
Devin Ryan
Principal

dryan@postschell.com
717-612-6052 Direct
717-731-1981 Direct Fax
File #: 181941

July 19, 2021

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: PA Public Utility Commission v. UGI Utilities, Inc. - Electric Division
Docket Nos. R-2021-3023618, et al.**

Dear Secretary Chiavetta:

Enclosed for filing is the Joint Petition for Settlement of All Issues in the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,



Devin Ryan
Principal

DR
Enclosures

cc: Honorable Steven K. Haas
Certificate of Service

CERTIFICATE OF SERVICE

(Docket Nos. R-2021-3023618, et al.)

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

VIA E-MAIL

Scott B. Granger, Esquire
Bureau of Investigation & Enforcement
Commonwealth Keystone Building
400 North Street, 2nd Floor West
Harrisburg, PA 17120
E-mail: sgranger@pa.gov

Joseph L. Vullo, Esquire
1460 Wyoming Avenue
Forty Fort, PA 18704
E-mail: jlvullo@bvrrlaw.com
Commission on Economic Opportunity

Steven C. Gray, Esquire
Commonwealth of PA
Office of Small Business Advocate
555 Walnut Street, 1st Floor
Harrisburg, PA 17101
E-mail: sgray@pa.gov

Darryl A. Lawrence, Esquire
Phillip D. Demanchick, Esquire
Office of Consumer Advocate
555 Walnut Street, 5th Floor
Harrisburg, PA 17101
E-mail: DLawrence@paoca.org
PDemanchick@paoca.org

Brandi Brace
114 Hartman Road
Hunlock Creek, PA 18621
E-mail: BrandiBrace@protonmail.com

James M. Van Nostrand, Esquire
Scott F. Dunbar, Esquire
Keyes & Fox
320 Fort Duquesne Blvd, #15K
Pittsburgh, PA 15222
E-mail: jvannostrand@keyesfox.com
E-mail: sdunbar@keyesfox.com
ChargePoint, Inc.

Cody T. Murphey, Esquire
Eckert Seamans Cherin & Mellott, LLC
919 E. Main Street, Suite 1300
Richmond, VA 23219
E-mail: cmurphey@eckertseamans.com
Retail Energy Supply Association
NRG Energy, Inc.

Deanne M. O'Dell, Esquire
Sarah C. Stoner, Esquire
Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 8th Floor
Harrisburg, PA 17101
E-mail: dodell@eckertseamans.com
sstoner@eckertseamans.com
Retail Energy Supply Association
NRG Energy, Inc.

John W. Sweet, Esquire
Ria M. Pereira, Esquire
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101
E-mail: pulp@palegalaid.net
CAUSE-PA

Lindsey Yeider Wosik
97 Midland Drive
Dallas, PA 18612
E-mail: mlowosik@gmail.com

Roger & Maria Hogue
18 Gordon Avenue
Dallas, PA 18612
E-mail: mchog36@gmail.com

Lisa Infantino
30 W. Pettebone Street
Forty Fort, PA 18704
E-mail: lisac.infantin@gmail.com

Bridgett Brosius
71 Dobson Road
Sweet Valley, PA 18656
E-mail: Bridgett.brosius@yahoo.com

Mark Lazo
705 Nandy Drive, Apt. 4
Kingston, PA 18704
E-mail: mlazo@ptd.net



Devin Ryan

Date: July 19, 2021

This Settlement represents a full settlement of all issues and concerns raised in the instant proceeding.² The Settlement provides for increases in rates, as set forth in the *pro forma* tariff supplement attached hereto as **Appendix A** and the proof of revenues attached hereto as **Appendix B**, designed to produce a net increase in annual distribution operating revenues of \$6.15 million, based upon a Fully Projected Future Test Year ending September 30, 2022 (“FPFTY”). Proposed Findings of Fact, Conclusions of Law, and Ordering Paragraphs are provided as **Appendices C-E**, respectively.

In support of the Settlement, the Joint Petitioners state the following:

II. BACKGROUND

1. This proceeding was initiated on February 8, 2021, when UGI Electric filed Supplement No. 26 to Electric Pa. P.U.C. No. 6 (“Tariff No. 6”) and Supplement No. 2 to UGI Electric Tariff – Pa. P.U.C. No. 2S (“Tariff No. 2S”) with the Commission to be effective for service rendered on or after April 9, 2021. The Company proposed changes to UGI Electric’s base retail distribution rates designed to produce an increase in annual revenues of approximately \$8.7 million, based upon data for a FPFTY ending September 30, 2022 (“2021 Base Rate Case”). The filing was made in compliance with the Commission’s regulations and contained all supporting data and testimony required to be submitted in conjunction with a tariff change seeking a general rate increase.

2. On February 9, 2021, I&E filed its Notice of Appearance.

² RESA/NRG’s interests in this proceeding are limited in scope to UGI Electric’s battery storage proposal and its proposed Electric Vehicle Program. RESA/NRG take no position on the terms of the Settlement other than the terms addressing the battery storage project and electric vehicle charging and infrastructure (Settlement at ¶¶ 49-55.)

3. On February 17, 2021, the OSBA filed a Notice of Appearance, Public Statement, and Formal Complaint in the 2021 Base Rate Case, which was docketed at Docket No. C-2021-3024200.

4. Also on February 17, 2021, CEO filed a Petition to Intervene.

5. On February 18, 2021, the OCA filed a Notice of Appearance, Public Statement, and Formal Complaint in the 2021 Base Rate Case, which was docketed at Docket No. C-2021-3024213.

6. On March 3, 2021, UGI Electric filed its proofs of publication for the 2021 Base Rate Case filing.

7. On March 4, 2021, ChargePoint filed a Petition to Intervene and a Motion for Admission *Pro Hac Vice*.

8. On March 9, 2021, UGI Electric was served with a Formal Complaint filed by Ms. Jennifer Mattingly regarding the 2021 Base Rate Case. This Formal Complaint was docketed at Docket No. C-2021-3024500.

9. On March 10, 2021, the ALJ issued a Prehearing Conference Order.

10. On March 11, 2021, the Commission issued an Order suspending Tariff No. 6 and Tariff No. 2S until November 9, 2021, unless permitted by Commission Order to become effective at an earlier date.

11. Also on March 11, 2021, the Commission issued a Notice scheduling a telephonic Prehearing Conference for March 22, 2021, at 10:00 a.m. before the ALJ.

12. Further, on March 11, 2021, UGI Electric filed a letter stating that it is not filing an Answer to Ms. Mattingly's Complaint in accordance with 52 Pa. Code § 5.61(d).

13. On March 12, 2021, the Commission served the ALJ's Prehearing Conference Order (dated March 10, 2021). The Prehearing Conference Order, among other things, directed the parties to submit Prehearing Conference Memoranda on or before 4:00 p.m. on March 18, 2021.

14. On March 17, 2021, UGI Electric was served with a Formal Complaint filed by Ms. Brandi Brace regarding the 2021 Base Rate Case. This Formal Complaint was docketed at Docket No. C-2021-3024613.

15. On March 18, 2021, UGI Electric filed a letter stating that it would not be filing an Answer to Ms. Brace's Complaint in accordance with 52 Pa. Code § 5.61(d).

16. On March 19, 2021, RESA/NRG filed a Petition to Intervene.

17. On March 23, 2021, RESA/NRG filed a Motion for Admission *Pro Hac Vice*.

18. A telephonic prehearing conference was held on March 22, 2021.

19. On March 25, 2021, the ALJ issued a Scheduling Order.

20. Also on March 25, 2021, CAUSE-PA filed a Petition to Intervene and an Answer.

21. On March 26, 2021, UGI Electric received notice of a Formal Complaint filed by Ms. Kim Kotyk regarding the 2021 Base Rate Case. This Formal Complaint was docketed at Docket No. C-2021-3024833.

22. On March 30, 2021, UGI Electric received notice of a Formal Complaint filed by Ms. Barbara Brennan regarding the 2021 Base Rate Case. This Formal Complaint was docketed at Docket No. C-2021-3024846.

23. On April 1, 2021, UGI Electric received notice of a Formal Complaint filed Ms. Lindsey Yeider Wosik regarding the 2021 Base Rate Case. This Formal Complaint was docketed at Docket No. C-2021-3024927.

24. On April 5, 2021, a Motion for Protective Order was filed.

25. On April 7, 2021, the ALJ issued a Protective Order consistent with the Motion for Protective Order.

26. Also on April 7, 2021, UGI Electric received notice of a Formal Complaint filed by Roger and Maria Hogue regarding the 2021 Base Rate Case. This Formal Complaint was docketed at Docket No. C-2021-3025072. UGI Electric further received notice of a Formal Complaint filed by Ms. Lisa Infantino regarding the 2021 Base Rate Case. This Formal Complaint was docketed at Docket No. C-2021-3025090. The Company also received notice of a Formal Complaint filed by Mr. Mark Lazo regarding the 2021 Base Rate Case. This Formal Complaint was docketed at Docket No. C-2021-3025091.

27. On April 12, 2021, UGI Electric filed letters stating that it would not be filing an Answer to the Complaints of Ms. Kotyk, Ms. Brennan, Ms. Wosik, Mr. and Mrs. Hogue, and Ms. Infantino in accordance with 52 Pa. Code § 5.61(d).

28. On April 22, 2021, UGI Electric received notice of a Formal Complaint filed by Ms. Bridgett Brosius regarding the 2021 Base Rate Case. This Formal Complaint was docketed at Docket No. C-2021-3025436. UGI Electric also filed a letter on April 22, 2021, stating that it would not be filing an Answer to the Complaint of Ms. Brosius, in accordance with 52 Pa. Code § 5.61(d).

29. On April 28, 2021, two public input hearings were held.

30. In accordance with the procedural schedule, I&E, OCA, OSBA, CEO, ChargePoint, RESA/NRG, and Ms. Brace submitted written direct testimony and exhibits on May 3, 2021.

31. On May 27, 2021, UGI Electric, I&E, OCA, OSBA, ChargePoint, and RESA/NRG submitted written rebuttal testimony and exhibits.

32. On June 10, 2021, UGI Electric, I&E, OCA, OSBA, and RESA/NRG submitted written surrebuttal testimony and exhibits.

33. On June 11, 2021, as a result of settlement discussions held in this proceeding, and the efforts of the Parties to examine the issues raised, UGI Electric requested that the June 14, 2021 hearing date be cancelled and that the Company be permitted to submit written rejoinder testimony and exhibits by 4:30 p.m. on June 14, 2021, in advance of the remaining June 15-16, 2021 hearing dates. The ALJ granted these requests.

34. On June 14, 2021, UGI Electric submitted written rejoinder testimony and exhibits.

35. The Parties engaged in extensive discovery throughout the proceeding. UGI Electric responded to more than 400 interrogatories and requests for production of documents, many of which included multiple subparts.

36. As a result of further settlement discussions, and additional efforts of the Parties to examine the issues raised, UGI Electric notified the ALJ on June 14, 2021, that a settlement in principle was achieved with respect to all issues except for revenue allocation prior to the remaining hearing dates.³ The Company also requested that the remaining hearing dates be cancelled, the evidence be admitted by a written stipulation to be filed by June 18, 2021, and the Parties provide the ALJ with a Joint Petition for Settlement and Statements in Support on or before July 19, 2021.

37. Later on June 14, 2021, the ALJ granted the Company's requests by email and advised the Parties that the remaining hearing dates would be canceled.

38. On June 15, 2021, a Notice was issued canceling the hearings scheduled for June 15 and 16, 2021.

³ The Company also noted that, if the revenue allocation could not be settled, the parties would brief this issue according to the briefing schedule.

39. On June 18, 2021, the Joint Petitioners filed a Joint Stipulation for Admission of Evidence.

40. On June 29, 2021, the ALJ issued an Order granting the Joint Stipulation for Admission of Evidence.

41. As a result of the settlement efforts described above, the Joint Petitioners have agreed to a settlement that fully resolves all issues among them. The Joint Petitioners are in full agreement that the Settlement is in the public interest as a reasonable resolution of their respective interests and should be approved. The Settlement agreed to by the Joint Petitioners is set forth in the following Section III.

III. SETTLEMENT

A. GENERAL

42. The following terms of this Settlement reflect a carefully balanced compromise of the Joint Petitioners' positions on various issues. The Joint Petitioners agree that the Settlement is in the public interest.

43. The Joint Petitioners agree that UGI Electric's distribution base rate increase filing should be approved, including those tariff changes included in and specifically identified in **Appendix A** attached hereto, subject to the terms and conditions of this Settlement that are specified below.

B. REVENUE REQUIREMENT

44. UGI Electric will be permitted to submit a revised tariff supplement consistent with **Appendix A** that is designed to produce an annual distribution revenue increase of \$6.15 million, to become effective on or before November 9, 2021, for service rendered thereafter. The increase in annual distribution rate revenue is in lieu of the as filed increase of approximately \$8.7 million.

The settlement as to revenue requirement shall be a “black box” settlement, except for the items set forth below.

C. REVENUE ALLOCATION AND RATE DESIGN

45. Billing Determinants: Billing determinants will be based on the Company’s UGI Electric Exhibit E, Proof of Revenue.

46. Revenue Allocation: Class revenue allocation will be based on the following table:

Rate	Customers	Fixtures	Sales (kWh)	Total Present Revenue	Proposed Revenue	Revenue Change	Percent Change from Present Revenue	Percent of Total Rate Increase
R	55,038		568,717,339	\$ 63,035,939	\$ 68,479,988	\$ 5,444,049	8.6%	88.5%
GS-1	5,505		28,887,813	\$ 3,682,960	\$ 4,064,084	\$ 381,124	10.3%	6.2%
GS-4	2,267		118,790,076	\$ 10,097,017	\$ 10,224,476	\$ 127,459	1.3%	2.1%
GS-5	59		1,109,050	\$ 88,046	\$ 98,791	\$ 10,745	12.2%	0.2%
FCP	7		739,452	\$ 17,598	\$ 17,577	\$ (21)	-0.1%	0.0%
Lighting		9,112	7,421,188	\$ 1,430,978	\$ 1,430,949	\$ (29)	0.0%	0.0%
LP	197		267,219,118	\$ 7,681,646	\$ 7,868,396	\$ 186,749	2.4%	3.0%
Total - Rate Class	63,072		992,884,035	\$ 86,034,185	\$ 92,184,260	\$ 6,150,075	7.1%	
Other Operating Revenue				\$ 1,029,976	\$ 1,029,976	\$ -		
Total Revenue				\$ 87,064,161	\$ 93,214,236	\$ 6,150,075	7.1%	

47. Monthly Customer Charges: The customer charges shall be those proposed by the Company, except as set forth below:

Rate R: \$9.50 per month (\$13.00 proposed)

Rate GS-1: \$13.00 per month (\$14.00 proposed)

48. Rate Flood Control Power (“FCP”): The Company will include a proposal to eliminate, consolidate, or otherwise support Rate FCP as a separately identified class in the cost of service presented in the Company’s next rate case.

