settlement was issued on May 5, 2021. The PUC issued an Order approving the Settlement on June 23, 2021.

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. In particular, 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 matter is pending is pending decision by the Commission.

Docket Nos. R-2019-3015162, P-2021-3023839. 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.

A Settlement was reached on all issues, which resulted in rates designed to produce \$20 million in additional revenue, or an increase of 2.7 percent over present revenues, which be phased-in over an extended period of time. The first rate increase will take effect on Jan. 1, 2021, and is designed to produce additional revenue of \$10 million. The second increase will take effect six months later, and is designed to produce additional revenue of \$10 million. A monthly deferral surcharge mechanism will be

implemented on Oct. 1, 2021 through September 30, 2022, applied to the customer charge, to recover the second phase increase deferred by UGI between January 1, 2021 and June 30, 2021. When all increases are in effect, an average residential heating customer using 73.5 cubic feet of gas per month will see an increase of \$3.13 to their monthly bill.

The Settlement also established an Emergency Relief Program for customers affected by the pandemic. Eligible customers who accrue arrears between the March and December 2020 billing periods, as a result of the pandemic, will be able to receive forgiveness of 25 percent of those arrearages (up to \$400) and will be allowed to enter into an extended payment arrangement for the remaining arrears. In addition, the Settlement includes, *inter alia*, a stay-out provision preventing UGI from filing another base rate case before January 2022. The Settlement includes \$2 million in additional funding for UGI's Hardship Fund so that the Company may provide additional assistance to eligible low-income customers. Together, these provisions were intended to mitigate the impact of the rate increase and help customers maintain service.

On August 29, 2020, the Presiding Officer issued a Recommended Decision approving the Settlement without modification. On October 8, 2020, the Commission adopted the Recommended Decision.

Pursuant to the Settlement, UGI filed a Petition to extend its Emergency Relief Program and implement Phase II as Docket No. P-2021-3023839, which provides similar benefits as the original program, but also provides a limited bill credit to certain customers that qualify, but do not have arrearages. The OCA filed an Answer supporting the filing, with some minor clarification, on February 4, 2021. The Commission did not reach a majority decision on the Petition so it has not been approved.

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.

The OCA filed testimony regarding the capacity reserve margin requested by the Company, which was larger than that maintained by similarly-situated companies. After further discussions, which resulted in a Settlement, the OCA agreed that UGI's requested increase in capacity reserves from 2.5% to 5% was in the public interest because it would help protect against possible pipeline disruptions that could otherwise impact service reliability.

The Settlement also addressed testimony filed by the OCA, which questioned whether the Weighted Average Cost of Demand (WACOD) calculation appropriately allocated capacity reserve margin costs to the various customer classes. UGI Gas's WACOD approach to pricing the interstate pipeline firm transportation capacity assigned to suppliers serving core firm transportation customers would only require PGC customers to be responsible for the costs associated with maintaining a reserve margin. As a term of Settlement, UGI agreed that the costs would also be recovered from Choice customers, through the rates charged to Choice suppliers, effective December 1, 2020.

The parties filed the proposed Settlement on August 26, 2020. On September 21, 2020, the ALJ issued a Recommended Decision approving the Settlement without modification. By Order dated October 29, 2020, the Commission approved the Settlement without modification.

Docket No. R-2021-3025652. On April 30, 2021, UGI filed its preliminary supporting information for its 2021 PGC filing and its definitive case on June 1, 2021. The OCA filed a Formal Complaint on May 21, 2021. The OCA examined all issues related to UGI's filing, including but not limited to UGI's proposed Renewable Natural Gas (RNG) proposal, the reasonableness of historic period purchased gas costs, reasonableness of estimating gas costs during the interim and prospective periods, reasonableness of UGI's gas supply mix, and reasonableness of UGI's contracts with pipelines and suppliers. At the end of Fiscal Year 2020-2021, the OCA was preparing testimony due in July 2021.

Valley Energy, Inc.

Docket Nos. P-2020-3023523, P-2020-3023524, P-2020-3023525. See write-up above, under Citizens Electric Co.

TELECOM: UTILITY-SPECIFIC PUC PROCEEDINGS

Alphabetically by Utility Name

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. As of June 2021, the OCA Complaints are pending 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 Company's 2019 PSI Report, subject to resolution of the OCA Formal Complaint. At the end of Fiscal Year 2020-2021, the parties agreed to suspend the procedural schedule, pending a ruling by the Commission in the similar United Telephone of Pennsylvania d/b/a CenturyLink proceeding. (See summary below).

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. As of June 2021, the OCA Complaints are pending in the matter of the Frontier Companies 2019 and 2020 PSI filings, and other similar RLEC PSI filings.

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 filings, which do not include an adjustment for TCJA based tax savings. See write-up above, regarding 2019 PSI Reports.

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. As of June 2021, the OCA Complaints are pending in the matter of the Ironton 2019 and 2020 PSI filings, and other similar RLEC PSI filings.

Docket Nos. R-2020-3016018, C-2020-3018500. The Company filed its annual PSI report on February 3, 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 on February 13, 2020. At the end of Fiscal Year 2020-2021, the parties agreed to suspend the procedural schedule, pending a ruling by the Commission in the similar United Telephone of Pennsylvania d/b/a CenturyLink proceeding. (See summary below).

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-2019-3009894. 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

report in April 2019, subject to the resolution of the OCA Formal Complaint. See write-up above, under Bentleyville.

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. The OCA filed Exceptions, identifying the public interest benefits of the settlement for CenturyLink's retail customers. The OCA opposed as untimely the Pennsylvania Telephone Association's Petition to Intervene and Exceptions of a non-party. As of June 2021, the Joint Petition for Settlement and the OCA's Exceptions are pending before the PUC.

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

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. The OCA was engaged in settlement discussions at the end of Fiscal Year 2020-2021.

Verizon Pennsylvania

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. The OCA was engaged in settlement discussions at the end of Fiscal Year 2020-2021.

Windstream Buffalo Valley

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

Windstream Conestoga

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

Windstream D&E

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

Windstream Pennsylvania

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

Alphabetically by Utility Name

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 two 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.

On December 3, 2020, the Commission adopted the October 16, 2020 recommendation of the ALJ and approved the Settlement without modification.

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. The average of the fair market value appraisals performed by Aqua's and Cheltenham's experts was

\$51.01 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 March 26, 2019, the Commission issued a Secretarial Letter conditionally accepting the Application for filing and directing Aqua to provide notice to all potentially affected Aqua water and wastewater division customers and ensure concurrent notice to all current Cheltenham customers.

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 would 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 Development, LLC filed a Petition for Review in the Commonwealth Court appealing the denial of intervention. On January 29, 2021, the Commonwealth Court issued a Memorandum Opinion affirming the Commission's Order.

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. The OCA filed Direct Testimony on September 29, 2020, showing that the ratemaking rate base associated with the purchase is 44%, or \$85 million, greater than the net book value of the assets. The associated revenue requirement is not supported by current rates and the anticipated rate increases are significant – 14% for Aqua wastewater customers, 4.5% for Aqua water customers and 12.5% for DELCORA customers. If the Commission approves the acquisition, the OCA recommended requiring conditions and mitigation measures to protect customers, including conditions related to the proposed trust to be established from the sale of the assets. In December 2020, the OCA filed Briefs in support of its position that the Commission should deny the Acquisition as proposed, or at minimum, approve and incorporate OCA's recommendations.

On January 12, 2021, the Presiding Officer issued a Recommended Decision recommending that the Commission deny the Application because Aqua failed to meet its burden of proof. On March 30, 2021, the Commission issued an Order to vacate the Recommended Decision, reopen the record, and remand the proceeding. On April 16, 2021, the Commission issued an Order staying the Application until a final unappealable decision in the County of Delaware's lawsuit against DECLORA currently before the Commonwealth Court.

Docket No. A-2021-3024267. On March 14, 2021, Aqua filed an Application seeking approval to acquire the wastewater assets of Lower Makefield Township under Sections 1102(a), 1329 and 507 of the Public Utility Code. Lower Makefield serves 11,151 customers in Lower Makefield Township. At the time, Aqua provided wastewater service to 45,000 customer accounts in counties throughout Pennsylvania. The purchase price and amount that Aqua sought to have approved as an addition to ratemaking rate base is \$53 million, for a system with depreciated original cost of \$19.8 million. The average of the fair market value appraisals performed by Aqua's and Lower Makefield's experts was \$54.967 million.

