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DOCKET NO. 12897

IN RE: UNIVERSAL SERVICE FUND GRANT PROGRAM TO ASSIST LOW-INCOME SENIOR CITIZENS AND OTHER LOW-INCOME CITIZENS

FINAL ORDER APPROVING THE SALVATION ARMY PETITION FOR UNIVERSAL SERVICE FUND EMERGENCY HEATING ASSISTANCE YEARS 2024 - 2026

I. Background

At its Administrative Session on October 2, 2001, the Georgia Public Service Commission ("Commission") created a grant program to assist low-income senior citizens and other low-income citizens that were customers on Atlanta Gas Light Company's ("AGL") natural gas distribution system. The Commission found that such a program was necessary because a large number of low-income senior citizens and other low-income citizens were having difficulty paying their natural gas bills. Many such customers were disconnected from natural gas service for unpaid bills. The Commission is authorized to use funds from the Universal Service fund ("USF") in order to assist low-income residential consumers in times of emergency. O.C.G.A. § 46-4-161(a)(3). The General Assembly left the determination of "emergency" to the Commission's discretion. Id.

II. The Salvation Army Petition

On November 3, 2023, The Salvation Army filed a petition with the Commission to request additional USF funding in support of low-income gas customers on AGL's distribution system ("The System"). The petition stated that on February 3, 2011, the Commission approved USF funding for The Salvation Army to assist low-income natural gas customers on AGL's distribution system through its Project Share program. In 2015 and 2019, The Salvation Army participated in filing a Joint Petition with the Heating Energy Assistance Team ("HEAT") and HopeWorks seeking USF low-income assistance funding. On July 22, 2019, the Commission approved a Joint Petition from the HEAT, HopeWorks, and The Salvation Army for USF low-income assistance. As part of that approval, The Salvation Army was approved for **$177,000** in additional funding that would increase its natural gas energy assistance to **$750,000** at that time.

In the November 3, 2023 petition, The Salvation Army discussed that since 2011 the Commission has approved **$2,177,000** in USF low-income assistance funding that has helped **9,330** low-income customers. As of the end of July 2023, the remaining balance was **$28,937**. The USF low-income funding support is paid directly to the natural gas marketer to maintain service. The Salvation Army said it provides a general assessment to natural gas program clients that determines whether other available Army services may be necessary or useful to address their situation. The Salvation Army stated that its goal is to stabilize necessary services including housing and to hopefully provide a sustainable outcome for the household going forward. The petition indicated that from 2016 – 2018, the three-year average for expenditures was **$115,600**. The petition also stated that The Salvation Army's Project Share helps to keep natural gas service on for low-income ratepayers and provides a positive financial impact to AGL and the natural gas marketers by helping to keep their customers on The System. Otherwise, these low-income Residential customers would have dropped off The System reducing AGL's and the natural gas marketers' revenues. Furthermore, the petition stated that the services provided by H.E.A.T. and HopeWorks help to keep customers on The System. Additionally, the petition discussed the following:

A. Funding

The Salvation Army requested continued USF funding in the amount of **$1,320,000** for the remainder of 2023 to the end of 2026 with the following:

1. The Salvation Army requested that the USF disbursement take place in October of each year ahead of the winter heating season with the following schedule.

   i. 2024 Disbursement in October 2023: $440,000
   ii. 2025 Disbursement in October 2024: $440,000
   iii. 2026 Disbursement in October 2025: $440,000
   Total Funding: $1,320,000

2. The Salvation Army requested that the USF disbursement provide a 10% administrative fee to help govern the program. They requested that the 10% administrative fee dollar amount be provided upfront to The Salvation Army upon receipt of the USF disbursement, and placed in a separate account. The remainder of the funds will provide direct support to any low-income natural gas customers on AGL's distribution system. With a **$440,000**

USF disbursement each year, the administrative fee will be **$40,000**, and the 10% will track the low income assistance.

B. The Salvation Army Program Scope

The petition provided the project Scope of The Salvation Army energy assistance provided below:

1. The participant must be a Residential AGL natural gas customer served by a marketer.
2. Total gross yearly household income is at or below 200% of the Federal Poverty Guidelines.
3. Applicant is named on the utility bill or is authorized on the account and resides at the service address.
4. Applicant demonstrates financial crisis and also owes a past due balance and/or is disconnected.
5. The maximum percentage of administrative fees charged is 10% for each individual award to each low-income citizen.
6. The annual limit for USF assistance is **$500** per household.