D. PROGRAMS/PROPOSALS

49. Battery Storage: The battery storage proposal is approved, except that the Company will not use the battery storage system to participate in the PJM Interconnection LLC (“PJM”) Frequency Regulation Market. The inclusion of the battery storage project shall be considered a

pilot for purposes of this Settlement. The Commission's approval of UGI Electric's battery storage proposal in this proceeding shall not serve as precedent for any future UGI Electric battery storage proposal or any other electric utility's battery storage proposal. This Settlement reflects a carefully-crafted compromise of the parties' positions and is based on the small size of the battery and the unique circumstances of the Ruckle Hill Road distribution circuit, including its voltage, its status as a worst performing circuit, the surrounding terrain, the nearby vegetation, and the load served by this circuit.

50. As part of the battery storage pilot, UGI Electric will maintain and provide information concerning the duration, extent, cause, and times for each outage, the duration and times the battery storage system was used to maintain service during the outage, and loads on the facilities served by the battery storage system just prior to and during the outage. Such information will be provided in annual reports filed with the Commission by January 1st of each year that the battery storage system remains in service, with the first annual report to be filed by January 1, 2023.

51. The Joint Petitioners' agreement to this Settlement is without prejudice to future challenges to any other distribution system upgrades on the Ruckle Hill Road distribution circuit that may occur in the future including, but not limited to, a proposal to remove the battery from rate base.

52. Electric Vehicle Charging: The EV make-ready charging infrastructure tariff provisions are accepted as filed, except that the Company will revise Rule 5-l and Rule 5-m of its proposed electric service tariff to state the following:

- a. Rule 5-l: Service to Electric Vehicle Supply Equipment. For Qualified Electric Vehicle Charging Stations ("Qualified EV Charging Stations") which will be

accessible to the public for charging access, the Company shall provide all required investment without contribution and will design and install the required infrastructure facilities necessary for operation of such Qualified EV Charging Stations (including any new conductor replacement, transformers, overhead service wire, and meters; inclusive of any make ready work located in front of the meter). Such facilities shall be provided at no required contribution to the customer as part of an EV infrastructure pilot, which will end September 30, 2026. Qualified EV Charging Stations may be supplied electricity by an EGS.

- b. Rule 5-m: Qualified EV Charging Stations shall be defined as one (1) to four (4) DC Fast Charge (“DCFC”) stations of 50 kW or greater, or at least four (4) Level 2 charging stations, which are compatible with the Company’s distribution system and are located within 400 feet of a Company 3-phase primary distribution circuit line, or in another location where the Company, in its sole discretion, anticipates that adequate public availability and access is being provided. DCFC installation locations may also be inclusive of one or more adjacent Level 2 charging stations. All qualifying chargers must have smart or network capabilities and be tested for safety by a national testing laboratory such as Underwriters Laboratories (“UL”). Qualifying Level 2 chargers must be ENERGY STAR certified.
53. Beginning with the operation of the second Qualified EV Charging Station in the Company’s service territory, the Company shall post aggregated metered usage data for Qualified EV Charging Stations on a monthly and anonymized basis to its Energy Management Website (kWh and kW billing determinant use data) for interested parties to review. This requirement shall end on September 30, 2026.

54. Make-ready infrastructure for purposes of this Settlement does not include any behind-the-meter costs associated with the installation of EV charging stations.

55. UGI Electric withdraws, without prejudice, its proposals to: (1) recover the capital and operating costs associated with the Company's installation and ownership of EV charging stations on its distribution system; and (2) establish Rate EV-C.

E. DSIC/REPORTING

56. Test Year Plant Reporting: The Company shall submit an update to UGI Electric Exhibit A, Schedule C-2 no later than January 1, 2022, which will include actual capital expenditures, plant additions, and retirements by month from October 1, 2020 through September 30, 2021. An additional update for actuals from October 1, 2021 through September 30, 2022 shall be filed no later than January 2, 2023.

57. DSIC Eligible Plant: As of the effective date of rates in this proceeding, UGI Electric will be eligible to include plant additions in the Distribution System Improvement Charge ("DSIC") once the Company's total net plant balances exceed \$152,150,000. The foregoing provision is included solely for purposes of calculating the DSIC and is not determinative for future ratemaking purposes of the projected additions to be included in rate base in a FPFTY filing.

58. DSIC Equity Return: For purposes of calculating its DSIC, UGI Electric shall use the equity return rate for electric utilities contained in the Commission's most recent Quarterly Report on the Earnings of Jurisdictional Utilities and shall update the equity return rate each quarter consistent with any changes to the equity return rate for electric utilities contained in the most recent Quarterly Earnings Report, consistent with 66 Pa. C.S. § 1357(b)(3), until such time as the DSIC is reset pursuant to the provisions of 66 Pa. C.S. § 1358(b)(1).

F. ACCOUNTING

59. Depreciation Rates: For purposes of this Settlement, UGI Electric's as-filed depreciation rates are accepted.

60. ADIT/EDFIT: The Company's Accumulated Deferred Income Tax ("ADIT") and pro-rationing methodology as required by Treasury Regulation 1.167(l)-1(h)(6)(ii) is accepted. *See* 26 C.F.R. § 1.167(l). Further, the Company's method to amortize Excess Accumulated Deferred Federal Income Taxes ("EDFIT") according to the Average Rate Assumption Method ("ARAM") is accepted. Absent a change in federal or state law, regulation, judicial precedent or policy, the remaining unamortized EDFIT balance will continue as a reduction to rate base in all future proceedings until the full amount is returned to ratepayers.

61. Repairs Allowance: For purposes of determining the revenue requirement in this case, all capitalized repairs deductions claimed on a tax return have been normalized for ratemaking purposes, and the appropriate related amount of tax effect of those deductions has been treated similarly to Accumulated Deferred Income Taxes as a reduction to UGI Electric's rate base.

62. IT Cost Capital Treatment: For purposes of this Settlement, UGI Electric's as-filed capital treatment of certain IT costs is accepted. UGI Electric will capitalize IT costs that include preliminary-stage project work, business and technology reengineering activities, current state assessments, reengineering business processes to adapt to new systems, data conversion, data cleansing and migration, pre-implementation training practices, cloud computing software implementation, and Hypercare. (*See* UGI Electric St. No. 4, pp. 14-16.)

63. COVID-19 Cost Deferral: The Company's revenue increase provided in this Settlement is reflective of a three-year amortization of the Company's COVID-19 regulatory asset related to incremental uncollectible accounts expense, or \$337,666 per year, which includes all incremental uncollectible expense through September 30, 2020.

64. Rate Case Expense: The Company's revenue increase provided in this Settlement is reflective of a three-year normalization for ratemaking purposes and a three-year amortization for accounting purposes. The Company will not claim any unamortized amount in a future rate case and agrees that normalization of rate case expense (as opposed to amortization) is the proper treatment for ratemaking purposes.

65. Company Owned Service Expenditures ("COS-E"): Effective October 1, 2021, the Company will be permitted, for book accounting purposes, to record the costs associated with its Company-Owned Services ("COS") Transition Program as capital investment. The capital investment recorded for recovery from ratepayers will be capped at \$5,000,000. To the extent that the costs exceed the \$5,000,000 capitalization cap subsequent to October 1, 2021, the Company will expense the excess and may seek recovery in a future rate case with all parties reserving their rights to challenge any claimed expense (above the \$5,000,000).

G. COMPANY'S COVID-19 RELIEF EFFORTS

66. The Company will continue to assist customers impacted by COVID-19 through various efforts and initiatives to promote existing Company assistance programs and to facilitate customer access to COVID-19 pandemic-related public utility assistance sources, including the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") and the American Rescue Plan. The Company's ongoing pandemic relief efforts include the following measures:

- a. Mass media campaign promoting UGI Utilities, Inc. assistance programs and CARES Act funding.
- b. Direct mail and email campaign(s) targeting customers with arrearages whom UGI Electric determines may benefit from Company assistance programs and/or CARES Act programs.

- c. Bill inserts to all customers alerting them about Company assistance programs and CARES Act programs.
- d. Coordination with CARES Act program providers in the Company's service territory to facilitate and enable direct communication with the Company on CARES Act application requests. This work will include a direct hotline number for provider use, an ability for benefit payments to be made on multiple accounts with one check, an option to make payments via credit card, as well as Company Call Center staff training to promote CARES Act Programs for qualifying customers, in addition to Company programs and available Commission COVID-19 payment arrangement options.
- e. Modification of the above efforts, as appropriate, once American Rescue Plan funding becomes available via defined program(s).
- f. Solicitation of customers who received LIHEAP in the prior 12 months for enrollment in the Company's CAP two times a year.
- g. Solicitation of customers who self-reported Level 1 income in the prior 12 months for enrollment in the Company's CAP two times a year.

H. UNIVERSAL SERVICES

67. Rider C – Universal Service Plan Rider: Throughout Rider C, the as-filed updated participant number of “the number of CAP enrollees as September 30, 2021” shall be replaced with “3,231”.

68. WARM Initiative: The Company agrees to include the following provisions in its WARM Initiative:

- a. Perform a solicitation of customers who received LIHEAP in the prior 12 months for enrollment in the Company's CAP 2 times a year.

- b. Perform a solicitation of customers who self-reported Level 1 income in the prior 12 months for enrollment in the Company's CAP 2 times a year.
- c. Accept verbal self-reported income eligibility for customers at or below 250% of the Federal Poverty Level during the Winter Moratorium for purposes of winter shutoff protections, requests for deferred payment arrangements, or any other customer contact with the call center for an unpaid bill. Normal income verification requirements maintained by the Company shall apply upon the end of the Winter Moratorium period.
- d. Accept verification of income eligibility by any community-based organization ("CBO") in the Company's service territory delivering public or private assistance.
- e. Contact of administrators of applicable PA DHS public assistance programs, requesting that they ask DHS applicants enrolling in their public assistance programs to designate whether the DHS applicants want UGI Electric to be informed of their income eligibility for various customer service protections propounded by the Commission. Each household who the program administrators identify to UGI Electric as answering in the affirmative shall be deemed by UGI Electric as a Confirmed Low-Income customer and/or a customer eligible for winter shutoff protections. Normal income verification requirements maintained by the Company shall apply thereafter (for enrollment/participation in UGI Electric Universal Service programs).
- f. Provide written materials, which solicit participation in UGI Electric's CAP and/or identification of customers eligible for winter shutoff protections, to:

- i. Public school districts in the Company’s service territory, so that they can distribute the materials to school households with students eligible for the federal free and reduced school meals program; and/or Head Start programs; and
 - ii. Community and faith-based food pantries, soup kitchens, and emergency shelters.
- g. Provide written CAP solicitation materials to be delivered by local and/or county offices delivering benefits through the federal Supplemental Nutrition Assistance Program (“SNAP”) (Food Stamps), as well as through local Public Housing Authorities.
 - h. Only include earned income from household occupants aged 18 years and older when verifying household income.
 - i. Any incremental costs incurred by the Company in the administration of items (e)-(h) will be deferred for recovery, without interest, in the Company’s next base rate case.

69. Refund of Security Deposits after Enrollment in LIURP or Low-Income EE&C Programs: Upon a customer being enrolled in the Company’s Low-Income Usage Reduction Program (“LIURP”) or any low-income usage reduction program in the Company’s Energy Efficiency and Conservation Plan, and after weatherization services are completed, any and all remaining security deposits on the customers’ accounts will be refunded.

70. LIURP:

- a. LIURP spending will be increased commensurate with the percentage rate increase to the residential class resulting from this case;

- b. The Company will continue to use the CBOs it has traditionally utilized in the administration and implementation of its universal service programs; and
- c. In regards to the large carryover of LIURP funding from 2020, the Company will increase the LIURP budgets of the CBOs that have the demonstrated capacity to do the additional work, i.e., CBOs that have fulfilled their past LIURP budgets and have the capacity for increased budgets.

71. Operation Share: The Company's contribution to Operation Share will be increased commensurate with the percentage rate increase to the residential class resulting from this case.

72. Release of Previously Collected Security Deposits: On a monthly basis, UGI Electric will review currently held security deposits and will issue a bill credit or refund for any deposit previously collected from a confirmed low-income customer.

IV. THE SETTLEMENT IS IN THE PUBLIC INTEREST

73. Commission policy promotes settlements. *See* 52 Pa. Code § 5.231. Settlements lessen the time and expense the parties must expend litigating a case and, at the same time, conserve administrative resources. The Commission has indicated that settlement results are often preferable to those achieved at the conclusion of a fully litigated proceeding. *See id.* § 69.401. In order to accept a settlement, the Commission must first determine that the proposed terms and conditions are in the public interest. *Pa. PUC v. York Water Co.*, Docket No. R-00049165 (Order entered Oct. 4, 2004); *Pa. PUC v. C.S. Water & Sewer Assocs.*, 74 Pa. P.U.C. 767 (1991).

74. This Settlement was achieved by the Joint Petitioners after an extensive investigation of UGI Electric's filing, including extensive informal and formal discovery and the filing of substantial testimony by the active parties.

75. Approval of the Settlement without modification will reduce the time and expenses that the active parties and the Commission must expend on the proceedings.

76. The Joint Petitioners will further supplement the reasons that the Settlement is in the public interest in their Statements in Support. The Statements in Support are attached to this Settlement as **Appendices F through M**. In their respective Statements in Support, each Joint Petitioner explains why, in its view, the Settlement is fair, just, and reasonable and reflects a reasonable compromise of the disputed issues in this proceeding.⁴

V. SETTLEMENT CONDITIONS

77. The Settlement is conditioned upon the Commission's approval of the terms and conditions contained in this Settlement without modification. If the Commission modifies the Settlement, any Joint Petitioner may elect to withdraw from the Settlement and may proceed with litigation and, in such event, the Settlement shall be void and of no effect. Such election to withdraw must be made in writing, filed with the Secretary of the Commission and served upon all Joint Petitioners within five business days after the entry of an Order modifying the Settlement.

78. If the Commission approves the Settlement without modification, the Joint Petitioners acknowledge and agree that the rates, rules, and proposals set forth in the 2021 Base Rate Case filing, as modified by the Settlement, shall be Commission-made rates.

79. This Settlement is proposed by the Joint Petitioners to settle all issues in the instant proceeding. If the Commission does not approve the Settlement without modification and the proceeding continues, the Joint Petitioners reserve their respective procedural rights to evidentiary hearings, submission of additional testimony and exhibits, cross-examination of witnesses, briefing, and argument of their respective positions. The Settlement is made without any admission against, or prejudice to, any position that any Joint Petitioner may adopt in the event of any subsequent litigation of these proceedings, or in any other proceeding.

⁴ It is noted that, because certain Joint Petitioners only participated with regard to certain issues in this proceeding, some of the Statements in Support may be limited in the scope of issues addressed.

80. The Joint Petitioners acknowledge that the Settlement reflects a compromise of competing positions and does not necessarily reflect any Joint Petitioner's position with respect to any issues raised in this proceeding. The terms and conditions of the Settlement are limited to the facts of this specific case and are the product of compromise for the sole purpose of settling this case. This Settlement is presented without prejudice to any position which any of the Joint Petitioners may have advanced and without prejudice to the position any of the Parties may advance on the merits of the issues in future proceedings. This Settlement does not preclude the Joint Petitioners from taking other positions in proceedings of other public utilities under Section 1308 of the Public Utility Code, 66 Pa. C.S. § 1308, or any other proceeding.