At the end of Fiscal Year 2020-2021, the OCA filed a Protest against the Application raising issues related to the appraisals, whether there are substantial affirmative public benefits, and whether there are conditions that may be necessary to protect Aqua's existing customers.

Docket No. P-2020-3021766. On September 3, 2020, Aqua filed a Petition seeking tariff revisions which would allow it to replace customer-owned lead service lines (COLSL) when it is replacing mains, and recover those costs as provided in Section 1311(b)(2) of the Public Utility Code which was added to the Public Utility Code pursuant to Act 120 of 2018. Aqua also proposed an annual cap of 200 COLSL replacements or \$800,000, whichever comes first.

The OCA filed an Answer on September 23, 2020, in which it generally supported Aqua's goal of replacing COLSLs but requested that the Petition be referred for hearings on several issues, including the need to: address COLSL replacements that are made at a customer's request (outside of planned main replacement projects); show how Aqua's proposed budget cap is adequate to address COLSLs and provides a proper balance of replacement and impact upon customer rates; provide a draft COLSL agreement, proposed communications to homeowners regarding a partial replacement, materials and proposed communication plan regarding its replacement program for review prior to approval; track customers who choose not to enter into the replacement agreement and the reasons provided for declining; separately record costs for replacement of COLSL on its books, provide an annual report of the number of COLSL replaced and the cost of those replacements by geographic region; and clarify its proposed reimbursement plan for customers who already replaced their lead service lines. The matter was assigned to an ALJ, who granted Aqua's unopposed request to suspend setting a litigation schedule while the parties participated in informal discovery and discussions with the goal of narrowing or resolving the issues raised by the Petition.

On April 23, 2021, the parties filed a Settlement that addressed the OCA's issues as follows. For COLSL replacements that are made at a customer's request (outside of planned main replacement projects), the settlement terms ensure that: Aqua will perform the replacements, no customer will wait more than one year for the replacement, and customers are protected while they wait for replacement because Aqua will provide water filters (tap or pitcher) where testing shows that the water has a lead level above the action level established by the lead and copper rule.

With regard to the budget cap, the parties agreed to set a cap of \$800,000 per year, which rolls over to the next year, subject to a maximum of 200 replacements, and gives priority to replacements that are part of a main replacement project. This cap ensures

the utility as enough funds to replace the customer portion of a lead service line if it encounters one in performing its ongoing main and service line replacement program, avoids requiring customers to pay for the replacement (creating equity concerns) or partial lead service line replacements (potentially causing a spike in lead levels at the tap). Further, under the settlement, Aqua will prioritize customer-requested replacements for low-income customers (below 150% of the federal guidelines).

The Settlement provisions regarding required outreach and communications, which will include direct mailings, press releases, and bill inserts, allow for a collaborative effort between the parties to ensure that affected customers receive accurate, timely, and detailed information concerning the Replacement Plan, the health effects of lead and COLSLs, and flushing instructions for the customer's premise plumbing. The Settlement also establishes a sliding scale for reimbursement, which addresses the OCA's equity concerns and provides a meaningful approach to ensure that more customers who had COLSLs can benefit from this program.

For tracking purposes, the costs will be recorded in a sub-account of the Company's Services account, which is in accordance with the statute and will permit the parties to easily identify the costs related to the replacement of COLSLs included in future rate proceedings. The reporting provisions on the number, location, costs and types of replacements will help the parties to continue to monitor the program and ensure that it is operating effectively and efficiently. As a whole, the Settlement will help to limit partial lead service lines replacements and protect customers from significant lead exposure.

On May 28, 2021, a Decision was issued recommending approved the Settlement without modification. At the end of Fiscal Year 2020-2021, that recommendation was before the Commission.

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 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. Following oral argument in September 2020, on October 14, 2020, the Court entered an Order affirming the Commission's decision to approve the underlying Application.

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 portions of Lower Providence Township, Montgomery County.

On August 19, 2020, the OCA filed a Formal Complaint opposing the requested base rate increase and DSIC cap waiver. In November 2020, the OCA served testimony in support of its position that, as a consequence of the COVID-19 pandemic, it would not be just or reasonable to impose a rate increase on customers at this time beyond the increase required to ensure that the company operates with a minimal (5% overall) rate of return, which would be an increase in base rate revenues of \$686,731. However, if the Commission were to impose a rate increase, the OCA served testimony in support of (1) a lesser annual rate increase in base rate revenues of \$728,845, and (2) a 6.67% weighted average rate of return, a 3.61% return on equity, and an imputed capital structure consisting of 55% debt and 45% equity. The OCA also made recommendations with regard to exercising isolation valves and compliance with Commission requirements for conducting pressure surveys and maintaining customer complaint logs. The OCA opposed the Company's proposal to increase its DSIC cap because it does not have a long-term infrastructure improvement plan in place.

In January 2021, the parties entered into a full Settlement of all issues. The Settlement provided for a \$703,000 increase in rates in two phases, consisting of a \$503,000 increase no earlier than April 2021, and an additional \$200,000 increase effective April 2022. Audubon also agreed to maintain a log noting exercising of valves, compile and maintain reports of Field Pressure Readings, and keep a customer complaint log. Additionally, Audubon agreed to withdraw its request to increase its DSIC cap.

On February 11, 2021, ALJ Heep issued a Recommended Decision approving of the Settlement. On March 11, 2021, the PUC adopted the Recommended Decision.

Borough of Ambler

Docket No. A-2020-3020984. The Borough established the Ambler Water Authority on January 22, 2020. On July 22, 2020, the Borough filed an Application seeking Commission approval to abandon service to the Borough's customers within the PUC's jurisdiction and transfer, via a 99-year lease agreement, those customers and all of its water system assets to the Authority. The Borough currently serves 3,605 customers outside its municipal boundaries in the Townships of Upper Dublin, Whitpain, Lower Gwynedd and Whitemarsh in Montgomery County, Pennsylvania.

On August 24, 2020, the OCA filed a Notice of Intervention, seeking to protect the interests of the Borough's jurisdictional customers and ensure that the results of the proceeding are just and reasonable and consistent with the requirements of the Public Utility Code. At the end of Fiscal Year 2020-2021, the Townships filed testimony raising concerns whether Ambler Water Authority is a bona fide municipal authority and, as such, whether the Commission should approve the Application and end its regulation of the provision of utility service. If not, then customers are entitled to the protections of PUC regulation.

Borough of Hanover, Hanover Municipal Water Works

Docket Nos. C-2020-3021080, P-2020-3021398. On July 30, 2020, Tim McKercher filed a Formal Complaint against Hanover Municipal Water Works at Docket No. C-2020-3021080. In his Formal Complaint, Mr. McKercher alleged that Hanover plans to abandon an existing water main and construct a new main in a different location. In order to maintain service, Hanover directed Mr. McKercher and other customers connected to the existing main to install and bear the estimated \$5,100 per customer cost of a new service line. In his Formal Complaint, Mr. McKercher stated his opposition to paying for the installation of a new service line and appurtenances. On September 8, 2020, the OCA filed a Notice of Intervention.

Also on August 19, 2020, Hanover filed a Petition for a Declaratory Order at Docket No. P-2020-3021398 requesting that the Commission declare that the customers are required to construct and bear all costs for new service lines pursuant to its approved tariff. On September 8, 2020, the OCA filed an Answer and Notice of Intervention. The matter was referred to mediation on November 25, 2020. As of the end of Fiscal Year 2020-2021, the parties continue to engage in settlement discussions.

City of Bethlehem – Water Department

Docket No. R-2020-3020256. On July 31, 2020, the City of Bethlehem – Water Department (City) filed a tariff supplement seeking Commission approval to increase the rates that it charges for providing service to its customers outside the City boundaries. If the proposed tariff supplement became effective, the City would recover an estimated annual increase in base rate revenues of \$908,421, an approximate overall 10.9% increase at present rates. Under the City's proposal, the total bill for a typical residential customer using 4,000 gallons per month would increase from \$25.31 to \$28.52, or by 12.7%. The City serves 23,341 customers in the City of Bethlehem and 13,800 customers in portions of 11 surrounding municipalities. On August 27, 2020, the OCA filed a Formal Complaint.

