GOVERNMENT OF THE DISTRICT OF COLUMBIA Office of the Attorney General

KARL A. RACINE ATTORNEY GENERAL



Public Advocacy Division Social Justice Section

ELECTRONIC FILING

April 23, 2021

Ms. Brinda Westbrook-Sedgwick Public Service Commission Of the District of Columbia Secretary 1325 G Street, NW, Suite 800 Washington, DC 20005

Re: Formal Case No. 1164 – In the Matter of an Inquiry into the Impacts of the COVID-19 Pandemic on District Utilities and Consumers

Dear Ms. Westbrook-Sedgwick:

Enclosed, please find for filing the Department of Energy and Environment's Unopposed Motion to Increase the Income Eligibility Threshold in Order No. 20707 for Participation in Utility Discount Programs. If you have any questions regarding this filing, please do not hesitate to contact the undersigned.

Respectfully submitted,

Karl A. Racine Attorney General

By: <u>/s/ Brian Caldwell</u> BRIAN CALDWELL Assistant Attorney General (202) 727-6211 – Direct

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cc: Service List

BEFORE THE PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

IN THE MATTER OF:

The Inquiry into the Impacts of)	
the COVID-19 Pandemic on District)	Formal Case No. 1164
Utilities and Consumers)	

DEPARTMENT OF ENERGY AND ENVIRONMENT'S UNOPPOSED MOTION TO INCREASE THE INCOME ELIGIBILITY THRESHOLD IN ORDER NO. 20707 FOR PARTICIPATION IN UTILITY DISCOUNT PROGRAMS

Pursuant to 15 D.C.M.R. § 105.8 of the Public Service Commission of the District of Columbia's (Commission) Rules of Practice and Procedure, the Department of Energy and Environment (DOEE), through the Office of the Attorney General, moves the Commission to increase the income eligibility threshold in Order No. 20707¹ for participation in the Residential Aid Discount (RAD) and Residential Essential Service (RES) Utility Discount Programs (UDP) from 75% State Median Income (SMI) to 80% Area Median Income (AMI). Counsel for DOEE has been authorized to represent that the Office of People's Counsel for the District of Columbia, the Potomac Electric Power Company (Pepco), and Washington Gas Light Company (WGL) do not object to the relief requested in this Motion.

In anticipation of the Mayor soon lifting the COVID-19 public health emergency order², and associated expiration of protections against utility disconnections³, the Commission issued Order No. 20707 in the instant proceeding to expand ratepayer

¹ Formal Case No. 1164 (*rel*. March 3, 2021).

² COVID-19 Response Emergency Amendment Act of 2020, effective March 17, 2020. The public health emergency order is currently set to expire May 20, 2021.

assistance programs for utilities under the Commission's jurisdiction. In so doing, the Commission stated that it "is sensitive to the fact that there are many residential customers who may have experienced financial hardships during the pandemic and who would not be in a position to pay utility bills soon after the public health emergency ends and the disconnection moratorium is lifted."⁴ The Commission specifically expressed concern for those residential customers who may have lost their jobs, but do not currently qualify for utility assistance under the prior UDP income eligibility threshold of 60% SMI.⁵ The Commission therefore determined that it should increase the UDP income eligibility threshold from 60% SMI to 75% SMI so that "more customers will benefit from this assistance."⁶

The Commission has jurisdiction over several UDPs and can modify the eligibility criteria for participation as appropriate.⁷ These UDPs include Pepco's RAD program, which offers qualifying residential customers a credit nearly equal to 100% of the distribution charges on their monthly electricity bills. The Commission also has jurisdiction over WGL's RES program, which also offers qualifying residential customers a credit equal to 100% of the distribution charges on their monthly gas bills during the so-called heating season of November through April.⁸ In addition, the Commission oversees an Arrearage Management Program (AMP) implemented by Pepco

³ See D.C. Code §§ 34-1506.02(b) (electricity), 34-1671.06(b) (gas), 34-2407.01(c)(2) (water) & 34-1271.01(a) (cable).