81. If the ALJ recommends adopting the Settlement without modification, the Joint Petitioners waive their right to file Exceptions.

VI. CONCLUSION

WHEREFORE, the Joint Petitioners respectfully request that Administrative Law Judge Steven K. Haas recommend approval of, and the Pennsylvania Public Utility Commission approve, this Joint Petition for Approval of Settlement of All Issues.

Respectfully submitted,



Date: July 19, 2021

Kent D. Murphy, Esquire
Michael S. Swerling, Esquire
UGI Corporation
460 North Gulph Road
King of Prussia, PA 19406

David B. MacGregor, Esquire
Devin T. Ryan, Esquire
Garrett P. Lent, Esquire
Post & Schell, P.C.
17 North Second Street, 12th Floor
Harrisburg, PA 17101

Counsel for UGI Utilities Inc. – Electric Division

Date: _____

Scott B. Granger, Esquire
Bureau of Investigation & Enforcement
Commonwealth Keystone Building
400 North Street, 2nd Floor West
Harrisburg, PA 17105-3265

Counsel for Bureau of Investigation & Enforcement

VI. CONCLUSION

WHEREFORE, the Joint Petitioners respectfully request that Administrative Law Judge Steven K. Haas recommend approval of, and the Pennsylvania Public Utility Commission approve, this Joint Petition for Approval of Settlement of All Issues.

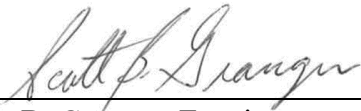
Respectfully submitted,

Date: _____

Kent D. Murphy, Esquire
Michael S. Swerling, Esquire
UGI Corporation
460 North Gulph Road
King of Prussia, PA 19406

David B. MacGregor, Esquire
Devin T. Ryan, Esquire
Garrett P. Lent, Esquire
Post & Schell, P.C.
17 North Second Street, 12th Floor
Harrisburg, PA 17101

Counsel for UGI Utilities Inc. – Electric Division



Scott B. Granger, Esquire
Bureau of Investigation & Enforcement
Commonwealth Keystone Building
400 North Street, 2nd Floor West
Harrisburg, PA 17105-3265

Date: July 19, 2021

Counsel for Bureau of Investigation & Enforcement

/s/ Steven C. Gray, Esquire
Steven C. Gray, Esquire
Office of Small Business Advocate
555 Walnut Street,
Forum Place, 1st Floor
Harrisburg, PA 17101

Date: July 19, 2021

Counsel for the Office of Small Business Advocate

Darryl A. Lawrence, Esquire
Phillip D. Demanchick, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923

Date: _____

Counsel for the Office of Consumer Advocate

/s/ John W. Sweet, Esquire
John W. Sweet, Esquire
Ria M. Pereira, Esquire
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101

Date: July 19, 2021

*Counsel for the Coalition for Affordable Utility
Services and Energy Efficiency in Pennsylvania*

/s/ Joseph L. Vullo, Esquire
Joseph L. Vullo, Esquire
Burke Vullo Reilly Roberts
1460 Wyoming Avenue
Forty Fort, PA 18704

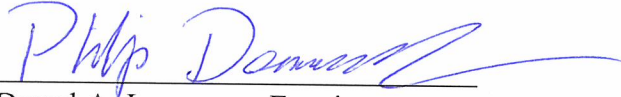
Date: July 19, 2021

*Counsel for the Commission on Economic
Opportunity*

Steven C. Gray, Esquire
Office of Small Business Advocate
555 Walnut Street,
Forum Place, 1st Floor
Harrisburg, PA 17101

Date: _____

Counsel for the Office of Small Business Advocate



Darryl A. Lawrence, Esquire
Phillip D. Demanchick, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923

Date: 07/19/2021

Counsel for the Office of Consumer Advocate

John W. Sweet, Esquire
Ria M. Pereira, Esquire
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101

Date: _____

*Counsel for the Coalition for Affordable Utility
Services and Energy Efficiency in Pennsylvania*

Joseph L. Vullo, Esquire
Burke Vullo Reilly Roberts
1460 Wyoming Avenue
Forty Fort, PA 18704

Date: _____

*Counsel for the Commission on Economic
Opportunity*

/s/ Scott F. Dunbar, Esquire
James M. Van Nostrand, Esquire
Keyes & Fox, LLP
320 Fort Duquesne Boulevard, #15K
Pittsburgh, PA 15222

Date: July 19, 2021

Scott F. Dunbar, Esquire
Keyes & Fox, LLP
1580 Lincoln Street, Suite 800
Denver, CO 80203

Counsel for ChargePoint, Inc.

/s/ Sarah C. Stoner, Esquire
Deanne M. O'Dell, Esquire
Sarah C. Stoner, Esquire
Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 8th Floor
Harrisburg, PA 17101

Date: July 19, 2021

Cody T. Murphey, Esquire
Eckert Seamans Cherin & Mellott, LLC
919 E. Main Street, Suite 1300
Richmond, VA 23219

*Counsel for the Retail Energy Supply Association and
NRG Energy, Inc.*

Appendix A

UGI Electric Pa. P.U.C. No. 6

UGI UTILITIES, INC. – ELECTRIC DIVISION

ELECTRIC SERVICE TARIFF

**RULES AND RATES
FOR ELECTRIC DISTRIBUTION SERVICE AND
CHOICE AGGREGATION SERVICE**

in the following service territory:

LUZERNE COUNTY

City of Nanticoke, and Boroughs of Courtdale, Dallas, Edwardsville, Forty-Fort, Harvey's Lake, Kingston, Larksville, Luzerne, New Columbus, Plymouth, Pringle, Shickshinny, Sugar Notch, Swoyersville, Warrior Run, West Wyoming and Wyoming.

First Class Townships of Hanover and Newport, and Second Class Townships, of Conyngham, Dallas, Fairmount, Franklin, Hunlock, Huntington, Jackson, Kingston, Lake, Lehman, Plymouth, Ross and Union.

WYOMING COUNTY

Townships of Monroe and Noxen

Issued:

Effective: For Service Rendered on and after

Issued by:
Paul J. Szykman
Chief Regulatory Officer
1 UGI Drive
Denver, PA 17517

NOTICE

This tariff makes Increases/Decreases/Changes to existing rates (see page 2).

UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 2
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LIST OF CHANGES MADE BY THIS SUPPLEMENT
 (Page Numbers Refer to Official Tariff)

Cover Page

- Updated to reflect Supplement Number, Notice Language, Issue and Effective Dates.

Table of Contents, Pages 3-4.

- Pagination and reflect tariff pages with revisions.
- The footer has been changed to reflect an effective date for services rendered.

Rule 5 – Service and Supply System Extension, Page 17.

- Subsection 5-l has been added which addresses Service to Electric Vehicle Supply Equipment. This section has been revised to reflect the language in the Joint Petition for Settlement.
- Subsection 5-m has been added which addresses Qualified EV Charging Stations. This section has been revised to reflect the language in the Joint Petition for Settlement.

Rider A – State Tax Adjustment Surcharge, Page 38.

- The State Tax Adjustment Surcharge rate has been reset to 0.00%.

Rider C – Universal Service Plan Rider, Pages 42-43.

- Annual Reconciliation – the CAP credit bad debt offset language has been updated and will apply where CAP enrollment exceeds 3,231.

2018 Tax Cuts and Jobs Act – One Time Credit Per Customer, Page 49.

- This surcharge has expired, and the page is intentionally left blank.

Rider Schedule G – Distribution System and Improvement Charge, Pages 50 and 52.

- The Distribution System and Improvement Charge rate has been reset to 0.00%.
- Clarifying language has been added that the Company may reduce or eliminate the Rider DSIC to any customer with competitive alternatives who have negotiated contracts with the Company, if it is reasonably necessary to do so.
- The DSIC will become effective for bills rendered on or before November 9, 2021.

Rate Schedule R – Residential Service, Page 53.

- The customer charge and distribution charge have been increased.
- The title has been updated to Residential Service to align with Table of Contents. The footer has been changed to reflect an effective date for service rendered.

Rate Schedule OL – Outdoor Lighting Service, Pages 54 - 55.

- The distribution charge has been increased on Page 54.
- The footer on Page 55 has been changed to reflect an effective date for service rendered.

Rate Schedule SOL – Sodium Outdoor Lighting Service, Pages 56 - 57.

- The distribution charge has been increased on Page 56.
- The footer on Page 57 has been changed to reflect an effective date for service rendered.

Rate Schedule MHOL – Metal Halide Outdoor Lighting Service, Pages 58 - 59.

- The distribution charge has been increased and repetitive language has been removed from Page 58.
- The footer on Page 59 has been changed to reflect an effective date for service rendered.

Rate Schedule LED-OL – Light-Emitting Diode Outdoor Lighting Service, Pages 60 - 61.

- The distribution charge has been increased on Page 60.
- The footer on Page 61 has been changed to reflect an effective date for service rendered.

Issued:	Effective for Service Rendered on and after
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UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 2(a)
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LIST OF CHANGES MADE BY THIS SUPPLEMENT – (Continued)
 (Page Numbers Refer to Official Tariff)

Rate Schedule GS-1 – General Service, Page 62.

- The customer charge and distribution charge have been increased.
- The footer has been changed to reflect an effective date for service rendered.

Rate Schedule GS-4 – General Service (5 kW minimum), Page 63.

- The distribution charge has been increased.
- The footer has been changed to reflect an effective date for service rendered.

Rate Schedule GS-5 – General Service, Page 65.

- The customer charge and distribution charge have been increased.
- Footer has been changed to reflect an effective date for service rendered.

Rate Schedule LP – Large Power Service, Page 66 - 67.

- The distribution charge has been increased on Page 66.
- The footer on Page 67 has been changed to reflect an effective date for service rendered.

Rate Schedule HTP - High Tension Power Service, Page 68.

- Revised language addressing availability of rate, character of service, rate table, minimum monthly charge, and surcharges and riders.
- The footer has been changed to reflect an effective date for service rendered.

Rate Schedule SL – Street Lighting Service, Page 69.

- The distribution charge has been increased.
- The footer has been changed to reflect an effective date for service rendered.

Rate Schedule SSL – Sodium Street Lighting Service, Page 71.

- The distribution charge has been increased.
- The footer has been changed to reflect an effective date for service rendered.

Rate Schedule MHSL – Metal Halide Street Lighting Service, Page 73.

- The distribution charge has been increased.
- The footer has been changed to reflect an effective date for service rendered.

Rate Schedule LED-SL – Light-Emitting Diode Street Lighting Service, Page 75.

- The distribution charge has been increased.
- The footer has been changed to reflect an effective date for service rendered.

Rate Schedule LED-CO – Customer-Owned Light-Emitting Diode Street Lighting Service, Page 77.

- The distribution charge has been increased.
- The footer has been changed to reflect an effective date for service rendered.

Rate Schedule FCP – Flood Control Power Service, Page 80.

- The footer has been changed to reflect an effective date for service rendered.

Rate Schedule BLR – Borderline Resale Service, Page 81.

- The footer has been changed to reflect an effective date for service rendered.

Page Intentionally Left Blank, Page 82.

- Rate Schedule EV-C – Electric Vehicle – Company Owned Charging has been withdrawn.

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UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 3
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(C) Indicates Change

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Pages Intentionally Left Blank	82-84	(C)

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UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 17
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RULES AND REGULATIONS (continued)

5. SERVICE AND SUPPLY SYSTEM EXTENSIONS

(3) At its own cost, clear the ground in which the lines and related facilities are to be laid of trees, stumps and other obstructions, provide the excavating and backfilling subject to the inspection and approval of the Company, and rough grade it to within six inches of final grade, so that the Company's part of the installation shall consist only of laying of the lines and installing other service-related facilities. Excavating and backfilling performed or provided by the applicant shall follow the Company's underground construction standards and specifications set forth by the Company in written form and presented to the applicant at the time of application for service and presentation of the recorded plot plan to the Company. If the Company's specifications have not been met by the applicant's excavating and backfilling, such excavating and backfilling shall be corrected or redone by the applicant or its authorized agent. Failure to comply with the Company's construction standards and specifications permits the Company to refuse service until such standards and specification are met.

- 5-j Other Extension. The Company's obligation to extend its facilities to a new point of delivery, other than as set forth above, is limited to the assumption of new investment to the extent warranted by the revenue anticipated from the service to be supplied. Where the anticipated revenue does not warrant the investment required to serve, the Company will determine for each case what guarantees of revenue, financing or term of contract shall be required of the Customer.
- 5-k Taxes on Contributions. For any contributions or other like amounts received from an Applicant or Customer which constitute taxable income as defined by the Internal Revenue Service, the Company shall maintain a segregated deferred income tax account for inclusion in rate base in a future rate proceeding. Such income taxes associated with a contribution or other like amount will not be charged to the Applicant or Customer.
- 5-l Service to Electric Vehicle Supply Equipment. Where Company provides service to Qualified Electric Vehicle Charging Stations ("Qualified EV Charging Stations") which will be accessible to the public for charging access, the Company shall provide all required investment without contribution and will design and install the required infrastructure facilities necessary for operation of such Qualified EV Charging Stations (including any new conductor replacement, transformers, overhead service wire, and meters; inclusive of any make ready work located in front of the meter). Such facilities shall be provided at no required contribution to the customer as part of an EV infrastructure pilot, which will end September 30, 2026. Qualified EV Charging Stations may be supplied electricity by an EGS. (C)
- 5-m Qualified EV Charging Stations shall be defined as one (1) to four (4) DC Fast Charge ("DCFC") stations of 50kW or greater, or at least four (4) Level 2 charging stations, which are compatible with the Company's distribution system and are located within 400 feet of a Company 3-phase primary distribution circuit line, or in another location where the Company, in its sole discretion, anticipates that adequate public availability and access is being provided. DCFC installation locations may also be inclusive of one or more adjacent Level 2 charging stations. All qualifying chargers must have smart or network capabilities and be tested for safety by a national testing laboratory such as Underwriters Laboratories ("UL"). Qualifying Level 2 chargers must be ENERGY STAR certified. (C)

(C) Indicates Change

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UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 38
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RIDER A

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge is applicable to the net monthly rates and minimum charges contained in this Tariff. The surcharge shown below will be recomputed when a tax rate used in the calculation changes and/or the Company implements a change in rates.

The recomputation of the surcharge will be submitted to the PUC within 10 days after the occurrence of a reason for surcharge recomputation shown above. If the recomputed surcharge is less than the one in effect the Company will, and if more may, submit a tariff or supplement to reflect such recomputed surcharge, the effective date of which shall be 10 days after the filing.

Rider A - State Tax Adjustment Surcharge is 0.00%.

(I)

(I) Indicates Increase

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UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 42
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**RIDER C
 UNIVERSAL SERVICE PROGRAM RIDER**

APPLICABILITY AND PURPOSE

This Rider shall be applicable to all residential customers except customers in the Company's Customer Assistance Program ("CAP"). This Rider has been established to recover costs related to the Company's Universal Service and Conservation Programs, excluding internal administrative costs.