The OCA served testimony in support of its position that, as a consequence of the COVID-19 pandemic, it would not be just or reasonable to impose a rate increase on customers at this time. However, if the Commission were to impose a rate increase, the OCA submitted testimony in support of (1) \$443,666 of the revenue requirement increase being allocated to Outside-City customers, (2) a 6.57% weighted average rate of return, a 8.5% return on equity, and an imputed capital structure consisting of 48% debt and 52% equity, (3) proportionately scaling back the rates for all customer classes for which an increase has been proposed, if the Commission authorizes an increase in revenue that is less than Bethlehem's initially requested increase, and, regarding the revenue distribution proposed by Bethlehem, increasing the revenue increase assigned to the Commercial/Public and Industrial classes, and decreasing the revenue increase assigned to the Residential class, and (4) making the Company address service quality issues raised by the OCA's engineering witness and by consumers.

On December 28, 2020, the City and I&E filed a Joint Petition for Partial Settlement. The OCA opposed the Partial Settlement, arguing that the substantial rate increase and the lack of other provisions that were raised in the proceeding were fatal flaws that rendered the Partial Settlement not in the public interest.

On February 11, 2021, the ALJ issued a Decision, recommending adoption of the Partial Settlement and rejecting the OCA's primary position that no increase should be approved for the City due to the impacts of the COVID-19 pandemic. In February and March 2021, the OCA filed Exceptions. By Order entered on April 15, 2021, the Commission denied the OCA's Exceptions and approved the Partial Settlement.

Community Utilities of Pennsylvania, Inc. – Water Division

Docket No. R-2021-3025206. On April 12, 2021, CUPA filed to increase annual base rate revenues for water service by \$757,517, or 36.6%. On the same date, CUPA filed to increase its annual base rate revenues for wastewater service by \$998,705, or 37.4%. CUPA has 3,412 water customers and 3,971 customers in Monroe, Northampton, Chester and Pike Counties.

On May 7, 2021, the OCA filed a Formal Complaint seeking to ensure that rates that are fully justified and in accordance with sound ratemaking principles. Further, the OCA will investigate the Company's proposal to consolidate the customer rates and determine whether consolidation is appropriate at this time. The increase for residential customers using 4,000 gallons per month would increase by 28% for water service and 31% for wastewater service in the consolidated service territory. For typical residential customers in the former Tamiment service area using 2,816 gallons per month, rates

would increase of 71% for water service and 86% for wastewater service. The OCA will also examine whether the Company's purchased water adjustment clause for its former Utilities Inc. Westgate service territory should continue.

A public input hearing was held on June 29, 2021, where customers raised a number of quality of service issues, including a lengthy water outage in the Penn Estates system and water quality concerns in the Tamiment system and the customers universally opposed the magnitude of the proposed rate increases. At the end of Fiscal Year 2020-2021, the OCA was preparing testimony in response to those concerns, to be filed in August and September 2021.

Community Utilities of Pennsylvania, Inc. – Wastewater Divisions

Docket No. R-2021-3025207. See write-up above, under R-2021-3025206.

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. On December 1, 2020, PVRWA filed a report indicating that the School District and half of the residential customers were connected as of November 25, 2020. On January 12, 2021, PVRWA advised that all remaining residential customers have been disconnected from the Miller Water system and are receiving water service from PVRWA and that only some surface restoration remains to be done in the spring. On March 10, 2021, the Commission issued a Certificate for the abandonment and transfer.

Hidden Valley Utility Services - Water and Wastewater

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. On September 11, 2020, the ALJ granted a Motion by HVUS to update the record with progress on the construction of a water treatment plant. On March 8, 2021, the ALJ approved an agreement by the parties to conduct further discovery and update the record regarding construction progress and the current status of the system. The record closed in mid June 2021 and the parties await a Decision by the ALJ.

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. The OCA has been in communication with the above-mentioned customers and is representing the interests of the Indian Springs customers in on-going settlement discussions with Indian Springs, PAWC and the HOA. The parties filed a Settlement on December 15, 2020, which was served to all residents who were connected to the system since 2018.

The ALJ issued a Recommended Decision approving the proposed Settlement without modification on May 10, 2021. While the matter is pending before the Commission, the OCA is working with PAWC to ensure that adequate quantities of drinking water continue to be provided to the five customers still connected to the system.

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.

On February 25, 2021, Aqua advised the Commission that its repeated efforts to negotiate an asset purchase agreement had failed and Aqua requested the Commission re-initiate the Section 529 proceeding. At the end of Fiscal Year 2020-2021, the parties awaited Commission action.

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 would 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. Oral argument was held on October 21, 2020. As of June 2021, the OCA awaits action by the Court.

North Heidelberg Sewer Co.

Docket Nos. I-2018-3001161, M-2018-2645983. A Section 529 investigation was initiated by the Commission's February 9, 2018 Order in Docket No. M-2018-2645983. The OCA will participate in the investigation to ensure that NHSC's customers receive safe, adequate and reasonable service from a viable provider. On the same date the Commission named Aqua PA Wastewater as receiver for NHSC as of March 5, 2018. See write-up below, P-2017-2594688, for additional information.

Docket No. P-2017-2594688. On March 21, 2017, I&E filed a Petition for an Emergency Order related to NHSC and Metropolitan Edison Co. I&E sought an emergency order because NHSC had received a termination notice from Met-Ed. NHSC 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 NHSC's customers. The PUC issued an ex parte emergency order on March 22, 2017, granting I&E's Petition and ordering that NHSC provide notice to its customers that they are not under threat of losing wastewater service as a result of electric service termination, that NHSC pay all of its current bills, and that in the event that the Company 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 NHSC'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 NHSC'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.

NHSC 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 NHSC'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 NHSC comply with the plan to pay its arrearages. As well, the recommendation continued the assurance that Met-Ed will not terminate electric service without prior PUC approval, which helped ensure that NHSC'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, including the appointment of a receiver for NHSC under Section 529(g). In its most recent bi-monthly

status report on May 3, 2021, 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 in August 2021.

Pennsylvania-American Water Co. - Water Division

Docket Nos. A-2020-3019859, A-2020-3020178. On October 9, 2020, PAWC filed an Application seeking approval to acquire the water and wastewater system assets of Valley Township in Chester County, under Sections 1102, 1329, and 507 of the Public Utility Code. Valley furnishes service to approximately 1,670 water customers and 3,125 wastewater customers. The purchase price and amount that PAWC petitioned to have approved as an addition to ratemaking rate base is \$7.325 million and \$13.950 million for the water and wastewater systems, respectively. This is lower than the average of the fair market appraisals of \$11.051 million and \$19.463 million and higher than the depreciated original cost of \$5.370 million and \$9.214 million.

On December 23, 2020, the OCA filed a Protest raising issues related to the appraisals, substantial affirmative public benefits, and whether there are conditions that may be necessary to protect PAWC's existing customers. On May 18, 2021, the Commission notified the parties of final acceptance of the Application. At the end of Fiscal Year 2020-2021, the parties submitted a Settlement to the ALJ for decision.

Docket No. P-2020-3022426. On October 15, 2020, PAWC filed a request for authorization to defer and record as a regulatory asset for future recovery the incremental expenses incurred because of the effects of the COVID-19 emergency, revenue reductions attributable to the effects of the emergency and carrying charges on the amounts deferred. On November 4, 2020, the OCA filed an Answer asking the Commission to deny the Petition, or in the alternative, to impose conditions to ensure there will be opportunity to review the prudence and reasonableness of claims and determine that the costs are properly pandemic-related and will not otherwise be recovered through the base rates established in PAWC's pending rate cases.