C. The Salvation Army Target Outcomes

The Salvation Army target outcomes and objectives are provided below:

1. To address the immediate threat to natural gas service or to reestablish service. To provide peace of mind for household occupants as well as safely assuring daily necessities associated with heating, cooking and hygiene.
2. To evaluate the circumstances of the financial crisis and determine whether other actions are necessary utilizing wrap around services leading to longer term stability for the client.
3. To leave the natural gas account in good standing.
4. To serve up to an additional 500 households with natural gas assistance annually.

D. The Salvation Army Monthly Reporting

The Salvation Army stated it would continue to file monthly reporting as approved in the 2019 Joint Petition. The Salvation Army files the previous month's activity by the 15th of the following month. The reporting allows the Commission to review and confirm The Salvation Army's good stewardship of USF funds. The following attachments are currently required as part of the reporting:

1. Monthly Filing Cover Sheet
2. Attachment I (Quick Summary)
3. Attachment II (Excel Analysis)

III. Staff Analysis

The Staff analyzed The Salvation Army's November 3rd petition, and the Staff reviewed the July 22, 2019 Final Order in Docket No. 12897, to determine what had been approved for The Salvation Army during that time. Likewise, the Staff also reviewed the Final Order related to the Heating Energy Assistance Team ("HEAT") that included approved funding, Program Funding, Program Scope, Target Outcomes, and Monthly Reporting. The Staff continues to analyze the monthly reporting from The Salvation Army, HEAT, and HopeWorks to determine the success of each program.

A. Funding – Staff Analysis

When reviewing The Salvation Army's October 2023 Report, the remaining balance was **$2,37.76**. Since 2011, The Staff has reviewed The Salvation Army's monthly reporting, and it has been good a steward of USF grant funding by distributing a total of **$2,174,762** and helping **9,438** low-income households. From 2019 to October 2023, the total USF assistance distributed by The Salvation Army was **$880,406** that supported **2,916** households.

As part of The Salvation Army petition, the Staff has reviewed the September 2023 Report from HEAT, and at of the end of September, it had a balance of **$887,964**, with an undisbursed amount of **$300,000** for 2024. As part of the July 22, 2019 Final Order in Docket No. 12897, HEAT was approved for **$1.5 million** over five years, with a **$300,000** disbursement each year. The Pending **$300,000** would be the 2024 final disbursement. Since HEAT has ample funding for 2024, the HEAT 2024 **$300,000** pending disbursement can be reassigned to the Salvation Army and used to offset its 2024 disbursement. This will leave HEAT with over **$880,000** for year 2024 and possibly 2025.

	Ending Balance September 2023	2024 Additional USF Funding (Nov 2023)	Total 2024 Funding		Last 12 months Total Expenditures	Projected 2024 Ending Balance
HEAT	$887,964.07	$300,000.00	$1,187,964.07		$135,112.94	$1,052,851.13

Additionally, after reviewing the July 22, 2019 Final Order in Docket No. 12897, The Salvation Army's annual household limit is **$500** per household, and the HEAT annual household limit is **$350**. The Staff believes it would be appropriate to increase the HEAT annual household limit to **$500** to match that of the Salvation Army to help HEAT reach more households in need.

B. Program Scope, Target Outcomes, and Monthly Reporting – Staff Analysis

The Staff has reviewed The Salvation Army's proposed Program Scope, Target Outcomes, and Monthly Reporting provided in the petition and found each to be similar to that approved as part of the July 22, 2019 Final Order in Docket No. 12897.

C. Considerations – Staff Analysis

The Staff has reviewed the Salvation Army's petition, and the July 22, 2019 Final Order in Docket No. 12897. The General Assembly left the determination of "emergency" to the Commission's discretion, but the Staff did offer six considerations if the Commission approved funding for The Salvation Army.

First, the pending HEAT 2024 **$300,000** should be reassigned to The Salvation Army as an offset to its year 2024 **$440,000** disbursement. Second, of the annual **$440,000** disbursement that **$400,000** should only be used for direct assistance to low-income customers, and only **$40,000** can only be used for the 10% administrative fee. Third, if there is any funding remaining at the end of 2024 – 2026, it can rollover to the next year in support of low-income customers. Fourth, each annual disbursement will take place to The Salvation Army before the end of November each year prior to the new calendar year. Fifth, the approval of The Salvation Army's proposed Program Scope, Target Outcomes, and Monthly Reporting. Sixth, the increasing of the HEAT annual household limit to **$500** to match that of the Salvation Army to help HEAT reach more households in need.