RATE

In addition to the charges provided in this tariff, an amount shall be added to the otherwise applicable charge for each kWh of sales volumes or distribution volumes distributed by the Company to customers receiving service under Rate Schedule R.

The USP rate: 0.584 ¢/kWh

CALCULATION OF RATE

The Rider USP rate shall be calculated to recover costs for the following programs: Low Income Usage Reduction Program (LIURP); Customer Assistance Program (CAP); Hardship Funds; and any other replacement or Commission-mandated Universal Service Program or low income program that is implemented during the period that the Rider is in effect.

LIURP costs will be calculated based on the projected number of Level 1 income homes to be weatherized. Hardship Fund costs will be calculated on the projected level of an allocated share of administrative funds incurred by the UGI Operation Share Energy Fund.

CAP costs will be calculated to include

- 1) the projected CAP credit; and
- 2) projected CAP customer application and administrative costs paid to external agencies that would not have been incurred in the absence of CAP; and
- 3) projected CAP pre-program arrearage forgiveness.

CAP Credit shall be defined as the difference between the total calculated Rate R bill, excluding Rider USP, and the CAP bill and an adjustment for unearned credit amounts based upon the current discounts at normalized annual volumes of the then-current CAP participants and the projected CAP Credit for projected customer additions to CAP during the period that the CAP Rider rate will be in effect at the average discount of current CAP participants at normalized annual volumes.

QUARTERLY ADJUSTMENT

Any time that the Company makes a change in base rates or GSR rate affecting residential customers, the Company shall recalculate the Rider USP rate pursuant to the calculation described above to reflect the Company's current data for the components used in the USP rate calculation. The Company shall file the updated rate with the PUC to be effective one (1) day after filing.

ANNUAL RECONCILIATION

On or before November 1 of each year, the Company shall file with the PUC data showing the reconciliation of actual revenues received under this Rider and actual recoverable costs incurred for the preceding twelve months ended September. The resulting over/undercollection (plus interest calculated at 6% annually) will be reflected in the CAP quarterly rate adjustment to be effective December 1. Actual recoverable costs shall reflect actual CAP costs, actual application costs, actual pre-program arrearage forgiveness, actual LIURP costs, actual Hardship Administrative costs. Actual recoverable CAP credit costs and pre-program arrearage forgiveness shall be based upon actual CAP credits granted and pre-program arrearage forgiveness granted less a 7.40% adjustment for amounts granted to participants in excess of 3,231 enrollees. The 7.40% adjustment related to CAP credits and pre-program arrearage forgiveness will be based on the following:

(C)

(C) Indicates Change

Issued:	Effective for Service Rendered on and after
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UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 43
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RIDER C

UNIVERSAL SERVICE PROGRAM RIDER (Continued)

For each reconciliation period, the average annual CAP credit per participant will be determined by dividing the total actual CAP credits granted during the reconciliation period by the average monthly number of participants receiving CAP credits during the reconciliation period. The average monthly number of participants receiving CAP credits exceeding 3,231 enrollees will be multiplied by the average annual CAP credit granted per participant and then multiplied by 0.0740 in order to determine the amount of the CAP Credits recovered through Rider USP. (C)

For each reconciliation period, the average pre-program arrearage forgiveness per participant will be determined by dividing the total actual pre-program arrearage forgiven during the reconciliation period by the number of participants receiving pre-program arrearage forgiveness. The number of participants receiving pre-program arrearage forgiveness exceeding 3,231 enrollees will be multiplied by the average pre-program arrearage forgiveness per participant and then multiplied by 0.0740 in order to determine the amount of the pre-program arrearage forgiveness which will not be recovered through Rider USP. (C)

(C) Indicates Change

Issued:	Effective for Service Rendered on and after
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UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 49
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(C)

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Issued:	Effective for Service Rendered on and after
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UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 50
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RIDER G

DSIC – DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

In addition to the net charges provided for in this Tariff, a charge of 0.00% will apply.

(D, C)

A.1 Purpose. To recover the reasonable and prudent costs incurred to repair, improve, or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide the Company with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional supply problems.

The costs of extending facilities to serve new customers are not recoverable through the DSIC.

A.2 Eligible Property.

The DSIC-eligible property will consist of the following:

- Poles and Tower (364);
- Overhead conductors (365)
- Underground Conduit and Conductors (366 & 367)
- Line Transformers (368)
- Substation Equipment (362)
- Any fixture or device related to eligible property listed above, including insulators, circuit breakers, fuses, reclosers, grounding wires, crossarms and brackets, relays, capacitors, convertors and condensers;
- Unreimbursed costs related to highway relocation projects where an electric distribution company must relocate its facilities; and
- Other related capitalized costs.

A.3 Effective Date. The DSIC will become effective for bills rendered on or before November 9, 2021.

(C)

A.4 Computation of the DSIC. The DSIC will be updated on a quarterly basis to reflect eligible plant additions placed in service during the three-month periods ending one month prior to the effective date of each DSIC update.

Thus, changes in the DSIC rate will occur as follows:

Effective Date of Change	Date to which DSIC-Eligible Plant Additions Reflected
April 1	December 1 through February 28
July 1	March 1 through May 31
October 1	June 1 through August 31
January 1	September 1 through November 30

(D) Indicates Decrease (C) Indicates Change

Issued:	Effective for Bills Rendered on and after
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UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 52
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RIDER G

DSIC – DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (Continued)

A.7 Quarterly Updates. Supporting data for each quarterly update will be filed with the Commission and served upon the Commission’s Bureau of Audits, Bureau of Investigation and Enforcement, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the update.

A.8 Customer Safeguards.

1. Cap: The DSIC is capped at 5.0% of the amount billed to customers for distribution service (including all applicable clauses and riders) as determined on an annualized basis.
2. Audit/Reconciliation: The DSIC is subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with any provision of 66 Pa C.S. § 1350, et seq., shall be credited to customer accounts. The DSIC is subject to annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year or the Company may elect to subject the DSIC to quarterly reconciliation but only upon request and approval by the Commission. The revenue received under the DSIC for the reconciliation period will be compared to the Company's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one-year period commencing on April 1 of each year or in the next quarter if permitted by the Commission. If DSIC revenues exceed DSIC-eligible costs, such over-collections will be refunded with interest. Interest on over-collections and credits will be calculated at the residential mortgage lending specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. § 101, et seq.) and will be refunded in the same manner as an over-collection. The Company is not permitted to accrue interest on under collections.
3. New Base Rates: The DSIC will be reset to zero upon application of new base rates to customer billings that provide for prospective recovery of the annual costs that had previously been recovered under the DSIC. Thereafter, only the fixed costs of new eligible plant additions that have not previously been reflected in the Company’s rates or rate base will be reflected in the quarterly updates of the DSIC.
4. Customer Notice: Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.
5. All Customer Classes: The DSIC shall be applied equally to all customer classes, except that the Company may reduce or eliminate the Rider DSIC to any customer with competitive alternatives who have negotiated contracts with the Company, if it is reasonably necessary to do so.
6. Earnings Reports: The DSIC will also be reset to zero, if, in any quarter, data filed with the Commission in the Company’s then most recent Annual or Quarterly Earnings reports show that the Company would earn a rate of return that would exceed the allowable rate of return used to calculate its fixed costs under the DSIC as described in the pre-tax return section. The Company shall file a tariff supplement implementing the reset to zero due to overearning on one-days’ notice and such supplement shall be filed simultaneously with the filing of the most recent Annual or Quarterly Earnings reports indicating that the Company has earned a rate of return that would exceed the allowable rate of return used to calculate its fixed costs.

(C)

(C) Indicates Change

Issued:	Effective for Bills Rendered on and after
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UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 53
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**RATE R
 RESIDENTIAL SERVICE**

AVAILABILITY

Available to Customers located on Company's distribution lines and desiring service for household and non-residential uses (where the non-residential use(s) is limited to less than 2 kW) in a single private dwelling, or an individual dwelling unit in a multiple dwelling structure, and its appurtenant detached buildings.

CHARACTER OF SERVICE

Alternating current, 60 cycles, single phase; 120 volts, 2 wire; 120-208 volts, 3 wire; or 120-240 volts, 3 wire.

RATE TABLE

Customer Charge: \$9.50 per Month

Distribution Charge (all usage): 3.907 ¢/kWh

(I)

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SURCHARGES AND RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider B - Generation Supply Service
- Rider C - Universal Service Program Rider
- Rider E - Energy Efficiency and Conservation Rider
- Rider G- Distribution System and Improvement Charge

MINIMUM MONTHLY CHARGE

The Minimum Monthly Charge shall be the Customer Charge.

PAYMENT TERMS

Late Payment Charges shall be billed in accordance with Section 13, Payment Terms, paragraph 13-f.

(I) Indicates Increase (C) Indicates Change

Issued:	Effective for Service Rendered on and after
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**RATE OL
 OUTDOOR LIGHTING SERVICE**

AVAILABILITY

This Rate is available for outdoor lighting in the entire territory served by the Company, where contracted for by a Customer for private area lighting.

CONTRACT TERM AND BILLING

Standard contracts are on a yearly basis with monthly payments for service.

RATE TABLE

Rates per month for standard construction with monthly payments for service rendered.

Flood Lighting Luminaire – Mercury Vapor

	Residential		Commercial	
	Customer Charge (Per Lamp)	Distribution (¢/kWh)	Customer Charge (Per Lamp)	Distribution (¢/kWh)
11,000 Lumen	\$7.20	3.962	\$6.79	4.776
20,000 Lumen	\$8.05	3.962	\$7.43	4.776
60,000 Lumen	\$8.24	3.962	\$6.69	4.776

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Street Lighting Luminaire – Mercury Vapor

	Residential		Commercial	
	Customer Charge (Per Lamp)	Distribution (¢/kWh)	Customer Charge (Per Lamp)	Distribution (¢/kWh)
7,000 Lumen	\$4.54	3.962	\$4.26	4.776
11,000 Lumen	\$7.20	3.962	\$6.79	4.776
20,000 Lumen	\$8.05	3.962	\$7.43	4.776
60,000 Lumen	\$8.24	3.962	\$6.69	4.776

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Low mounted, decorative fixture and pole \$ 7.46 per month
 for underground service, provided that in addition to charge
 no trenching and back-filling is required in Rate Tables above

Distribution and Generation Supply rates will be applied to per kilowatt hour of energy used each month.
 The number of kWh supplied is based upon the average hours' use and size of lamps.

STANDARD CONSTRUCTION

The prices specified in the Rate Table for Standard Construction cover the supply of lamps and equipment to mount floodlighting or street lighting luminaires and photo-electric switch control on Company's existing wood pole or other support approved by the Company and located within one span (150 feet) of existing 120 volt facilities. If Customer requires an additional wood pole, or poles, to be installed, a monthly charge of \$5.99 per pole shall be added to the above Rates for standard installation poles. Any additional facilities other than specified herein shall be paid by the Customer in advance.

HOURS OF BURNING

Operation shall be from dusk until dawn, a total of approximately 4,000 hours per year. Credit shall not be allowed for lamp outages.

(I) Indicates Increase

Issued:	Effective for Service Rendered on and after
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UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 55
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**RATE OL - (Continued)
OUTDOOR LIGHTING SERVICE**

MAINTENANCE

All facilities shall be owned and maintained by the Company. Lamp renewal service, during normal working hours will be provided upon notice to the Company for lamps burned out or broken. Burned out or broken lamps will be replaced as long as the supply of mercury vapor lighting is available to the Company.

RURAL LINE MINIMUMS

Rural line minimums shall not be applicable to charges under this Rate.

APPROVAL

Customer shall obtain proper approval for lights to be located on public thoroughfares.

SURCHARGES AND RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider B - Generation Supply Service
- Rider E- Energy Efficiency and Conservation Rider
- Rider G- Distribution System and Improvement Charge

PAYMENT TERMS

Late Payment Charges shall be billed in accordance with Section 13, Payment Terms, paragraph 13-f.

(C) Indicates Change

Issued:	Effective for Service Rendered on and after
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UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 56
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**RATE SOL
 SODIUM OUTDOOR LIGHTING SERVICE**

AVAILABILITY

This Rate for high pressure sodium outdoor lighting is available in the entire territory served by the Company, where contracted for by a Customer for private area lighting.

CONTRACT TERM

Two years and thereafter in accordance with contract provisions. The contract may be terminated with sixty (60) days' notice prior to expiration period of contract by either party.

NET MONTHLY RATE

Rates per month for standard construction with monthly payments for service rendered.

Floodlighting Luminaire – High Pressure Sodium

	Residential		Commercial	
	Customer Charge (Per Lamp)	Distribution (¢/kWh)	Customer Charge (Per Lamp)	Distribution (¢/kWh)
16,000 Lumen	\$7.96	3.962	\$7.65	4.776
25,000 Lumen	\$8.35	3.962	\$7.88	4.776
50,000 Lumen	\$10.42	3.962	\$9.72	4.776

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Street Lighting Luminaire – High Pressure Sodium

	Residential		Commercial	
	Customer Charge (Per Lamp)	Distribution (¢/kWh)	Customer Charge (Per Lamp)	Distribution (¢/kWh)
9,500 Lumen	\$7.87	3.962	\$7.66	4.776
16,000 Lumen	\$7.96	3.962	\$7.65	4.776
25,000 Lumen	\$8.35	3.962	\$7.88	4.776
50,000 Lumen	\$10.42	3.962	\$9.72	4.776

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Low mounted, decorative fixture and pole \$ 7.46 per month
 for underground service, provided that in addition to charge
 no trenching and backfilling is required in Rate Table above

Distribution and Generation Supply rates will be applied to per kilowatt hour of energy used each month. The number of kWh supplied is based upon the average hours' use and size of lamps.

GENERAL PROVISIONS

- (a) The prices specified in the Rate Table for Standard Overhead Construction cover the supply of lamps and equipment to mount flood lighting or street lighting luminaires and photo-electric switch control on Company's existing wood pole or other support approved by Company and located within 150 feet of existing 120 volt facilities.
- (b) If Customer requires an additional wood pole, or poles, to be installed for mounting heights up to 25 feet, a monthly charge of \$5.99 per pole shall be added to the above rates.
- (c) Any additional facilities other than specified herein shall be paid by the Customer in advance.

(I) Indicates Increase

Issued:	Effective for Service Rendered on and after
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UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 57
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RATE SOL - (Continued)
SODIUM OUTDOOR LIGHTING SERVICE

- (d) Customer shall obtain proper approval for lights to be located on public thoroughfares
- (e) Operation shall be from dusk to dawn, a total of approximately 4,000 hours per year. Lamp renewal service, during normal working hours, will be provided upon notice to Company for lamps burned out or broken and no credit for outages allowed. Company will supply, install, operate, and maintain necessary lighting facilities.

REMOVAL OF MERCURY VAPOR

When, at the request of the Customer, a sodium vapor light replaces a fully operational mercury vapor light that has been installed for less than 10 years, the Customer shall pay the Company for the Company's estimated cost of removal and rehabilitation plus the estimated remaining value of the system. When, at the request of the Customer, a sodium vapor light replaces a failed mercury vapor light that can neither be repaired nor replaced, the installation will be completed at no charge to the Customer.