The OCA submitted testimony and briefs in support of its recommendations in April 2021. The OCA's recommendations included that late fee revenue, amounts related to a loan taken by the parent company and not utilized, carrying costs were beyond the scope of costs reasonably recorded to the regulatory asset, that offsetting incremental savings should also be recorded, and that there should be a cut-off date for the expense deferrals. The OCA also sought further detailed review and investigation prior to PAWC

charging the deferred costs to ratepayers. A Recommended Decision was issued in late June, which recommended adopting most of the OCA's recommendations for limiting the scope of costs recorded to the regulatory asset, although they did not adopt a hard cut-off date for recording costs and postponed decision regarding what offsetting savings should be included in the asset. At the end of Fiscal Year 2020-2021, the matter was before the Commission.

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. On August 6, 2020, the Commission entered an Order granting PAWC's Petition, rescinding the February 2019 Order and approving PAWC's tariff supplement, which is consistent with the directives of Act 53. As such, PAWC will use the no gross-up method with respect to Customer Advances for Construction, Customer Contributions in Aid of Construction and Customer Deposits for Construction.

Docket Nos. R-2020-3019369, R-2020-3019371. On April 29, 2020, Pennsylvania-American Water Company filed a multiyear rate plan 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. Also due to the pandemic and the complicated nature of PAWC's filing – the MRP, establishing new rates for systems acquired pursuant to Section 1329 of the Public Utility Code and the allocation of costs related to the replacement of lead service lines and stormwater – the OCA filed a request to extend the statutory suspension period by 45 days, which was granted.

On September 8, 2020, the OCA filed testimony recommending that PAWC's proposed rate increase be rejected due to the recent financial hardships faced by customers from the COVID-19 pandemic. If, however, a rate increase is approved, the OCA's recommended adjustments supported a lesser overall rate increase than proposed by the Company. Additionally, the OCA opposed PAWC's proposed surcharges for Regionalization and Consolidation, Pension, and Pension-related expenses as unreasonable additional charges. Moreover, the OCA challenged proposed tariff language which limited PAWC's legal liability. On October 30, 2020, the Company filed a Joint Petition for Non-Unanimous Settlement of Rate Investigation that was entered into by the Company, I&E, and the Pennsylvania-American Water Large Users Group. The OCA opposed the Non-Unanimous Settlement because the level of the rate increase, the excessive subsidy by water customers of wastewater revenue requirement, and the failure to require PAWC to propose stormwater rates rendered the Non-Unanimous Settlement as not being in the public interest.

The ALJ's Decision was issued on December 23, 2020, recommending approval of the Non-Unanimous Settlement. On February 25, 2021, the PUC adopted that recommendation, with a modification directing PAWC to remove the proposed tariff provisions on limitation of liability which were challenged by the OCA.

Pennsylvania-American Water Co. - Wastewater Division

Docket No A-2020-3019634. On July 14, 2020, PAWC filed an Application seeking approval to acquire the wastewater system assets of Royersford Borough in Montgomery County, under Sections 1102, 1329, and 507 of the Public Utility Code. The Borough's wastewater system serves nearly 1,600 customers and PAWC provides wastewater service to approximately 74,000 customers. The purchase price and amount that PAWC petitioned to have approved as an addition to ratemaking rate base is \$13,000,000, the average of the fair market appraisals by PAWC's and Royersford's experts is \$13,494,401, and the depreciated original cost of the assets is \$5,173,559. PAWC also requested approval of their Asset Purchase Agreement as well as other municipal agreements, pursuant to Section 507 of the Public Utility Code, and that the

Commission issue an Order and Certificate of Public Convenience approving and addressing the other items requested in its Application.

On July 29, 2020, the OCA filed a Protest raising issues related to the appraisals, substantial affirmative public benefits, and whether there are conditions that may be necessary to protect PAWC's existing customers. Notice of the Application were mailed to existing PAWC water and wastewater customers and Royersford customers.

The OCA filed Direct Testimony on December 22, 2020, showing that both UVEs' Fair Market Value (FMV) estimates were higher than the purchase price of \$13 million, however, the OCA's expert witness demonstrated when reasonable adjustments are applied to the appraisals, and averaged, the resulting FMV estimate is \$9.3 million which is less than the negotiated purchase price. Further, under PAWC's proposal, the associated revenue requirement is not supported by current rates and the anticipated rate increases are significant – 2.2% for existing PAWC wastewater customers and 69.8% for Royersford customers.

Prior to evidentiary hearings, the parties filed a Settlement on January 29, 2021. The Settlement resolved all issues and was submitted to the ALJ for approval. The ALJ approved the settlement without modification. On May 7, 2021, the Commission issued an Order adopting the Recommended Decision.

Docket Nos. A-2020-3019859, A-2020-3020178. See write-up above, under PAWC-Water Division.

Docket No. A-2020-3021460. On November 24, 2020, PAWC filed an Application seeking approval to acquire the water and wastewater system assets of Upper Pottsgrove Township in Montgomery County, under Sections 1102, 1329, and 507 of the Public Utility Code. Upper Pottsgrove furnishes wastewater service to approximately 1,447 customers in Montgomery and Berks Counties. The purchase price and amount that PAWC petitioned to have approved as an addition to ratemaking rate base was \$13.75. This was lower than the average of the fair market appraisals of \$17.32 million and higher than the depreciated original cost of approximately \$11.77 million.

On February 3, 2021, the OCA filed a Protest raising issues related to the appraisals, substantial affirmative public benefits, and whether there are conditions that may be necessary to protect PAWC's existing customers. After investigation and discussions, the parties filed a Settlement on June 25, 2021. At the end of Fiscal Year 2020-2021, the Settlement was pending before the ALJ.

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 LTIIP, which OCA reviewed and, on November 2, 2018, filed Comments to ensure that the LTIIP 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.

Per the November 28, 2018 Secretarial Letter, the OCA participated in workshops convened by the Commission's Bureau of Consumer Services (BCS) regarding PWSA's compliance with the applicable billing and consumer protection regulations. The parties also participated in extensive settlement conferences, which resolved many but not all issues in the 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.

On June 18, 2020, the Commission entered an Order, which addressed Petitions for Reconsideration filed by several parties. The Commission did not reconsider matters bearing on the issues raised by the OCA. The Commission directed PWSA to file a compliance proposal by September 30, 2020. On August 27, 2020, the Commission entered an Order approving the PWSA's amended LTIP.

On October 15, 2020, the OCA filed Comments in response to PWSA's September 30, 2020 compliance proposal. The OCA generally supported the proposal but requested the Commission include certain accommodations, for example, where service could be terminated to a tenant who has no ability to agree to the replacement of the private

service line. The OCA requested that PWSA be afforded discretion to take into account the individual situations it encounters, rather than be required to terminate service in all situations where notice requirements are met. The OCA also opposed termination during the pandemic and winter termination moratorium or where there is a declaration of medical emergency. Finally, the OCA asked the Commission to deny PWSA's request for a new expedited complaint process.

On February 4, 2021, the Commission entered an Order, which partly addressed the OCA's concern regarding tenants by (1) requiring PWSA to develop tariff provisions establishing step-in rights for the Authority to make necessary replacements of private lead service lines where a landlord is nonresponsive and (2) denying PWSA's request for a new complaint process. The Commission also established a schedule for the Stage 2 portion of the compliance proceeding.

On March 26, 2021, PWSA filed its Supplemental Compliance Plan Regarding Line Extensions in which it outlined how it plans to come into compliance with the Commission's line extension regulations. On April 9, 2021, PWSA filed its Stage 2 Compliance Plan: Stormwater where it discussed its stormwater system and how it plans to implement its new stormwater fee. On April 9, 2021, PWSA filed a Motion to hold the Compliance Plan proceeding in abeyance because of the difficulty in determining how to handle overlapping issues between the Compliance Plan proceeding and PWSA's 2021 Base Rate Case which was filed on April 13, 2021. The OCA supported this approach. On April 30, 2021, PWSA filed its Compliance Plan Quarterly Update Report for the First Quarter of 2021 where it provided updates on compliance plan requirements related to operations, billing/customer service, lead, infrastructure/engineering, finance and accounting and contractual/other issues. By Opinion and Order on May 20, 2021, the Commission granted the Motion to hold the stormwater compliance proceeding in abeyance pending resolution of issues in the 2021 Base Rate Case.