⁴ Order No. 20707, at ¶5.

⁵ *Id.* at ¶10.

⁶ Id.

⁷ D.C. Code § 8-1774.14 and D.C. Code § 8-1774.15.

⁸ Effective April 1, 2021, the RES discount was increased from 55% to 100% of distribution charges as a result of a settlement agreement reached in Formal Case No. 1162, Order No. 20705 (*rel.* Feb. 24, 2021).

and has directed WGL to propose a similar AMP.⁹ An AMP enables qualifying residential customers in arrears to pay down outstanding amounts owed through matching funds provided by the utilities. Participation in RAD or RES is a prerequisite for participation in AMP.

The UDP is administered by DOEE, which provides income verification services to determine whether a customer's household income falls below the threshold level set by the Commission for participating in UDP. In addition to the UDPs described above, DOEE also provides income verification services for assistance programs outside of the Commission's jurisdiction including: D.C. Water's Customer Assistance Program (CAP) and Clean Rivers Impervious Area Charge Relief Program; the federal Low-Income Home Energy Assistance Program and Weatherization Assistance Program; DOEE's Solar-for-All Program; and the new federal Stronger Together by Assisting You (a/k/a STAY) Program which provides additional utility assistance for renters.

The income eligibility threshold varies for each of the foregoing assistance programs, however, no assistance program that DOEE currently administers uses a threshold level of 75% SMI. Rather than setting the new UDP income eligibility threshold at 75% SMI, DOEE moves the Commission to modify Order No. 20707 by setting the UDP income eligibility threshold at 80% AMI. 80% AMI is the level currently utilized by DOEE to determine customer eligibility for D.C Water's CAP 2 assistance program. It would be administratively more efficient from DOEE's perspective for the Commission to adopt a preexisting income eligibility threshold which

⁹ See F.C. 1119, Order No. 18799 (*rel.* June 15, 2017) (approving Pepco's AMP proposal), and F.C. 1164, Order No. 20707 (*rel.* March 3, 2021) (directing WGL to file an AMP proposal. WGL filed its AMP proposal on April 19, 2021).

DOEE already utilizes as a matter of course. Moreover, setting fewer income eligibility thresholds for different assistance programs will likely reduce customer confusion over whether or not they qualify for a specific assistance program.

In addition, setting the UDP income eligibility threshold at 80% AMI would better achieve the Commission's goal to expand utility assistance to more households. At 80% AMI, a 4-person household with income under \$100,800 would qualify for RAD and RES. At 75% SMI, that same household would need to earn less than \$90,325 to qualify for RAD and RES. Using an 80% AMI threshold would better assist households that may have experienced recent job loss during the COVID-19 pandemic.¹⁰ If the Commission grants the relief sought in this motion, DOEE will undertake to identify those customers who applied for, but were denied, UDP assistance during Fiscal Year 2021 under the previous 60% SMI threshold. DOEE would then contact those households and encourage them to re-apply for the UDP under the 80% AMI threshold.

WHEREFORE, for the reasons discussed herein, DOEE respectfully moves the Commission to modify Order No. 20707 to set the income eligibility threshold for UDP participation at 80% AMI, rather than 75% SMI.

Respectfully submitted,

KARL A. RACINE Attorney General for the District of Columbia

KATHLEEN KONOPKA Deputy Attorney General Public Advocacy Division

JENNIFER L. BERGER Chief, Social Justice Section

¹⁰ Indeed, according to APPRISE estimates, increasing the income eligibility threshold to 80% AMI from current levels (60% SMI) would capture an additional 48,222 UDP eligible households.

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April 23, 2021

Attorney for the Department of Energy and Environment

CERTIFICATE OF SERVICE

I hereby certify that on this 23rd day of April 2021, I caused true and correct copies of the Department of Energy and Environment's Unopposed Motion to Increase the Income Eligibility Threshold in Order No. 20707 for Participation in Utility Discount Programs, to be emailed to the following:

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