SURCHARGES AND RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider B - Generation Supply Service
- Rider E - Energy Efficiency and Conservation Rider
- Rider G- Distribution System and Improvement Charge

PAYMENT TERMS

Late Payment Charges shall be billed in accordance with Section 13, Payment Terms, paragraph 13-f.

(C) Indicates Change

Issued:	Effective for Service Rendered on and after
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(C)

UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 58
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**RATE MHOL
 METAL HALIDE OUTDOOR LIGHTING SERVICE**

AVAILABILITY

This Rate is available in the entire territory served by the Company, where contracted for by a Customer for private area lighting.

CONTRACT TERM

Two years and thereafter in accordance with contract provisions. The contract may be terminated with sixty (60) days' notice prior to expiration period of contract by either party.

NET MONTHLY RATE

Flood Lighting Luminaire

	Residential		Commercial	
	Customer Charge (Per Lamp)	Distribution (¢/kWh)	Customer Charge (Per Lamp)	Distribution (¢/kWh)
20,500 Lumen	\$9.05	3.962	\$8.65	4.776
36,000 Lumen	\$9.20	3.962	\$8.57	4.776
110,000 Lumen	\$16.11	3.962	\$14.58	4.776

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Street Lighting Luminaire

	Residential		Commercial	
	Customer Charge (Per Lamp)	Distribution (¢/kWh)	Customer Charge (Per Lamp)	Distribution (¢/kWh)
9,000 Lumen	\$8.07	3.962	\$7.86	4.776
12,900 Lumen	\$6.83	3.962	\$6.57	4.776
13,000 Lumen	\$6.36	3.962	\$6.07	4.776
20,500 Lumen	\$9.05	3.962	\$8.65	4.776
36,000 Lumen	\$9.20	3.962	\$8.57	4.776

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Low mounted, decorative fixture and pole \$ 7.46 per month
 for underground service, provided that in addition to charge
 no trenching and backfilling is required in Rate Table above

Distribution and Generation Supply rates will be applied to per kilowatt hour of energy used each month.
 The number of kWh supplied is based upon the average hours' use and size of lamps.

(C)

GENERAL PROVISIONS

- (a) The prices specified in the Rate Table for Standard Overhead Construction cover the supply of lamps and equipment to mount flood lighting or street lighting luminaries and photo-electric switch control on Company's existing wood pole or other support approved by Company and located within 150 feet of existing 120 volt facilities.
- (b) If Customer requires an additional wood pole, or poles, to be installed for mounting heights up to 25 feet, a monthly charge of \$5.99 per pole shall be added to the above rates.
- (c) Any additional facilities other than specified herein shall be paid by the Customer in advance.

(I) Indicates Increase (C) Indicates Change

Issued:	Effective for Service Rendered on and after
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UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 59
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RATE MHOL - (Continued)
METAL HALIDE OUTDOOR LIGHTING SERVICE

- (d) Customer shall obtain proper approval for lights to be located on public thoroughfares.
- (e) Operation shall be from dusk to dawn, a total of approximately 4,000 hours per year. Lamp renewal service, during normal working hours, will be provided upon notice to Company for lamps burned out or broken and no credit for outages allowed. Company will supply, install, operate, and maintain necessary lighting facilities.

REMOVAL OF MERCURY VAPOR & HIGH PRESSURE SODIUM

When, at the request of the Customer, a metal halide light replaces a fully operational mercury vapor or high pressure sodium light that has been installed for less than 1 or 2 years respectively, the Customer shall pay the Company for the Company's estimated cost of removal and rehabilitation plus the estimated remaining value of the system. When, at the request of the Customer, a metal halide light replaces a failed mercury vapor light that can neither be repaired nor replaced, the installation will be completed at no charge to the Customer.

TERMINATION

If Customer terminates outdoor lighting service under this schedule for any reason prior to expiration of the two-year term, Customer shall pay removal cost.

SURCHARGES AND RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider B - Generation Supply Service
- Rider E - Energy Efficiency and Conservation Rider
- Rider G- Distribution System and Improvement Charge

PAYMENT TERMS

Late Payment Charges shall be billed in accordance with Section 13, Payment Terms, paragraph 13-f.

(C) Indicates Change

Issued:	Effective for Service Rendered on and after
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**RATE LED-OL
LIGHT-EMITTING DIODE OUTDOOR LIGHTING SERVICE**

AVAILABILITY

This Rate is available in the entire territory served by the Company, where contracted for by a Customer for private area lighting.

CONTRACT TERM

Two years and thereafter in accordance with contract provisions, which shall be consistent with this rate schedule and shall be of a standard form provided by and satisfactory to the Company. The contract may be terminated with sixty (60) days' notice prior to expiration period of contract by either party subject to the termination provision below.

NET MONTHLY RATE

Flood Lighting Luminaire

Nominal Lamp Wattage Range	Residential		Commercial	
	Customer Charge (Per Lamp)	Distribution (¢/kWh)	Customer Charge (Per Lamp)	Distribution (¢/kWh)
85-100	\$15.42	3.962	\$15.42	4.776
170-210	\$22.64	3.962	\$22.64	4.776
250-280	\$26.08	3.962	\$26.08	4.776

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Street Lighting Luminaire

Nominal Lamp Wattage Range	Residential		Commercial	
	Customer Charge (Per Lamp)	Distribution (¢/kWh)	Customer Charge (Per Lamp)	Distribution (¢/kWh)
50-60	\$10.29	3.962	\$10.29	4.776
100-110	\$12.16	3.962	\$12.16	4.776
140-160	\$14.00	3.962	\$14.00	4.776
250-280	\$21.25	3.962	\$21.25	4.776

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Distribution and Generation Supply rates will be applied to per kilowatt hour of energy used each month. Service hereunder is unmetered with the number of kWh billed for each size lamp calculated based on the estimated input wattage of the lamp and approximately 4,000 burning hours per year.

GENERAL PROVISIONS

- (a) The prices specified in the Rate Table for Customer Charger (Per Lamp) cover the supply of lamps, fixtures, luminaries, and equipment, and installation of flood lighting or street lighting luminaries and photo-electric switch control on Company's existing wood pole or other support approved by Company and located within 150 feet of existing 120 volt facilities. Such charges include normal operation and maintenance.

(I) Indicates Increase

Issued:	Effective for Service Rendered on and after
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**RATE LED-OL (continued)
 LIGHT-EMITTING DIODE OUTDOOR LIGHTING SERVICE**

- (b) If Customer requires an additional wood pole, or poles, to be installed for mounting heights up to 25 feet, a monthly charge of \$5.99 per pole shall be added to the above rates.
- (c) Any additional facilities other than specified herein and the cost of rearranging facilities required to change mounting height shall be paid by the Customer in advance.
- (d) Customer shall obtain proper approval for lights to be located on public thoroughfares.
- (e) Operation shall be from dusk to dawn, a total of approximately 4,000 hours per year. Lamp renewal service, during normal working hours, will be provided upon notice to Company for lamps burned out or broken and with no credit for outages. Company will supply, install, operate, and maintain necessary lighting facilities.

REMOVAL OF MERCURY VAPOR, HIGH PRESSURE SODIUM AND METAL HALIDE

When, at the request of the Customer, a LED light replaces a fully operational mercury vapor, high pressure sodium or metal halide light that has been installed for less than the applicable contract term, the Customer shall pay the Company for the Company's estimated cost of removal and rehabilitation plus the estimated remaining value of the system. When, at the request of the Customer, a LED light replaces a failed mercury vapor, high pressure sodium or metal halide light that can neither be repaired nor replaced, the installation will be completed at no charge to the Customer.

TERMINATION

If Customer terminates outdoor lighting service under this schedule for any reason prior to expiration of the two-year term, Customer shall pay removal cost.

SURCHARGES AND RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider B - Generation Supply Service
- Rider E - Energy Efficiency and Conservation Rider
- Rider G- Distribution System and Improvement Charge

PAYMENT TERMS

Late Payment Charges shall be billed in accordance with Section 13, Payment Terms, paragraph 13-f.

(C) Indicates Change

Issued:	Effective for Service Rendered on and after
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UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 62
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**RATE GS-1
 GENERAL SERVICE**

AVAILABILITY

Available to Customers located on Company's distribution lines desiring electric service for general lighting and/or power service outside the scope of the Residence Service Rate Schedules and whose demand at any time of the year is not in excess of five (5) kilowatts, and any building the primary use of which is public worship.

CHARACTER OF SERVICE

Alternating current, 60 cycles, single phase, 120 volts, 2 wire; or 120-240 volts, 3 wire; and 3 phase, 120-240 volts, 4 wire, except in areas where only 120/208 volts are available.

CONTRACT TERM AND BILLING

Standard contracts are on a yearly basis with monthly payments for service taken.

RATE TABLE

Customer Charge:	\$13.00 per Month	(I)
Distribution Charge (all usage):	5.237 ¢/kWh	(I)

MINIMUM MONTHLY CHARGE

The Minimum Monthly Charge is the Customer Charge.

DETERMINATION OF DEMAND

The demand will be determined at the option of the Company by estimate or by test at the time of maximum use or by demand meter measurement. Demands of Customers with monthly consumption over two thousand (2,000) kilowatt-hours on a recurring basis will be metered unless otherwise shown to be eligible for this rate.

SURCHARGES AND RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider B - Generation Supply Service
- Rider E - Energy Efficiency and Conservation Rider
- Rider G- Distribution System and Improvement Charge

PAYMENT TERMS

Late Payment Charges shall be billed in accordance with Section 13, Payment Terms, paragraph 13-f.

(I) Indicates Increase (C) Indicates Change

Issued:	Effective for Service Rendered on and after
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UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 63
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RATE GS-4 SERVICE
 (5 kW minimum)

AVAILABILITY

Available to Customers located on Company's distribution lines desiring electric service for general lighting and/or power service and whose minimum billing demand is not less than five (5) kilowatts.

CHARACTER OF SERVICE

Alternating current, 60 cycles, 3 phase, 120-240 volts, 4 wire; 120-208 volts, 4 wire; or 240 volts, 3 wire; 480 volts, 3 wire; or 277-480 volts, 4 wire, may be supplied. In addition, alternating current, 60 cycles, single phase, 120-240 volts, 3 wire, and where available 120-208 volts, 3 wire.

CONTRACT TERM AND BILLING

Contracts shall be for a term of not less than one (1) year with monthly payments for service taken. Contracts for a longer term may be required where new investment by Company is necessary.

RATE TABLE

Customer Charge: \$15.00 per Month

	Distribution (\$/kW)	Distribution (¢/kWh)	
First 20 kW of billing demand	\$3.59		
Over 20 kW of billing demand	\$2.20		
First 200 hours use of demand		2.882	(I)
Next 300 hours use of demand		1.816	(I)
All over 500 hours use of demand		1.513	(I)

MINIMUM MONTHLY CHARGE

The Minimum Monthly Charge is the charge in the Rate Table for the billing demand. The minimum billing demand will not be less than five (5) kilowatts nor less than the minimum value stated in a contract for service.

DETERMINATION OF DEMAND

The demand shall be the greatest fifteen (15) minute load in kilowatts established during the month, taken for billing purposes to the nearest kilowatt.

SURCHARGES AND RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider B - Generation Supply Service
- Rider E - Energy Efficiency and Conservation Rider
- Rider F - Power Factor Surcharge
- Rider G- Distribution System and Improvement Charge

PAYMENT TERMS

Late Payment Charges shall be billed in accordance with Section 13, Payment Terms, paragraph 13-f.

POWER FACTOR

The Power Factor Charge contained in this Tariff is applied to this Rate

(I) Indicates Increase (C) Indicates Change

Issued:	Effective for Service Rendered on and after
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RATE GS-5 (continued)
GENERAL SERVICE
(VOLUNTEER FIRE COMPANY, NON-PROFIT SENIOR CITIZEN CENTER, NON-PROFIT RESCUE SQUAD, AND NON-PROFIT AMBULANCE SERVICE)

RATE TABLE

Customer Charge:	\$9.50 per Month	(I)
Distribution Charge (all usage):	3.907 ¢/kWh	(I)

MINIMUM MONTHLY CHARGE

The Minimum Monthly Charge shall be the Customer Charge.

SURCHARGES AND RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider B - Generation Supply Service
- Rider E - Energy Efficiency and Conservation Rider
- Rider G- Distribution System and Improvement Charge

PAYMENT TERMS

Late Payment Charges shall be billed in accordance with Section 13, Payment Terms, paragraph 13-f.

(I) Indicates Increase (C) Indicates Change

Issued:	Effective for Service Rendered on and after
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**RATE LP
 LARGE POWER SERVICE**

AVAILABILITY

Available to Customers taking general light and power service at each delivery point and whose minimum demand is not less than one hundred (100) kilowatts.

CHARACTER OF SERVICE

Alternating current, 60 cycles, 3 phase, 2,400 volts, 4,160 volts, 8,320 volts, or 13,800 volts, with one (1) transformation to a lower voltage with metering on the primary side of transformers and substation equipment supplied by the Company.

CONTRACT TERM AND BILLING

Contracts shall be for a term of not less than one (1) year with monthly payments for service taken. Contracts for a longer term may be required where new investment by Company is necessary.

RATE TABLE

The Customer's monthly bill shall be the sum of the demand and energy charges.

	Distribution (\$/kW)	Distribution (¢/kWh)	
Demand Charge:			
First 100 kW of billing demand	\$135.80 *		
Next 400 kW of billing demand	\$0.94		
Over 500 kW of billing demand	\$0.69		
First 100 hours use of billing demand		2.199	(I)
Next 200 hours use of billing demand but not more than 200,000 kWh		1.588	(I)
Next 200 hours use of billing demand but not more than 200,000 kWh		1.453	(I)
Excess		1.365	(I)

* Charge is for the First 100 kW of billing demand or any part thereof.

(I) Indicates Increase

Issued:	Effective for Service Rendered on and after
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**RATE LP - (Continued)
 LARGE POWER SERVICE**

DETERMINATION OF DEMAND

The demand shall be determined by meters which will, at the option of the Company, either indicate or record the demand. The billing demand shall be the highest fifteen (15) minute demand recorded during the month, provided that the Company reserves the right to use for billing purposes the single maximum demand established during a five (5) minute interval when power installation includes hoists, elevators, welding machines, electric furnaces, or other load having high intermittent peak load requirements. In no event, however, shall the billing demand be less than one hundred (100) kilowatts.

SECONDARY SERVICE

At the Company's option, service may be metered at secondary voltage of transforming equipment. When so metered energy charges will be increased two (2) percent.

POWER FACTOR

The Power Factor Charge contained in this Tariff is applied to this Rate.

MINIMUM MONTHLY CHARGE

The Minimum Monthly Charge shall be an amount equal to the demand charge plus the power factor charge for the month.

SURCHARGES AND RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider B - Generation Supply Service
- Rider E - Energy Efficiency and Conservation Rider
- Rider F - Power Factor Surcharge
- Rider G- Distribution System and Improvement Charge

PAYMENT TERMS

Late Payment Charges shall be billed in accordance with Section 13, Payment Terms, paragraph 13-f.