The BCS scheduled two workshops to obtain stakeholder input pertaining to compliance of PWSA with billing and collection requirements of Chapter 14 of the Public Utility Code and Chapter 56 of the Commission's regulations. The OCA participated in workshops held in June 2021, where stakeholders had the opportunity to review and comment on PWSA's billing and collection procedures to ensure that they are in compliance with applicable requirements. At the end of Fiscal Year 2020-2021, the parties were engaged in informal discovery on the matters addressed by the Compliance Plan.

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.

The OCA joined in a Settlement that was filed on September 30, 2020, which provided that PWSA would withdraw its multi-year rate increase and agreed to a reduced increase of \$19 million, inclusive of a 5% DSIC, effective January 14, 2021. This would limit the monthly bill increase for a typical residential customer to \$5.01, or 10.15% for water and \$1.84, or 7.95% for wastewater. PWSA also agreed to a number of the OCA's modifications to the proposed DSIC mechanism, which will help to minimize overcollections, keep the charge as low as possible, and prevent commingling of the water and wastewater DSIC revenues to ensure that PWSA does not prioritize water or wastewater projects to the detriment of the other service.

The Settlement adopted additional consumer protections recommend by the OCA, including that PWSA will waive reconnection fees through the end of the next rate case or one year from the date of the final order in the current proceeding, whichever is later.

Also, PWSA will perform targeted outreach to customers with existing debt to negotiate appropriate payment arrangements and will waive its Hardship Grant Program's payment requirement for a set amount of time. Together, these provisions are intended to mitigate the impact of the rate increase and help customers maintain service.

On December 3, 2020, the Commission entered an Order adopting the ALJ's recommendation and approving the Settlement without modification.

Docket Nos. R-2021-3024773, R-2021-3024774, R-2021-3024779. On April 13, 2021, PWSA filed a request with the PUC to increase its water rates, decrease its wastewater rates, and begin charging rates for stormwater service. PWSA requested a total increase to base rates in the amount of \$32.20 million or 17.1% to be phased-in over two years (\$22.0 million to be recovered in 2022 and the additional \$10.20 million to be recovered in 2023). PWSA's proposal included information about how it plans to implement its new stormwater fee and other features related to PWSA's low income customer assistance programs. PWSA stated that the need for the increase was 1) for salaries and benefits (\$3.2 million or 33%) and costs of washout disconnection and combined sewer overflow monitoring (\$3.8 million or 39%); 2) to fund its Capital Improvement Plan which includes numerous capital projects necessary to meet regulatory requirements; and 3) a result of financial stress caused by the COVID-19 pandemic.

In June 2021, the OCA was preparing testimony to address issues including revenue requirement, rate design, quality of service, customer service, and the proposed stormwater service fee structure and related customer education.

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.

On July 23, 2020, Act 70 of 2020 was enacted, which provided that the 2019 Cooperation Agreement supersedes any provision of the Public Utility Code, Commission regulation or Order pertaining to issues covered by the cooperation agreement, including PWSA's rates, terms and conditions of service rendered to the city and the respective rights and duties between the authority and the city, until January 1, 2025. As such, the parties agreed that PUC review and approval of the cooperation agreement was not required and PWSA filed an unopposed request to withdraw the Petition on August 7, 2020. On October 14, 2020, the Commission entered an Order approving the unopposed Petition to withdraw and closing the case.

Reynolds Disposal Co.

Docket No. R-2020-3019612. On June 30, 2020, Reynolds Disposal Company filed a tariff supplement seeking approval to recover an estimated annual increase in base rate revenues of \$215,646. This represents an approximate overall 48% increase in the Company's annual revenues at present rates. This amount includes a proposed \$198,426 increase, or 55%, in base rates and a proposed increase in its PENNVEST surcharge of \$17,220, 20%. Under the Company's proposal, the proposed rates for an average customer using 9,000 gallons per quarter would increase from \$98.91 to \$146.35, or by 48%. Reynolds serves approximately 685 customers (559 residential) in the Townships of Pymatuning, Delaware and Hempfield, Mercer County.

On July 27, 2020, the OCA filed a Formal Complaint against the proposed rate increase. Approximately twenty-five customers filed Formal Complaints. Following a Public Input Hearings and mediation, the parties filed a Settlement on January 22, 2021. The Settlement provides for an overall increase in annual revenues of \$135,000, or 30%, phased in over three phases to mitigate the rate impact, and represents a 37% reduction from the Company's requested increase.

The Commission adopted the ALJ's recommendation and entered an Order approving the Settlement without modification on April 15, 2021.

School House Village - Water Division

Docket No. A-2019-3007833. On or about 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. 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. On May 15, 2020, the Company provided pictures confirming that additional grading work identified by TUS was completed. On January 27, 2021, the Commission issued a Certificate of Public Convenience for the abandonment of water service.

Twin Lakes Utilities, Inc.

Docket No. P-2020-3020914. On July 16, 2020, Twin Lakes filed a Petition for a Commission Order directing a capable public utility to acquire Twin Lakes pursuant to 66 Pa. C.S. § 529. Twin Lakes is a wholly-owned subsidiary of Middlesex Water Company, a New Jersey corporation. Middlesex provides complete operational and financial support to Twin Lakes pursuant to a Service Agreement. On June 1, 2020, Middlesex informed Twin Lakes that it would terminate the Service Agreement effective on September 1, 2020. It also issued a Request for Proposal to proximate capable public utilities to acquire Twin Lakes.

On August 5, 2020, the OCA filed an Answer in Support of Twin Lakes' Petition. The OCA's position is that Twin Lakes is not a viable utility. Service is inadequate and the capital expenditures that are needed to improve the system and the supply are too high for the 114 customers to bear, even assuming that financing could be secured. Acquisition by a capable utility is, in the OCA's view, the only feasible long-term solution. On August 18, 2020, the OCA filed a Petition requesting that a receiver be appointed as a result of Twin Lakes' representation that no qualified offers were received in response to the RFP and that Twin Lakes would cease providing service as of September 1, 2020. The ALJ denied the OCA's Petition but Twin Lakes and Middlesex reached an agreement to extend the Service Agreement to October 1, 2020. Twin Lakes has subsequently extended its Service Agreement with Middlesex on a month-to-month basis.

By Order entered January 14, 2021, the Commission appointed Aqua as receiver of Twin Lakes effective January 15, 2021. In February 2021, the OCA filed Briefs supporting its position that Aqua should be required to take ownership of Twin Lakes. In the OCA's view a takeover would provide a long-term solution to the problems which continue to face the system, including high water bills, boil water advisories and inadequate communication to customers, and past exceedances of the lead action

level. On March 15, 2021, Aqua filed an Initial Status Report on the operations of the Twin Lakes system pursuant to its appointment as receiver.

On April 22, 2021, the ALJ issued a Recommended Decision ordering that Aqua acquire Twin Lakes subject to the condition that within thirty (30) days after the Commission's final action Middlesex place in escrow \$1,675,000 to be used to offset the costs of replacing and remediating Twin Lakes' existing infrastructure. At the end of Fiscal Year 2020-2021, the OCA was awaiting Commission action on the Recommended Decision.

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 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. On October 29, 2020, the Commission issued an Order denying the Petition in its entirety.

Utilization of Electric Storage in Electric Distribution Planning

Docket No. M-2020-3022877. On December 3, 2020, a Secretarial Letter was issued on behalf of the Commission seeking comments from utilities and other stakeholders on potential future regulatory policies related to the utilization of electric storage within electric utility distribution planning. The Commission sought input on the following

issues: (1) what applications can electric storage provide as a distribution asset, (2) what are the defining characteristics of electric storage, and (3) is it prudent for utilities to include electric storage in their distribution resource planning and, where and under what circumstances is it appropriate for utilities to include such investments in rate base.

On February 18, 2021, the OCA filed its Comments and a report prepared by Rakon Energy LLC on behalf of the OCA. In its Comments, among other things, the OCA supported the use of electric storage as a distribution asset and a potential non-wires alternative. The OCA noted, however, that the Commission should begin to utilize integrated distribution planning processes and implement new national interconnection standards on a statewide basis to realize the full value of electric storage. At the end of Fiscal Year 2020-2021, the matter was pending before the Commission.