IV. Commission Decision

During the November 21, 2023 Administrative Session, Commission Johnson offered the following motion, which amended Staff's recommendation:

HEAT shall receive its 2024 $300,000 USF disbursement as approved by the Commission.

Salvation Army shall receive an increased USF disbursement of $660,000 a year for 2024 – 2026 with a 10% admin fee with no more than $60,000 a year to be used for admin.

If there is any funding remaining at the end of 2024 – 2026, it can rollover to the next year in support of low-income customers.

Each annual disbursement will take place to The Salvation Army before the end of November each year prior to the new calendar year.

The Salvation Army's proposed Program Scope, Target Outcomes, and Monthly Reporting are approved as filed.

HEAT's Scope shall be changed to the following:

1. The participant must be a residential AGLC natural gas customer served by a marketer.

2. Total gross income must meet the annual poverty income guidelines set forth by Georgia DHS. The participant must have total gross yearly household income at or below 200%.

3. The person submitting the application is a U.S. citizen and must be a resident of the State of Georgia and a resident of the household and the applicant's name must be on the bill and reside at the service address and provide proof.

4. Applicant has received a past due and or a disconnection notice or needs to restore service (must provide verification). USF funding shall be used to provide assistance in preventing disconnection and or restoring service.

5. The maximum percentage of administration fees charged is 10% for each individual award to each low-income citizen.

6. The annual USF award to each individual low-income household may be up to and no more than $500.00.

During the November 21st, 2023 Administrative Session, the Commission approved the motion.

V. Finding of Fact and Conclusions of Law

The Commission finds and concludes that HEAT shall receive its $300,000 USF disbursement as approved by the Commission in its July 22, 2019 Final Order in Docket No. 12897.

The Commission finds and concludes that an emergency exists and it is appropriate and in the public interest that The Salvation Army shall receive an increased USF disbursement of $660,000 a year for 2024 – 2026 with a 10% admin fee with no more than $60,000 a year to be used for admin.

The Commission finds and concludes that any of the funding remaining at the end of 2024 – 2026 for The Salvation can rollover to the next year in support of low-income customers.

The Commission finds and concludes that each annual disbursement will take place to The Salvation Army before the end of November each year prior to the new calendar year.

The Commission finds and concludes that The Salvation Army's proposed Program Scope, Target Outcomes, and Monthly Reporting is approved as filed.

The Commission finds and concludes that HEAT's Program Scope shall be changed in the following:

1. The participant must be a residential AGLC natural gas customer served by a marketer.

2. Total gross income must meet the annual poverty income guidelines set forth by Georgia DHS. The participant must have total gross yearly household income at or below 200%.

3. The person submitting the application is a U.S. citizen and must be a resident of the State of Georgia and a resident of the household and the applicant's name must be on the bill and reside at the service address and provide proof.

4. Applicant has received a past due and or a disconnection notice or needs to restore service (must provide verification). USF funding shall be used to provide assistance in preventing disconnection and or restoring service.

5. The maximum percentage of administration fees charged is 10% for each individual award to each low-income citizen.

6. The annual USF award to each individual low-income household may be up to and no more than $500.00.

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VI. Ordering Paragraphs

WHEREFORE, IT IS ORDERED, that HEAT shall receive its $300,000 USF disbursement as approved by the Commission in its July 22, 2019 Final Order in Docket No. 12897.

ORDERED FURTHER, that The Salvation Army shall receive an increased USF disbursement of $660,000 a year for 2024 – 2026 with a 10% admin fee with no more than $60,000 a year to be used for admin.

ORDERED FURTHER, that any of the funding remaining at the end of 2024 – 2026 for The Salvation can rollover to the next year in support of low-income customers.

ORDERED FURTHER, that each annual disbursement will take place to The Salvation Army before the end of November each year prior to the new calendar year.

ORDERED FURTHER, that The Salvation Army's proposed Program Scope, Target Outcomes, and Monthly Reporting is approved as filed.

ORDERED FURTHER, that HEAT's Scope shall be changed as discussed in the Finding of Facts section of this Order.

ORDERED FURTHER, that all Findings, Conclusions and Directives contained within this Order are adopted as Findings of Fact, Conclusions of Law and by this Commission and shall be strictly complied with by The Salvation Army and HEAT.

ORDERED FURTHER, any motion for reconsideration, rehearing or oral argument shall not stay the effectiveness of this Order unless expressly ordered by the Commission.

The above by action of the Commission in Administrative Session on the 21st day of November 2023.

Sallie Tanner
Executive Secretary

Jason Shaw
Chairman

11-21-23
Date

11-21-23
Date