(C) Indicates Change

Issued:	Effective for Service Rendered on and after
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**RATE HTP
 HIGH TENSION POWER SERVICE**

AVAILABILITY

This rate is available for large general service Customers taking supply from available transmission lines of 66,000 volts or higher.

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CHARACTER OF SERVICE

Alternating current, 60 cycles, 3 phase, 66,000 volts (or higher) with metering on the primary side of transformers and substation equipment supplied by the Customer.

(C)

CONTRACT TERM AND BILLING

Contract shall be for a term of not less than one (1) year with monthly payments for service taken. Contracts for a longer term may be required where new investment by Company is necessary.

RATE TABLE

Customer Charge, Distribution Charge, Demand Charge, and Power Factor Surcharge are all fully negotiated rates.

(C)

MINIMUM MONTHLY CHARGE

As determined by negotiation between Customer and Company.

(C)

SURCHARGES AND RIDERS

Rider A - State Tax Adjustment Surcharge
 Rider B - Generation Supply Service

(C)

PAYMENT TERMS

Late Payment Charges shall be billed in accordance with Section 13, Payment Terms, paragraph 13-f.

(C) Indicates Change

Issued:	Effective for Service Rendered on and after
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**RATE SL
 STREET LIGHTING SERVICE**

AVAILABILITY

This Rate is available for street, bridge, parks and outdoor lighting in the entire territory served by the Company.

CONTRACT TERM

Standard contracts are for the term of five (5) years. Contracts for a longer term may be required where new investment by Company is necessary.

RATE TABLE

Rates per lamp per month for standard construction with monthly payments for service rendered.

Mercury Vapor

	Municipal or Public Authority	
	Customer Charge (Per Lamp)	Distribution (¢/kWh)
3,750 Lumen	\$3.88	4.776
7,000 Lumen	\$4.05	4.776
11,000 Lumen	\$6.37	4.776
20,000 Lumen	\$7.65	4.776
60,000 Lumen	\$6.43	4.776

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Low mounted, decorative fixture and pole \$ 7.46 per month
 for underground service, provided that in addition to charge
 no trenching and back-filling is required in Rate Table above

Additional wood pole installed for the sole..... \$ 5.99 per month
 purpose of supporting lighting fixtures or circuits

The number of kWh supplied is based upon the average hours' use and size of lamps.

Distribution and Generation Supply rates will be applied to per kilowatt hour of energy used each month. The number of kWh supplied is based upon the average hours' use and size of lamps.

SURCHARGES AND RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider B - Generation Supply Service
- Rider E - Energy Efficiency and Conservation Rider
- Rider G- Distribution System and Improvement Charge

STANDARD CONSTRUCTION

The prices specified in the Rate Table for Standard Construction cover the supply of lamps and equipment to mount lighting fixtures on wood poles and include electric current and maintenance for complete street lighting service when supplied from circuits, mast arms, and fixtures of overhead construction. When Customer desires an underground or ornamental system, or non-standard construction conditions exist, the additional cost shall be borne by Customer; also, if Customer desires to supply equipment such as conductors, conduit, poles and fixtures, a monthly construction credit for such equipment supplied shall be given Customer over the term of the contract.

Other special equipment such as is used for channel lighting on bridges shall be installed and maintained by Customer except lamp bulbs which shall be furnished and renewed by Company.

(I) Indicates Increase (C) Indicates Change

Issued:	Effective for Service Rendered on and after
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**RATE SSL
SODIUM STREET LIGHTING SERVICE**

AVAILABILITY

This Rate schedule for high pressure sodium vapor lighting is available for public roadway, bridge and parks.

CONTRACT TERM

Ten years and thereafter in accordance with contract provisions. The contract may be terminated with sixty (60) days' notice prior to expiration period of contract by either party.

NET MONTHLY RATE

	Municipal or Public Authority	
	Customer Charge (Per Lamp)	Distribution (¢/kWh)
9,500 Lumen	\$7.51	4.776
16,000 Lumen	\$7.58	4.776
25,000 Lumen	\$8.57	4.776
50,000 Lumen	\$9.10	4.776

(I)
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Low mounted, decorative fixture and pole \$ 7.46 per month
for underground service, provided that in addition to charge
no trenching and back-filling is required in Rate Table above

Additional wood pole installed for the sole \$ 5.99 per month
purpose of supporting lighting fixtures or circuits

The number of kWh supplied is based upon the average hours' use and size of lamp.

Distribution and Generation Supply rates will be applied to per kilowatt hour of energy used each month. The number of kWh supplied is based upon the average hours' use and size of lamps.

SURCHARGES AND RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider B - Generation Supply Service
- Rider E - Energy Efficiency and Conservation Rider
- Rider G- Distribution System and Improvement Charge

GENERAL PROVISIONS

- (a) Necessary street lighting facilities are supplied and installed, operated and maintained by Company and are connected to Company's available general distribution system.
- (b) Prices include the standard type luminaire currently being offered at the time service is contracted for and up to 150 circuit feet of overhead secondary extension.
- (c) Customer shall pay the cost of any additional facilities required to extend service and the cost of rearranging facilities required to change mounting height.
- (d) Company will provide underground and decorative systems of a type being offered by the Company at the time service is contracted for when the additional cost in excess of the estimated cost of a standard overhead system for the same application is paid by Customer. Company shall take title to this system and shall operate and maintain the facilities. At the termination, for any reason, of the useful life of these systems or designated components, a new system or component shall be installed under similar conditions.

(I) Indicates Increase (C) Indicates Change

Issued:	Effective for Service Rendered on and after
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(C)

UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 73
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**RATE MHSL
 METAL HALIDE STREET LIGHTING SERVICE**

AVAILABILITY

This Rate is available to municipalities or other public authorities for street, bridge, parks and outdoor lighting in the entire territory served by the Company.

CONTRACT TERM

Ten years and thereafter in accordance with contract provisions. The contract may be terminated with sixty (60) days' notice prior to expiration period of contract by either party

NET MONTHLY RATE

	Municipal or Public Authority	
	Customer Charge (Per Lamp)	Distribution (¢/kWh)
9,000 Lumen	\$6.71	4.776
12,900 Lumen	\$5.42	4.776
13,000 Lumen	\$4.92	4.776
20,500 Lumen	\$7.29	4.776
36,000 Lumen	\$6.20	4.776

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(1) Low mounted, decorative fixture and pole..... \$ 7.46 per month
 for underground service, provided that in addition to charge
 no trenching and back-filling is required in Rate Table above

Additional wood pole installed for the sole..... \$ 5.99 per month
 purpose of supporting lighting fixtures or circuits

The number of kWh supplied is based upon the average hours' use and size of lamp.

Distribution and Generation Supply rates will be applied to per kilowatt hour of energy used each month. The number of kWh supplied is based upon the average hours' use and size of lamps.

SURCHARGES AND RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider B - Generation Supply Service
- Rider E - Energy Efficiency and Conservation Rider
- Rider G- Distribution System and Improvement Charge

GENERAL PROVISIONS

- (a) Necessary street lighting facilities are supplied and installed, operated and maintained by Company and are connected to Company's available general distribution system.
- (b) Prices include the standard type luminaries currently being offered at the time service is contracted for and up to 150 circuit feet of overhead secondary extension.
- (c) Customer shall pay the cost of any additional facilities required to extend service and the cost of rearranging facilities required to change mounting height.
- (d) The cost of any change of location of lamps, from the original location specified by Customer, shall be borne by the Customer and paid to the Company.

(I) Indicates Increase (C) Indicates Change

Issued:	Effective for Service Rendered on and after
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(C)

UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 75
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**RATE LED-SL
 LIGHT-EMITTING DIODE STREET LIGHTING SERVICE**

AVAILABILITY

This Rate is available to municipalities or other public authorities for street, bridge, parks and outdoor public lighting in the entire territory served by the Company.

CONTRACT TERM

Ten years and thereafter in accordance with contract provisions, which shall be consistent with this rate schedule and shall be of a standard form provided by and satisfactory to the Company. The contract may be terminated with sixty (60) days' notice prior to expiration period of contract by either party subject to the termination provision below.

NET MONTHLY RATE

Nominal Lamp Wattage Range	Municipal or Public Authority	
	Customer Charge (Per Lamp)	Distribution (¢/kWh)
50-60	\$10.29	4.776
100-110	\$12.16	4.776
140-160	\$14.00	4.776
250-280	\$21.25	4.776

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Additional wood pole installed for the sole.....\$ 5.99 per month purpose of supporting lighting fixtures or circuits

Distribution and Generation Supply rates will be applied to per kilowatt hour of energy used each month. Service hereunder is unmetered with the number of kWh billed for each size lamp calculated based on the estimated input wattage of the lamp and approximately 4,000 burning hours per year.

SURCHARGES AND RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider B - Generation Supply Service
- Rider E - Energy Efficiency and Conservation Rider
- Rider G- Distribution System and Improvement Charge

GENERAL PROVISIONS

- (a) Necessary street lighting facilities are supplied and installed, operated and maintained by Company and are connected to Company's available general distribution system.
- (b) Prices include the standard type luminaries currently being offered at the time service is contracted for and up to 150 circuit feet of overhead secondary extension. Prices include normal operation and maintenance.
- (c) Customer shall pay the cost of any additional facilities required to extend service and the cost of rearranging facilities required to change mounting height.
- (d) The cost of any change of location of lamps, from the original location specified by Customer, shall be borne by the Customer and paid to the Company.

(I) Indicates Increase (C) Indicates Change

Issued:	Effective for Service Rendered on and after
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(C)

UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 77
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**RATE LED-CO
 CUSTOMER-OWNED LIGHT-EMITTING DIODE STREET LIGHTING SERVICE**

AVAILABILITY

This Rate is available to non-residential Customers and municipalities or other public authorities in the entire territory served by the Company for the operation of Light-Emitting Diode (LED) street lighting systems on private or public areas where the Customer wholly owns and installs the street lighting system.

CONTRACT TERM

Ten years and thereafter in accordance with contract provisions, which shall be consistent with this rate schedule and shall be of a standard form provided by and satisfactory to the Company. The contract may be terminated with sixty (60) days' notice prior to expiration period of contract by either party subject to the termination provision below.

NET MONTHLY RATE

Distribution Charge.....	4.776 (¢/kWh)	(I)
Customer Charge (Per Lamp)*.....	\$2.00 per month	

* Applicable where, upon Customer election, Company provides operation and maintenance of Customer-owned street lighting system in accordance with the provisions below.

Additional wood pole installed for the sole.....\$ 5.99 per month
 purpose of supporting lighting fixtures or circuits

Distribution and Generation Supply rates will be applied to per kilowatt hour of energy used each month. Service hereunder is unmetered with the number of kWh billed for each size lamp calculated based on the estimated input wattage of the lamp and approximately 4,000 burning hours per year. Rate offering applicable to Customer-owned street lights sized within the standard nominal lamp wattage ranges offered by the Company under Rate Schedule LED-SL, not to exceed 280 nominal lamp wattage. If the Customer-owned street light is of a size outside of the Company's standard size offerings under Rate Schedule LED-SL, but in no event not to exceed 280 nominal lamp wattage, the Customer's kWh billed will be determined based on the next higher nominal lamp wattage range set forth under Rate Schedule LED-SL.

SURCHARGES AND RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider B - Generation Supply Service
- Rider E - Energy Efficiency and Conservation Rider
- Rider G- Distribution System and Improvement Charge

STANDARD INSTALLATION AND SERVICE

Upon Customer election, the Company shall operate and maintain the Customer-owned street lighting system subject to Customer payment of the monthly Customer charge (per lamp) above.

Customer-owned street lighting equipment shall be installed in accordance with company and industry safety codes and, where installed on Company poles, in accordance with general Company specifications for similar equipment.

Company shall make all connections of Customer's street lighting system to the Company's available general distribution system.

(I) Indicates Increase (C) Indicates Change

Issued:	Effective for Service Rendered on and after
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UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 80
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**RATE FCP
 FLOOD CONTROL POWER SERVICE**

AVAILABILITY

This Rate is available to municipalities and townships in Company's territory requiring power service for the operation of flood pumping stations during periods of public emergency, and for periodic testing of same as hereinafter provided.

CHARACTER OF SERVICE

Alternating current, 60 cycles, three phase, 13,800 volts.

CONTRACT TERM AND BILLING

Term of contract shall be not less than one (1) year, with monthly payments for service taken.

RATE TABLE

	Distribution (\$/Month)	Distribution (¢/kWh)	
First 100 kWh or less per month for each electrically driven pump installed	\$4.69		
All additional kWh		2.200	(I)

SURCHARGES AND RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider B - Generation Supply Service
- Rider E - Energy Efficiency and Conservation Rider
- Rider G- Distribution System and Improvement Charge

PAYMENT TERMS

Late Payment Charges shall be billed in accordance with Section 13, Payment Terms, paragraph 13-f.

SPECIAL PROVISIONS

- (1) The Customer shall own, install, operate and maintain the lines necessary to connect its pumping stations to the Company's existing facilities, and the transforming equipment and auxiliary apparatus necessary to secure voltages less than the supply voltage specified above.
- (2) Periodic testing shall be prearranged between the Customer and Company upon at least twenty-four (24) hours' notice to the Company and shall occur on weekdays during the hours between 12 midnight and 6 A.M. unless otherwise justified by load conditions on Company's system, of which conditions the Company's judgment shall be final.
- (3) Supply lines at each pumping station shall normally be disconnected and shall be connected only when necessary during periods of public emergency and for periodic testing.

(I) Indicates Increase (C) Indicates Change

Issued:	Effective for Service Rendered on and after
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UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 81
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**RATE BLR
 BORDERLINE RESALE SERVICE**

AVAILABILITY

Available under reciprocal agreements to neighboring public utilities supplying electric service for resale in territory immediately adjacent to the charter territory of the Company, provided the Company, in its opinion has available capacity over and above that required to meet the demands, present and prospective, for service in its own territory.

CHARACTER OF SERVICE

Alternating current, 60 cycles, single or three phase, 2,400 volts, 4,160 volts, 8,320 volts, or 13,800 volts.

CONTRACT TERM AND BILLING

Standard contracts are for a term of five (5) years with monthly payments for service taken.

RATE TABLE

Service will be provided under the appropriate Company Tariff Rate. The appropriate rate is that under which the Customer would be served if they were located within the Company's franchised service territory.

SURCHARGES AND RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider B - Generation Supply Service
- Rider E - Energy Efficiency and Conservation Rider
- Rider F - Power Factor Surcharge
- Rider G- Distribution System and Improvement Charge

PAYMENT TERMS

Late Payment Charges shall be billed in accordance with Section 13, Payment Terms, paragraph 13-f.

POWER FACTOR

The Power Factor Charge contained in this Tariff is applied to this Rate.

(C) Indicates Change

Issued:	Effective for Service Rendered on and after
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UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 82
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Issued:	Effective for Service Rendered on and after
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UGI Electric Pa. P.U.C. No. 2S

UGI UTILITIES, INC. – ELECTRIC DIVISION

**ELECTRIC GENERATION SUPPLIER
COORDINATION TARIFF**

Issued:

Effective:

Issued by:
Paul J. Szykman
Chief Regulatory Officer
1 UGI Drive
Denver, PA 17517

NOTICE

This tariff makes Changes to existing rules and regulations (see page 2).