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 Rulemaking

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 (ILEC) 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 PUC issued a Notice of Proposed Rulemaking in September 2020. The PUC corrected the Notice and proposed rules in March 2021. The PUC proposed regulatory

amendments based in part on OCA recommendations. The OCA filed Comments in May 2021 which support in part the revised regulatory framework proposed in the NOPR. The OCA emphasized the ongoing need for regulations which describe the obligations of telecommunications providers to provide continuous, quality service. The OCA also supported continuation of the regulatory framework which governs the retail relationship between local exchange providers and residential consumers. Even where consumers have competitive choices, an outage or suspension of service imposes an immediate harm on the consumer and the public. The OCA filed Reply Comments in June 2021, iterating that competitive forces are not sufficient to assure quality service in all contexts. At the end of Fiscal Year 2020-2021, the OCA awaited Commission action.

Pole Attachments

Docket No. L-2018-3002672. In September 2019, the Commission adopted new Chapter 77 regulations. Under Chapter 77, 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. In areas of the Commonwealth without adequate broadband service, utility poles are a resource for expansion of third party broadband networks. The OCA participated in the first Pole Attachment Working Group meeting in October 2020 and will participate in a second meeting in July 2021. The OCA will also participate on the sub-group that monitors federal regulatory developments which may impact the Commission's processes for resolution of pole attachment disputes.

GENERIC PUC PROCEEDINGS: WATER / WASTEWATER

Acquisition Filing Requirements

L-2020-3017232. In an Advanced Notice of Proposed Rulemaking entered on April 30, 2020, the Commission asked stakeholders to provide Comments addressing whether the documentation requirements required of well-established water and wastewater service providers for acquisitions, mergers and transfers is too extensive and whether improvements can be made to its regulations to improve service through regionalization of water and wastewater services.

On July 15, 2020, the OCA filed Comments, which identified some modifications that could make the process more efficient and provide cost savings for customers. To ensure that stakeholders have full access to the proceedings affecting them, the OCA

opposed modifications to shorten the period for filing Protests or reduce notice afforded to customers. The Comments remain pending before the Commission at the end of Fiscal Year 2020-2021.

Water Audit Methodology

Docket No. L-2020-3021932. On September 17, 2020, the Commission entered an Order initiating an Advanced Notice of Proposed Rulemaking (ANOPR), in which it asked stakeholders to address issues regarding the replacement of the Policy Statement at 52 Pa. Code § 65.20 with a Commission regulation which “will enable the Commission to more comprehensively address public utility water loss in the Commonwealth.” The OCA filed general Comments on November 24, 2020 regarding the process and availability of the water audit information, seeking to make the reports easier to find and to help ensure the accuracy and consistency of the data. At the end of the last Fiscal Year, the matter was pending before the Commission.

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. As of June 2021, the matter is pending before the PUC.

GENERIC PUC PROCEEDINGS: IMPLEMENTATION OF ACT 11 OF 2012

Fully Projected Future Test Year

Docket No. L-2012-2317273. 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, 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

Docket Nos. L-2020-3019521, M-2019-3013286. 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 and Law Bureau 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.

On September 17, 2020, the PUC approved a Notice of Proposed Rulemaking (NOPR) to establish standards, processes, and procedures by regulation to ensure a warranty on the utility's replacement work and reimburse customers who replaced LSLs and DWSLs at their own cost, including planning and reporting, communication, replacements, refusals, valuation/return, and rates.

In June 2021, the OCA submitted Comments recommending revisions to the proposed regulations that try to simplify and broaden the requirements to allow for sufficient flexibility for each utility, while also ensuring that LSLs and DWWLs are replaced in an efficient and expeditious manner. At the end of Fiscal Year 2020-2021, the OCA was preparing Reply Comments in support of its position.

GENERIC PUC PROCEEDINGS: MORATORIUM ON COMPETITIVE ENERGY SUPPLIER IN-PERSON MARKETING

Emergency Order

Docket Nos. M-2020-3019254. On March 16, 2020, the PUC issued a Moratorium on electric and natural gas supplier door-to-door and in-person marketing to “to help minimize non-essential personal social contact” in alignment with the Governor’s Emergency Proclamation addressing the COVID-19 pandemic. On May 20, 2020, NRG petitioned the PUC to partially rescind the portion of the moratorium prohibiting suppliers from engaging in in-person marketing inside retail businesses now open as a result of restrictions lifted by the Governor in his reopening plan. On June 15, 2020, Statewise LLC and SFE Energy, Inc. filed an expedited Petition requesting a partial rescission, or partial waiver, of the Moratorium on door-to-door and in-person marketing. On June 18, 2020, IGS, Inc. also filed a Petition for Partial Rescission of the Moratorium on door-to-door and in-person public event marketing. On July 13, 2020, Direct Energy filed a Petition for Modification or Clarification of the PUC’s June 4, 2020 Order concerning the prohibition on in-person marketing to commercial, industrial, and governmental customers.

The OCA filed Answers opposing the Petitions and requested that the Moratorium remain completely in force to limit unnecessary in-person contacts and protect customers as the State continues to battle the COVID-19 pandemic. In support, the OCA argued that the right of individuals to feel safe and free from unwarranted in-person contact inside retail businesses, office locations, at public events, and, especially at their own homes is paramount to the suppliers’ interest in conducting in-person marketing during the pandemic. The OCA also noted that remote sales and marketing channels – including outbound telemarketing, inbound calls, website advertising and enrollment, media advertising, PA Power Switch, and utility Customer Referral Programs – remain open, viable channels for suppliers to continue sales and marketing activities.

On June 4, 2020, the PUC granted NRG's Petition and rescinded only a narrow portion of the Moratorium on in-person marketing inside retail businesses with instructions for suppliers to report their intent to resume this type of in-person marketing to Office of Competitive Market Oversight and the Bureau of Consumer Services in advance and to comply with all relevant orders and guidance issued by the Governor and Secretary of Health. On July 16, 2020, the PUC denied the Petitions of Statewise, SFE and IGS finding, consistent with the OCA's position, that the Moratorium on door-to-door and in-person marketing remained necessary to minimize non-essential in-person social contact to commercial, industrial, and governmental customers. By Orders entered on August 27, 2020, the Commission denied Petitions for Rehearing/Clarification filed by IGS and Direct Energy.

On October 22, 2020, NRG filed a second Petition to partially rescind the March 16, 2020 Moratorium Order to permit suppliers to resume conducting in-person marketing and sales at outdoor events. The OCA filed an Answer on November 2, 2020, in which it did not oppose NRG's petition under certain conditions. On December 2, 2020, the Commission approved NRG's petition under the conditions that suppliers engaging in in-person sales and marketing activities at outdoor public events must comply with all relevant orders and guidance of the Governor and the Secretary of Health and report to the Commission their intent to resume in-person sales and marketing activities at outdoor public events, including the name, date, time, and location of the event.

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. As of June 2021, the matter is pending before 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. In 2019, Pennsylvania telecommunications carriers and broadband service providers received over \$61.4 million in federal Universal Service Fund support for high cost and Connect America Fund support for voice and broadband networks, out of \$5.146 billion in funding nationwide.

The efficient operation of the Lifeline universal service program is of vital importance to Pennsylvanians. The federal USF paid out \$982 million in 2019 for Lifeline discounted service nationwide. That amount included \$40.4 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. At the end of Fiscal Year 2020-2021, the OCA is monitoring the developments.

WC Docket No. 11-42. In May 2021, the FCC opened for comment NASUCA’s 2016 petition for reconsideration of the FCC’s Spring 2016 Third Report and Order reforming the Lifeline program. In June 2021, the OCA was drafting NASUCA Comments for filing in early August 2021, to address the level of support for voice services purchased by Lifeline households and USF contributions reform.

WC Docket No. 19-126. In August 2019, the FCC proposed to create a “Rural Digital Opportunity Fund” (RDOF) to distribute \$20.4 billion in Universal Service Fund (USF) support over ten years to support deployment of broadband to underserved areas. In

Fall 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 FCC held the RDOF auction in October 2020. Several companies had winning bids to secure RDOF funding to extend broadband service to specific, unserved census blocks in Pennsylvania. The companies propose to use varying technologies, including wireless and satellite. As of March 2021, the OCA is monitoring the next steps as these companies finalize their eligibility to receive the RDOF funding and commence build-out over six years.

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

Columbia Gas Transmission, LLC

Docket No. RP20-1060-000. On July 31, 2020, Columbia Gas Transmission submitted a general rate case filing to FERC pursuant to section 4 of the Natural Gas Act. In its Filing, Columbia proposed: (a) to increase its annual base rates by \$2.3 billion, including a proposed 16.1% Return on Equity; (b) to roll in the costs of certain expansion facilities; (c) to establish a modernization cost recovery mechanism; and (d) on a prospective basis, following a Commission order approving the proposal, to change from its existing postage-stamp rate design to a two-zone rate structure. In addition, Columbia proposed to dispose of a very large low pressure system (LPS) either through sale or potentially abandonment. The LPS currently serves approximately 15,000 customers between West Virginia and Pennsylvania.

The OCA, in conjunction with consumer advocate offices in New Jersey, Delaware and Maryland (Joint Consumer Advocates or JCA) submitted a Joint Protest. The JCA's primary concerns were the large rate increase and the potential change to a two-zone rate structure. The OCA was also concerned about the possible sale or abandonment of the LPS. In early September 2020, FERC issued an order suspending the tariff filing for at least 5 months and appointed a Settlement Judge. Since that time the Parties have engaged in settlement discussions.

Cyber Security Measures and Investments

Docket No. RM21-3-000. On December 17, 2020, FERC issued a Notice of Proposed

Rulemaking as to providing financial incentives to public utilities that voluntarily take additional cyber security measures and investments.

On April 6, 2021, the OCA along with consumer advocate offices from Colorado, Iowa, Maryland, Ohio and the District of Columbia (Joint Consumer Advocates or “JCA”) submitted Joint Comments to the NOPR. The JCA Comments centered in large part on the lack of any substantial benefits to consumers that would be obtained by financially incentivizing utilities to invest more money into additional cyber security measures. The JCA noted that the North American Electric Reliability Corporation (NERC) already has significant cyber security rules and regulations in place that these public utilities must adhere to. The JCA argued that if FERC believed additional measures were necessary, beyond what NERC already requires, then a better choice may be to revisit the NERC rules and regulations in this area. The disposition of this matter is currently pending at FERC.

Keystone Appalachian Transmission Co. and South FirstEnergy Companies

Docket Nos. ER21-265-000, ER21-253-000. On October 29, 2020 and on October 30, 2020, two separate filings were submitted to FERC in order to establish forward looking formula rates. The first filing was submitted on behalf of the South FirstEnergy Companies (SFC), which are comprised of Potomac Edison Electric Company, Monongahela Power Company and West Penn Power Company. This filing seeks to replace the current “stated rates” of these Companies with formula rates. The second filing was submitted on behalf of the Keystone Appalachian Transmission Company (KATCo) in order to create formula rates for this new entity. KATCo was created as a stand-alone transmission company to acquire all of the transmission assets of Potomac Edison and West Penn Power. In order to accomplish this transaction, KATCo will need to make additional filings with FERC, and the public utility commissions of Maryland, West Virginia and Pennsylvania. These additional filings have yet to be made.

In response to these filings, the OCA joined a group of entities, which includes the Allegheny Region Large Users Group, the Maryland Office of People’s Counsel and West Virginia Consumer Advocate Division, collectively, the Allegheny Regional Customer-Aligned Parties (ARCAP). On November 19, 2020, ARCAP filed a Joint Protest and Motion to Consolidate these matters. The ARCAP Protest challenged the proposed return on equity of 10.85%, many of the protocols found in the proposed formula rates, and also the procedure that the Companies were following by not concurrently, or at least very shortly after the initial filings, not filing their Applications for the actual acquisition of the assets.

On December 31, 2020, FERC issued an Order suspending the tariff filings for a period of at least 5 months, consolidating these two proceedings, and referring the matters to a Settlement Judge. Since that time the parties have engaged in several settlement conferences. At the end of Fiscal Year 2020-2021, talks were continuing.

PPL Electric Utilities Corporation

Docket No. EL20-48-000. On May 20, 2020, the PP&L Industrial Customer Alliance submitted a Complaint to FERC against PPL requesting that FERC: (1) find that PPL's existing 11.18 percent base return on equity is unjust and unreasonable, and (2) establish a new ROE that would meet the just and reasonable standard. PPLICA argued for an ROE of 8%. On June 10, 2020, the OCA intervened in this matter in order to protect the interests of PPL's customers.

On October 15, 2020, FERC issued an Order setting this matter for evidentiary hearings, but also referring the matter to settlement proceedings first. The OCA is participating in settlement discussions and continues to review the matter.

CONSUMER AND LEGISLATIVE OUTREACH

Testimony, Presentations and Speaking Engagements

Acting Consumer Advocate Tanya McCloskey and Interim Acting Consumer Advocate Christine Maloni Hoover provided testimony or remarks, or served as a panel participant or moderator, in the following public forums during the last Fiscal Year:

9-22-2020	Before the Pennsylvania House Commerce Committee	Harrisburg PA	Remarks on "What Comes Next...The Impacts of Covid Crisis"
9-29-2020	Before the Pennsylvania Senate Democratic Policy Committee	Harrisburg PA	Remarks on Electricity Outages, Reliability, Preparedness
9-30-2020	Pennsylvania Bar Institute - Public Utility Bench Bar Conference	Harrisburg PA (Virtual)	Moderator of Regional Green House Gas Initiative Panel; Panelist on Public Input Hearing Panel

10-26-2020	Before the Pennsylvania House Democratic Policy Committee	Harrisburg PA	Remarks on Utility Terminations
11-14-2020	AKA Sorority Energy Forum	Harrisburg PA (virtual)	Panel regarding the OCA's role and programs available to assist energy consumers
12-7-2020	National Council on Electricity Policy	Washington D.C. (virtual)	Panel Moderator: Exploring Optimization through Benefit-Cost Analysis
12-14-2020	Northwestern University Law School	Chicago IL (virtual)	Panel regarding Retail Choice
2-24-2021	KDKA Radio	Pittsburgh PA (phone)	Discussion regarding the Texas energy crisis: "Could it happen in PA?"
3-11-2021	AKA Sorority Energy Forum	Harrisburg PA (virtual)	Panel regarding Utility Assistance During the Pandemic
5-5-2021	National Association of Retired and Active Federal Employees (NARFE)	East Norriton PA (virtual)	Presentation on Electric and Gas Shopping
5-26-2021	Before the Subcommittee on Public Utilities and the Subcommittee on Government and Financial Oversight	Harrisburg PA	Testimony regarding Section 1329 of the Public Utility Code
6-10-2021	StateImpact PA WPSU Radio	State College PA (phone)	Discussion regarding electric shopping: "Experts say to do your homework"

Due to safety precautions during the Covid-19 pandemic, the OCA was not requested to attend senior fairs or expos in-person during the last Fiscal Year. Consumer Liaison Heather Yoder, and other members of the OCA Staff helped to support a number of

curbside and virtual events by providing informational materials to be included in packets distributed or mailed to seniors in August and September 2020:

Curbside Senior Expo sponsored by Representative R. Lee James	Seneca, PA
Virtual Senior Fair sponsored by Representative Frank Dermody	Cheswick, PA area
Drive-thru Senior Expo sponsored by Representative David Millard	Bloomsburg, PA
Mobile Mini Senior Health Expos sponsored by Representative Dan Deasy	Pittsburgh, PA area
55+ Drive-thru Senior Expo sponsored by Senator Elder Vogel	Monaca, PA
Drive-thru Senior Fair sponsored by Representative Ryan Bizzarro	Erie, PA

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 43 Followers on Twitter and posted 208 Tweets. On Facebook, we gained 33 Followers and posted 205 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 2020-2021 Fiscal Year, we had a total of 6,987 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 who was experiencing a telephone outage due to a damaged pole. The customer tried several times to reach the utility to resolve the issue. We reached out to the utility on the consumer's behalf. The utility restored the service and issued an out of service credit.