LIST OF CHANGES MADE BY THIS TARIFF
(Page Numbers Refer to Official Tariff)

Cover Page

- The issue and effective dates have been updated.
- The supplement number has been updated.

Definition of Terms and Explanation of Abbreviations, Pages 5 and 7.

- Definition of Tariff referenced the incorrect tariff number.
- Definition of Price to Compare (“PTC”) has been added.

Rule 3 – Commencement of EDC/EGS Coordination, Pages 10-11.

- Subsection 3.2 language has been updated to address incomplete registrations.
- Subsection 3.7 – Rejection of Registration has been eliminated and included in subsection 3.5.
- The remaining subsections have been renumbered.

Rule 4 – Coordination Obligations, Page 13.

- Subsection 4.11- Communication Requirements has been revised to include the defined term Electronic Data Exchange Working Group (“EDEWG”).
- Subsection 4.14(a) has been revised to reference (“EDEWG”).

Rule 5 – Direct Access Procedures, Page 18.

- Subsection 5.6(a) has been revised to reference the definition (“PTC”).

Rule 11 – Meter Reading and Meter Data, Page 26.

- Subsection 11.1, Meter Read Schedule has been revised to a revolving 22-day work cycle.

Riders:

1 – Individual Coordination Agreement, Pages 39-42.

- Changed title on each page of the Agreement.
- Changes to fax/email instructions.
- Changes to notification contact information.

2 – Scheduling Coordinator Designation Form, Pages 43-46.

- Minor changes to the formatting of the form.

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Riders:		
1. Individual Coordination Agreement	39 - 42	(C)
2. Scheduling Coordinator Designation Form.....	43 - 46	(C)

(C) Indicates Change

DEFINITION OF TERMS AND EXPLANATION OF ABBREVIATIONS (continued)

Creditworthy - a creditworthy EGS pays the Company's charges as and when due and otherwise complies with the Rules and Regulations of this Tariff or the Commission. To determine whether an EGS is creditworthy, the Company will evaluate the EGS's record of paying Company charges and may also take into consideration the EGS's credit.

Customer - any person, partnership, association, or corporation receiving Competitive Energy Supply from an Electric Generation Supplier in accordance with the Competition Act.

Deliver - to "Deliver" a document or other item under this Tariff shall mean to tender by certified mail, hand delivery, or overnight express package delivery service.

Direct Access - "Direct Access" shall have the meaning set forth in the Competition Act.

EDC Tariff - the Company's Electric Service Tariff, denominated Electric Pa. P.U.C. No. 6.

(C)

Electric Distribution Company or "EDC" - a public utility that owns electric distribution facilities. At times, this term is used to refer to the role of the Company as a deliverer of Competitive Energy Supply in a Direct Access environment as contemplated in the Competition Act.

Electric Generation Supplier or "EGS" - a supplier of electric generation that has been certified or licensed by the Pennsylvania Public Utility Commission to sell electricity to retail customers within the Commonwealth of Pennsylvania in accordance with the Competition Act.

EGS Representative - any officer, director, employee, consultant, contractor, or other agent or representative of an EGS in connection with the EGS's activity solely as an EGS. To the extent an EGS is a division or group of a company, the term EGS Representative does not include any person in that company who is not part of the EGS division.

EDEWG - the Commission's Electronic Data Exchange Working Group.

FERC - the Federal Energy Regulatory Commission.

Hourly or Sub-Hourly Metering Equipment - metering equipment that supplies half-hourly readings of kW and power factor via remote communications, and not metering equipment from which half-hourly or hourly demand readings may be obtained through on-site querying of the metering equipment.

Interest Index - an annual interest rate determined by the average of 1-Year Treasury Bills for September, October and November of the previous year.

(C) Indicates Change

DEFINITION OF TERMS AND EXPLANATION OF ABBREVIATIONS (continued)

PJM Tariff - the PJM Open Access Transmission Tariff on file with the FERC and which sets forth the rates, terms and conditions of transmission service over transmission facilities located in the PJM Control Area.

PLR Service - Provider of Last Resort Service.

Price to Compare or “PTC” – the dollar amount charged by the Company, used by customers to compare prices with those offered by Electric Generation Suppliers. (C)

Scheduling Coordinator - an entity that performs one or more of an EGS's Coordination Obligations, including the submission of energy schedules to the PJM OI, and that either is (1) a member of the PJM Interconnection, L.L.C. or (2) is the agent, for scheduling purposes, of one or more Electric Generation Suppliers that are members of the PJM Interconnection, L.L.C.

Tariff - this Electric Generation Supplier Coordination Tariff.

(C) Indicates Change

RULES AND REGULATIONS (continued)

3. COMMENCEMENT OF EDC/EGS COORDINATION

3.1 Registration. An EGS seeking to deliver competitive energy supply through the Company's electric distribution facilities must provide the Company with the following registration information in addition to signing a confidentiality agreement associated with the customer information available to an EGS through the Company's Internet Web page:

- (a) written evidence that the EGS or, to the extent applicable, its Scheduling Coordinator, is a signatory to the Operating Agreement and Reliability Assurance Agreement of the PJM Interconnection, L.L.C., or their successors, if any;
- (b) the EGS's Pennsylvania sales tax identification number;
- (c) an individual Coordination Agreement, as contained in a Rider hereto, fully executed by an authorized representative of the EGS and Scheduling Coordination Designation form, if applicable; and
- (d) the name, mailing address, telephone number, fax number, and e-mail address of the EGS's contact person,
- (e) evidence that the EGS is a Pennsylvania Commission licensed supplier; and,
- (f) an Electronic Data Interchange (EDI) Trading Partner Agreement, fully executed by an authorized representative of the EGS; and,
- (g) a Choice Supplier Profile form and a current W-9; and,
- (h) a completed Trading Partner Worksheet; and,
- (i) payment of applicable registration fee.

3.2 Incomplete Registrations. In the event the EGS submits an incomplete registration, the Company shall provide written notice to the EGS of the registration's deficiencies within ten (10) business days after the date of service, as determined under 52 Pa. Code § 1.56, of the registration. An incomplete registration will not be processed by the Company until it is completed by the EGS and provided to the Company. (C)

3.3 Credit Check. A registration for Coordination Services shall constitute authorization to the Company to conduct a background credit check on the EGS.

3.4 Processing of Registrations. The Company shall complete the processing of each registration within ten (10) business days after the date of service of the registration, as determined under 52 Pa. Code § 1.56. The Company shall approve all completed registrations unless grounds for rejecting the registration, as defined below, exist.

(C) Indicates Change

RULES AND REGULATIONS (continued)

3. COMMENCEMENT OF EDC/EGS COORDINATION

3.5 Rejection of Registrations. The Company may reject any registration for any of the following reasons:

- (a) the EGS has undisputed outstanding debts to the Company arising from its previous receipt of services from the Company under this Tariff;
- (b) the EGS has failed to submit a corrected registration within thirty (30) calendar days after the date of service of the registration, as determined under 52 Pa. Code § 1.56, of written notice of the registration's deficiency; or
- (c) the EGS has not obtained a license from the Commission to provide electric generation services, or such license is suspended or revoked;
- (d) the EGS has failed to comply with credit requirements specified in Rule 12 of the Tariff.

Upon rejection of any registration, the Company shall provide the affected EGS with written notice of rejection within ten (10) business days, explaining why the registration was rejected. (C)

The Company may also petition the Pa PUC to reject the registration of an EGS with Bad Credit. The Company need not provide Coordination Services to the EGS pending the Pa PUC's review of said Petition unless the EGS has provided security to the Company as provided for in Rule 12.4.

3.6 Offer of Conditional Acceptance of Registration. Where grounds for rejection of a registration exist due to an EGS's outstanding and undisputed debts to the Company arising from its previous receipt of services under this Tariff, the Company may accept a registration conditionally if the EGS pays such debts before it receives service. If the EGS rejects the Company's offer of conditional acceptance under this Rule, then its registration will be deemed rejected.

3.7 Identification Numbers. Upon its approval of a registration, the Company shall assign and provide to the EGS a Supplier ID and Password that will allow the EGS to gain access to pertinent customer information available on the Company's Internet Web Site. (C)

3.8 Commencement of Coordination Services. Coordination services shall commence within fifteen (15) days after the Company's acceptance of an EGS's registration for Coordination Services provided that all of the information necessary for the Company to provide Coordination Services has been provided to the Company and any conditions required under Rule 3.6 have been satisfied by the EGS.

(C) Indicates Change

RULES AND REGULATIONS (continued)

4. COORDINATION OBLIGATIONS

- 4.11 Communication Requirements.** An EGS must be equipped with the communication capabilities that will allow it to meet the electronic data exchange standards established by the Commission's Electronic Data Exchange Working Group ("EDEWG") in their report entitled "Electronic Data Exchange Standards for Electric Deregulation in the Commonwealth of Pennsylvania" and any subsequent Commission approved revisions to this report or other Commission orders. (C)
- 4.12 Record Retention.** An EGS and the Company shall comply with all applicable laws and Pa. PUC rules and regulations for record retention, including but not limited to those Rules of Chapter 56 of the Pa. PUC's regulations.
- 4.13 Payment Obligation.** The Company's provision of service to an EGS is contingent upon the EGS's payment of all charges provided for in this Tariff.
- 4.14 Data Exchange.**
- (a) The Company shall make available to an EGS the information regarding that EGS's Customers via EDI transactions. These transactions will conform to specific standards set forth in the Revised Plan. The Revised Plan was developed by the EDEWG that is formally recognized and authorized to maintain such Plan by the Commission. (C)
 - (b) An EGS must notify its Customers that by signing up for competitive energy supply with the EGS, the Customer is consenting to the disclosure by the Company to the EGS of certain basic information about the Customer.
 - (c) Nothing in this Rule shall prohibit the Company from making available to EGSs other electronic data, in formats chosen by the Company. The Company will not change the file formats of the electronic data made available under this Rule without first providing via Internet electronic mail and posting on its web site at least seven (7) days' notice of such change. The Company will make a good faith effort to provide a greater period of notice when warranted.
 - (d) If an EGS wishes to obtain from the Company confidential Customer-specific information about a Customer with whom it is discussing the possibility of providing Competitive Energy Supply, the Company will only provide such information if the EGS provides to the Company a copy of written documentation indicating that the Customer has authorized the release of Customer information to the EGS.

(C) Indicates Change

RULES AND REGULATIONS (continued)

5. DIRECT ACCESS PROCEDURES

5.5 Provisions Relating to an EGS's Customers

- (a) Arrangements with EGS Customers - EGSs shall be solely responsible for having appropriate contractual or other arrangements with their Customers necessary to implement Direct Access consistent with all applicable laws, Commission requirements, and this Tariff. The Company shall not be responsible for monitoring, reviewing or enforcing such contracts or arrangements.
- (b) Transfer of Cost Obligations Between EGSs and Customers - Nothing in this Tariff is intended to prevent an EGS and a Customer from agreeing to reallocate between them any charges that this Tariff imposes on the EGS, provided that any such agreement shall not change in any way the EGS's obligation to pay such charges to the Company, and that any such agreement shall not confer upon the Company any right to seek recourse directly from the EGS's Customer for any charges owed to the Company by the EGS.

5.6 Standard Offer Customer Referral Program (“SO Program”)

- (a) Under the Company's SO Program, participating EGSs agree to offer residential or small commercial customers a 7% discount off of the then current PTC for a twelve (12) month period. (C)
- (b) The Company shall transfer customers who express an interest in the SO Program to each participating EGS in a fair and impartial manner. Each participating EGS is responsible for enrolling customers who wish to participate in the SO Program. Participating EGSs shall reimburse the Company for the costs to operate the program of \$10,000 per month. This charge shall be divided equally based on the number of participating EGSs each month.

(C) Indicates Change

RULES AND REGULATIONS (continued)**11. METER READING AND METERING DATA**

11.1 Meter Reading Schedule. The Company's annual meter reading schedule shall be posted to its web site. The Company currently provides that each electric meter in the Company's service territory shall be read by a Company meter reader on a revolving 22-day work cycle. (C)

11.2 Estimated Meter Readings. Nothing in Rule 11.1 prohibits the Company from estimating a Customer's monthly electric consumption. Such estimates are calculated using historic customer usage data along with applicable weather information when appropriate.

11.3 EGS Requested Meter Readings. An EGS may request that the Company obtain an actual meter reading when the Company has estimated a Customer's monthly electric consumption. An EGS may also request the Company re-read a Customer's meter to verify a previously provided meter reading. Requests to obtain an actual meter reading or to re-read a Customer's meter will be scheduled, as time permits, by the Company. The EGS will be assessed a charge of \$28 per meter reading attempt if the reading(s) is obtained during normal working hours. Normal working hours are defined as 8 AM through 5:00 PM Monday through Friday, excluding Company holidays. If the EGS requests the Company to obtain this meter reading outside of normal working hours, the EGS shall be assessed a charge of \$108 per meter reading attempt.

11.4 Customer Usage Information/Load Data. The Company shall fulfill, with Customer consent only, a request for Customer usage information or load data that is readily available on its customer information system once per year at no charge. The information provided will be limited to the most recent 12-month period. The Company will, however, provide additional available Customer load data, with the Customer's consent, at a charge of \$3.58 per customer per month of data provided.

(C) Indicates Change

Issued:

Effective:

RIDERS

INDIVIDUAL COORDINATION AGREEMENT

(C)

- 1.0 This Individual Coordination Agreement ("Agreement"), dated as of _____
_____ is entered into, by and between UGI Utilities, Inc. - Electric
Division (the "Company") and _____
("EGS").
- 2.0. The Company agrees to supply, and the EGS agrees to have the Company supply, all
"Coordination Services" specified in the Electric Generation Supplier Coordination Tariff
("EGS Coordination Tariff"), including but not limited to load forecasting, load scheduling,
and reconciliation services. Both Parties agree that such services are necessary to
coordinate the delivery of Competitive Energy Supply to Customers located within the
Company's service territory.
- 3.0 Representations and Warranties.
- (a) The EGS hereby represents, warrants and covenants as follows:
- (i) The EGS is in compliance, and will continue to comply, with all obligations,
rules and regulations, as established and interpreted by the PJM OI, that
are applicable to LSEs serving Customers located in the PJM Control
Area; and
 - (ii) The EGS is licensed by the Commission to provide Competitive Energy
Supply to Customers in Pennsylvania and has and will continue to satisfy
all other Commission requirements applicable to EGSs.