We assisted a consumer who had been trying for four months to have a long distance charge removed from her landline telephone bill. She contacted the utility multiple times about the charge but it had not been removed from her bill. We contacted the utility on the customer's behalf. The utility removed the charge and gave her credit for the four month period.

We assisted a consumer who experienced a power outage after a storm. She reached out to the utility and was given various restoration times but they found all connections on their system were working properly. We reached out to the utility on the consumer's behalf. The utility visited the property and found the wiring detached from the house. Since this is the consumer's responsibility, she called an electrician who repaired the wiring and restored service.

We assisted a consumer who signed up with an electric generation supplier (EGS) but was not charged the rate in his contract. The customer received incorrect bills for three months. On several occasions, the customer contacted the EGS he was told the matter would be resolved. We contacted the EGS on the consumer's behalf. The EGS adjusted the rate and refunded the customer for the amount he overpaid.

We assisted a consumer who had a weeklong internet outage. They contacted the utility several times and each time were given a new service call date. The last date the utility gave was two weeks away. This was unacceptable as the consumer had children remote learning due to the pandemic. We contacted the utility to see if they could expedite the service call. They agreed and the consumer reported that he was back online within a few days.

We assisted a veteran who was referred to our office by Veterans Affairs. The consumer was trying to find financial help with utilities and housing. We contacted a charitable organization for veterans and provided the consumer with information from that organization. We also gave the consumer contact information for assistance programs such as LIHEAP and the Dollar Energy Fund.

We assisted a consumer who was having a disagreement with her electric utility. The customer claimed that she gave the utility verbal notification that she was moving from the property. However, she received a bill for the month following the date she moved. We contacted the utility on her behalf and the utility waived the bill for the month after she moved.

We assisted a consumer with a complaint against the gas utility that serves her rental property. The utility moved the meter from the inside to the outside of the home and they did not restore the property upon completion of the project. We contacted the utility

on the consumer's behalf. They responded by having their operations team make the necessary repairs to restore the property back to its normal state.

We assisted the power of attorney of an elderly consumer who was receiving a high volume of calls from various electric generation suppliers. After examining her bills and speaking with the electric distribution utility, we determined that the customer's account was changing every few days and that one supplier charged an early termination fee (ETF). We suggested to the POA to remove the customer from the eligible customer list, which is managed by the electric distribution company, to help decrease the number of calls. We also contacted the supplier that charged the ETF and requested the ETF be waived for the elderly customer. The supplier agreed to waive the ETF associated with the customer's service contract.

We assisted a consumer whose landline telephone service suddenly stopped working. She contacted the utility and they told her someone requested a change on the account. The customer informed us that she never requested any changes. We contacted the utility on the customer's behalf. The utility reinstated her service with the same phone number.

We assisted a consumer who was having a billing dispute with a telephone utility. The consumer starting receiving a bill for a number he has not had for several years. He contacted the utility several times to correct the billing issue and each time he was promised it would be corrected. We reached out to the utility on the consumer's behalf. The utility contacted the consumer and advised the bill would be adjusted to reflect a zero balance.

We assisted a consumer who had questions about his electric utility's standard offer program. He saw information regarding the standard offer program on the PUC's shopping website. He called the PUC for information but they were unable to answer his questions. The consumer contacted our office for information. We put him in touch with the utility and they assisted him in signing up for their standard offer program.

We assisted a consumer who was without internet and phone service for ten days. We contacted the utility on the consumer's behalf. They restored the service and gave the consumer a bill credit for the time they were out of service.

We assisted a consumer who received his telephone bill a month late. He contacted the utility regarding the bill and they told him he was responsible to pay the late fee. We contacted the utility on the consumer's behalf and they agreed to waive the late payment fee.

We assisted a consumer who did not receive a telephone bill for two months. He tried to contact the utility several times but was unsuccessful. We contacted the utility on the consumer's behalf. The utility contacted the consumer and determined the issue was likely due to post office delays. They confirmed he was coded to receive paper bills and that timely delivery of the bills resumed.

We assisted a consumer who requested that his DSL be service stopped on his phone bill. The consumer made the request months before he realized he was still being charged for it. After we contacted the utility on the consumer's behalf, the consumer was given billing credits and a consumer courtesy credit.

We assisted a consumer who had switched from one supplier to another. The consumer noticed on his billed that he was being charged from both suppliers at the same time for about 10 days. After our office reached out to the electric distribution utility on the consumer's behalf, the utility made the needed billing adjustment and gave the consumer billing credits for the overlapping 10 days.

We assisted a consumer whose phone service was going out every Sunday. The outages had occurred for about three weeks. We contacted the utility on behalf of the consumer, who advised that area was being affected by a group outage. The group outage issue was fixed, and the utility also sent a technician to the consumer's home to confirm that service was fully restored and that there were no problems with the consumer's service line.

We assisted a consumer who contacted our office because he was overcharged by his electric generation supplier. The customer contacted the supplier directly and was told a credit would be added to his account but that did not happen. After multiple attempts over the course of three months, the customer contacted our office for assistance. We contacted the supplier on the customer's behalf and was able to obtain ensure that the credit would be added to the next bill. When we followed-up, the customer confirmed that the credit was added.

Our office assisted a consumer who had received a termination notice from his water utility. The customer originally disputed the bill when he moved into the property but continued to pay the bill since. We contacted the utility on the customer's behalf and checked on the termination status and the original dispute from the customer. We were able to confirm with the company that the customer was not in termination status and to obtain the refund for the customer.

We assisted a customer who had a zero usage reading on one monthly water bill followed by a water bill that had excess usage that caused an overcharge for the

customer. The customer felt that if actual readings were done, she would not have been charged for exceeding 3000 gallons of water use. We contacted the water utility on the customer's behalf and were able to ensure a credit would be added to her account. The customer was satisfied with our assistance and the credit amount she received.

We assisted a consumer who was going to have his electricity terminated for nonpayment. He tried several times to work out a payment agreement with the electric utility, but the utility refused to make a payment arrangement. We were able to assist the consumer with finding financial hardship assistance from a charitable organization. With the grant from the charitable organization, the utility stopped the termination and set up a 59-month payment arrangement for the consumer for the remaining balance.

We assisted a customer who did not understand the process for testifying at a public input hearing. We explained that if she would like to sign up, she could call the appropriate number, and give her testimony. She then decided to sign up so she could give her testimony.

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.

- 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 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 and Regulatory Analysts Morgan D'Angelo and Noah Eastman participate 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. Mr. Evrard also represents the OCA on the Board and Executive Committee of the organization known as Consumer Advocates of the PJM States.
- 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.

* With her retirement in May 2021, Ms. McCloskey concluded her representation of the OCA on a number of committees and boards. Where other OCA staff continued or took on that role during the Fiscal Year 2020-2021 they are identified.

- Senior Assistant Consumer Advocate Darryl Lawrence was elected to serve a three-year term as a small end-use consumer representative on the newly-formed Reliability and Security Technical Committee of the North American Electric Reliability Corporation (NERC). Mr. Lawrence was also elected to serve a two-year term representing the small end-use consumer sector on NERC's Member Representative Committee.
- 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.
- Ms. McCloskey and Interim Consumer Advocate Christine Maloni Hoover serve as the OCA's representatives on the Pennsylvania Energy Development Authority Board of Directors, and represent the OCA on the Department of Human Services LIHEAP Advisory Committee.
- Senior Consumer Advocate Aron Beatty and Assistant Consumer Advocate Barrett Sheridan represent the OCA on the PUC's Pole Attachments Task Force.
- Assistant Consumer Advocate Barrett Sheridan represents the OCA on the Senate Resolutions 47 of 2019 Advisory Committee on High Speed Broadband Services, as well as the 2021 Interagency Task Force on Broadband. Ms. Sheridan also represents the OCA on the 911 Task Force, a joint effort between the PUC, PEMA, and members of the Public Safety community. Ms. Sheridan 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

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Acting Consumer Advocate

Aron J. Beatty
Erin L. Gannon
Christine Maloni Hoover*
Darryl A. Lawrence
Senior Assistant Consumer Advocates

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Christy M. Appleby
Harrison W. Breitman
Phillip D. Demanchick
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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

* Christine Maloni Hoover became Interim Acting Consumer Advocate on May 29, 2021.