(C) Indicates Change

RIDERS (continued)

INDIVIDUAL COORDINATION AGREEMENT

(C)

- (b) The Company and the EGS, individually referred to hereafter as the "Party," each represents, warrants and covenants as follows:
- (i) Each Party's performance of its obligations hereunder has been duly authorized by all necessary action on the part of the Party and does not and will not conflict with or result in a breach of the Party's charter documents or bylaws or any indenture, mortgage, other agreement or instrument, or any statute or rule, regulation, order, judgment, or decree of any judicial or administrative body to which the Party is a party or by which the Party or any of its properties is bound or subject.
 - (ii) This Agreement is a valid and binding obligation of the Party, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws from time to time in effect that affect creditors' rights generally or by general principles of equity.
- 4.0 The EGS shall provide notice to the Company via E-mail, with a copy delivered pursuant to overnight mail, at such time that the EGS learns that any of the representations, warranties, or covenants in Section 3.0 of this Agreement have been violated.
- 5.0 As consideration for Coordination Services provided by the Company, the EGS shall pay the Company those Coordination Services Charges billed to the EGS in accordance with the terms and conditions of the EGS Coordination Tariff.

(C) Indicates Change

UGI Utilities, Inc.
Electric Division

RIDERS (continued)

INDIVIDUAL COORDINATION AGREEMENT

(C)

6.0 Coordination Services between the Company and the EGS will commence on _____
_____.

7.0 Any notice or request made to or by either Party regarding this Agreement shall be made to the representative of the other Party as indicated below.

UGI Utilities, Inc. - Electric Division
1 UGI Drive
Denver, PA 17517

Attention: Rates Department, Choice Administrator

E-Mail: EDI-ELECTRIC@UGI.COM

To the EGS:

Attention: _____

Title: _____

Telephone: _____

E-Mail: _____

(C) Indicates Change

Issued:

Effective:

RIDERS (continued)

INDIVIDUAL COORDINATION AGREEMENT

(C)

8.0 The EGS Coordination Tariff is incorporated herein by reference and made a part hereof. All terms used in this Agreement that are not otherwise defined shall have the meaning provided in the EGS Coordination Tariff.

IN WITNESS WHEREOF, and intending to be legally bound thereby, UGI Utilities, Inc. - Electric Division and the EGS identified above have caused this Coordination Agreement to be executed by their respective authorized officials.

ATTEST:

UGI UTILITIES, INC. – ELECTRIC DIVISION

BY: _____

(Signature)

(Print Name)

(Title)

ATTEST:

ELECTRIC GENERATION SUPPLIER

BY: _____

(Signature)

(Print Name)

(Title)

(C) Indicates Change

Issued:

Effective:

RIDERS (continued)

SCHEDULING COORDINATOR DESIGNATION FORM (C)

- 1.0 This Scheduling Coordinator Designation Form, dated _____, is being submitted to UGI Utilities, Inc. - Electric Division (the "Company") by the following Electric Generation Supplier ("EGS"): _____.
- 2.0 By submitting this form, the EGS hereby notifies the Company that it has appointed the following entity to act as its Scheduling Coordinator in accordance with Rule 9 of the Company's Electric Generation Supplier Coordination Tariff (the "EGS Coordination Tariff"): _____.
- 3.0. The EGS further notifies the Company that it is designating the person identified in the preceding paragraph as its Scheduling Coordinator for the specific purpose(s) (please check and/or fill in):
- _____ Load Scheduling
 - _____ Installed Capacity Obligations
 - _____ Import Capability
 - _____ Reconciliation Rights and Responsibilities
 - _____ Other: _____
- 4.0. The Company may utilize the Scheduling Coordinator as the sole point of contact with the EGS in connection with the Company's provision of Coordination Services to the EGS. Likewise, the Scheduling Coordinator appointed by the EGS shall be responsible for the performance of all Coordination Obligations of the EGS that are specifically delegated to said Scheduling Coordinator in this Form.

(C) Indicates Change

Issued:

Effective:

RIDERS (continued)

SCHEDULING COORDINATOR DESIGNATION FORM

(C)

- 5.0 The EGS agrees that the Company may bill the Scheduling Coordinator directly for all Coordination Services Charges attributable to the EGS and that the Scheduling Coordinator will pay the Company such charges on behalf of the EGS in accordance with the terms and conditions in the EGS Coordination Tariff.
- 6.0 The EGS and its appointed Scheduling Coordinator shall comply with all terms and conditions of the EGS Coordination Tariff, including those pertaining to Scheduling Coordinators and to payment and billing.
- 7.0 All inquiries, communications or notices relating to the EGS's use of the Scheduling Coordinator designated above may be directed to the following representatives:

To the EGS:

Attention: _____

Title: _____

Telephone: _____

Email: _____

(C) Indicates Change

Issued:

Effective:

UGI Utilities, Inc.
Electric Division

RIDERS (continued)

SCHEDULING COORDINATOR DESIGNATION FORM

(C)

To the Scheduling Coordinator:

Attention: _____

Title: _____

Telephone: _____

Email: _____

8.0 The EGS Coordination Tariff is incorporated herein by reference and made a part hereof. All capitalized terms used, but not defined, in this designation form shall have the meaning stated in the EGS Coordination Tariff.

9.0 The EGS has executed this designation form below by its duly authorized representative as follows:

Signature: _____

Name: _____

Title: _____

Date: _____

(C) Indicates Change

Issued:

Effective:

UGI Utilities, Inc.
Electric Division

RIDERS (continued)

SCHEDULING COORDINATOR DESIGNATION FORM

(C)

10.0 The EGS has obtained the following Acknowledgment and Consent to this designation, which is executed below by the duly authorized representative of the Scheduling Coordinator:

Acknowledgment and Consent

Intending to be legally bound thereby, the duly authorized representative of above-designated Scheduling Coordinator has executed this document below to acknowledge and consent to its appointment as a Scheduling Coordinator, and to further state its agreement to abide by the terms and conditions of its designation set forth above in the Scheduling Coordinator Designation Form prepared by the EGS, including the terms and conditions of the EGS Coordination Tariff which is incorporated therein by reference.

Signature: _____

Name: _____

Title: _____

Date: _____

(C) Indicates Change

Issued:

Effective:

Appendix B

UGI Utilities, Inc. - Electric Division
Proof of Revenue Summary - Total Revenue
for 12-months Ended September 30, 2022

Rate	Customers	Fixtures	Sales (kWh)	Total Present Revenue	Proposed Revenue	Revenue Change	Percent Change from Present Revenue	Percent of Total Rate Increase
R	55,038		568,717,339	\$ 63,035,939	\$ 68,479,988	\$ 5,444,049	8.6%	88.5%
GS-1 & GS-5	5,564		29,996,862	\$ 3,771,006	\$ 4,162,875	\$ 391,869	10.4%	6.4%
GS-4 & FCP	2,274		119,529,528	\$ 10,114,615	\$ 10,242,053	\$ 127,437	1.3%	2.1%
Lighting		9,112	7,421,188	\$ 1,430,978	\$ 1,430,949	\$ (29)	0.0%	0.0%
LP	197		267,219,118	\$ 7,681,646	\$ 7,868,396	\$ 186,749	2.4%	3.0%
Total - Rate Class	63,072		992,884,035	\$ 86,034,185	\$ 92,184,260	\$ 6,150,075	7.1%	
Other Operating Revenue				\$ 1,029,976	\$ 1,029,976	\$ -		
Total Revenue				\$ 87,064,161	\$ 93,214,236	\$ 6,150,075	7.1%	

UGI Utilities, Inc. - Electric Division
Residential Service - Rate Schedule R
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2022

Description	Number of Bills (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)	% Change (9)
Customer Charge	660,460		\$ 8.74	\$ 5,772,420	\$ 9.50	\$ 6,274,370	\$ 501,950	
Distribution Charge		568,717,339	\$ 0.02812	\$ 15,992,332	\$ 0.03907	\$ 22,219,786	\$ 6,227,455	
State Tax Adjustment Surcharge (STAS) - Rider A			-0.02%	\$ (12,610)	0.00%	\$ -	\$ 12,610	
Generation Supply Rate (GSR) - Rider B		563,287,300	\$ 0.06354	\$ 35,791,275	\$ 0.06354	\$ 35,791,275	\$ -	
Universal Service Program (USP) - Rider C		549,522,431	\$ 0.00606	\$ 3,330,106	\$ 0.00606	\$ 3,330,106	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		568,717,339	\$ 0.00152	\$ 864,450	\$ 0.00152	\$ 864,450	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 1,297,965	0.00%	\$ -	\$ (1,297,965)	
Total - Rate R	<u>660,460</u>	<u>568,717,339</u>		<u>\$ 63,035,939</u>		<u>\$ 68,479,988</u>	<u>\$ 5,444,049</u>	<u>8.6%</u>
<i>Choice Power Supply</i>		<u>5,430,039</u>	<u>\$ 0.06354</u>	<u>\$ 345,025</u>	<u>\$ 0.06354</u>	<u>\$ 345,025</u>	<u>\$ -</u>	
Total - Rate R (including Choice Power Supply)	<u>660,460</u>	<u>568,717,339</u>		<u>\$ 63,380,964</u>		<u>\$ 68,825,012</u>	<u>\$ 5,444,049</u>	

UGI Utilities, Inc. - Electric Division
General Service - Rate Schedule GS-1 - General Service Customers
Demand under 5 kw
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2022

Description	Number of Bills (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)	% Change (9)
Customer Charge	66,061		\$ 9.83	\$ 649,380	\$ 13.00	\$ 858,793	\$ 209,413	
Distribution Charge		28,887,813	\$ 0.04311	\$ 1,245,354	\$ 0.05237	\$ 1,512,855	\$ 267,501	
State Tax Adjustment Surcharge (STAS) - Rider A			-0.02%	\$ (737)	0.00%	\$ -	\$ 737	
Generation Supply Rate (GSR) - Rider B		26,072,003	\$ 0.06354	\$ 1,656,615	\$ 0.06354	\$ 1,656,615	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		28,887,813	\$ 0.00124	\$ 35,821	\$ 0.00124	\$ 35,821	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 96,528	0.00%	\$ -	\$ (96,528)	
Total - GS-1	<u>66,061</u>	<u>28,887,813</u>		<u>\$ 3,682,960</u>		<u>\$ 4,064,084</u>	<u>\$ 381,124</u>	<u>10.3%</u>
<i>Choice Power Supply</i>		<u>2,815,809</u>	\$ 0.06354	<u>\$ 178,917</u>	\$ 0.06354	<u>\$ 178,917</u>	<u>\$ -</u>	
Total - GS-1 (including Choice Power Supply)	<u>66,061</u>	<u>28,887,813</u>		<u>\$ 3,861,877</u>		<u>\$ 4,243,000</u>	<u>\$ 381,124</u>	

UGI Utilities, Inc. - Electric Division
General Service - Rate Schedule GS-4 - General Service Customers
Demand over 5 kw
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2022

Description	Number of Bills (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)	% Change (9)
Customer Charge	27,200		\$ 15.00	\$ 408,000	\$ 15.00	\$ 408,000	\$ -	
Distribution Charges								
First 200 hours of demand		80,557,241	\$ 0.02480	\$ 1,997,820	\$ 0.02882	\$ 2,321,660	\$ 323,840	
Next 300 hours of demand		36,684,466	\$ 0.01709	\$ 626,938	\$ 0.01816	\$ 666,190	\$ 39,252	
All over 500 hours of demand		1,548,370	\$ 0.01406	\$ 21,770	\$ 0.01513	\$ 23,427	\$ 1,657	
Total Distribution		118,790,076		\$ 2,646,527		\$ 3,011,276	\$ 364,749	
Demand Charges								
First 20 kW		392,530	\$ 3.59000	\$ 1,409,182	\$ 3.59000	\$ 1,409,182	\$ -	
Over 20 kW		79,637	\$ 2.20000	\$ 175,200	\$ 2.20000	\$ 175,200	\$ -	
Total Demand		472,166		\$ 1,584,383		\$ 1,584,383	\$ -	
State Tax Adjustment Surcharge (STAS) - Rider A			-0.02%	\$ (2,020)	0.00%	\$ -	\$ 2,020	
Generation Supply Rate (GSR) - Rider B		84,624,381	\$ 0.05995	\$ 5,073,517	\$ 0.05995	\$ 5,073,517	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		118,790,076	\$ 0.00124	\$ 147,300	\$ 0.00124	\$ 147,300	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 239,310	0.00%	\$ -	\$ (239,310)	
Total - GS-4	27,200	118,790,076		\$ 10,097,017		\$ 10,224,476	\$ 127,459	1.3%
Choice Power Supply		34,165,695	\$ 0.05995	\$ 2,048,233	\$ 0.05995	\$ 2,048,233	\$ -	
Total - GS-4 (including Choice Power Supply)	27,200	118,790,076		\$ 12,145,250		\$ 12,272,709	\$ 127,459	

UGI Utilities, Inc. - Electric Division
General Service - Rate Schedule GS-5 - General Service Customers
Volunteer Fire Company and Non-Profit Senior Citizen Center, Rescue Squad and Ambulance Service
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2022

Description	Number of Bills (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)	% Change (9)
Customer Charge	703		\$ 8.74	\$ 6,144	\$ 9.50	\$ 6,679	\$ 534	
Distribution Charges		1,109,050	\$ 0.02812	\$ 31,186	\$ 0.03907	\$ 43,331	\$ 12,144	
State Tax Adjustment Surcharge (STAS) - Rider A			-0.02%	\$ (18)	0.00%	\$ -	\$ 18	
Generation Supply Rate (GSR) - Rider B		741,209	\$ 0.06354	\$ 47,096	\$ 0.06354	\$ 47,096	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		1,109,050	\$ 0.00152	\$ 1,686	\$ 0.00152	\$ 1,686	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 1,951	0.00%	\$ -	\$ (1,951)	
Total - GS-5	<u>703</u>	<u>1,109,050</u>		<u>\$ 88,046</u>		<u>\$ 98,791</u>	<u>\$ 10,745</u>	<u>12.2%</u>
<i>Choice Power Supply</i>		<i>367,841</i>	<i>\$ 0.06354</i>	<i>\$ 23,373</i>	<i>\$ 0.06354</i>	<i>\$ 23,373</i>	<i>\$ -</i>	
Total - GS-5 (including Choice Power Supply)	<u>703</u>	<u>1,109,050</u>		<u>\$ 111,419</u>		<u>\$ 122,164</u>	<u>\$ 10,745</u>	

UGI Utilities, Inc. - Electric Division
Flood Control Power Service - Rate Schedule FCP
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2022

Description	Number of Bills (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)	% Change (9)
Distribution Charges								
Rate FCP								
1st 100 kWh		84	\$ 4.69	\$ 394	\$ 4.6900	\$ 394	\$ -	
Over 100 kWh		739,368	\$ 0.02090	\$ 15,453	\$ 0.0220	\$ 16,266	\$ 813	
Total Rate FCP		739,452		\$ 15,847		\$ 16,660	\$ 813	
State Tax Adjustment Surcharge (STAS) - Rider A			-0.02%	\$ (4)	0.00%	\$ -	\$ 4	
Generation Supply Rate (GSR) - Rider B		-	\$ 0.06354	\$ -	\$ 0.06354	\$ -	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		739,452	\$ 0.00124	\$ 917	\$ 0.00124	\$ 917	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 838	0.00%	\$ -	\$ (838)	
Total - FCP	84	739,452		\$ 17,598		\$ 17,577	\$ (21)	-0.1%
Choice Power Supply		739,452	\$ 0.06354	\$ 46,985	\$ 0.06354	\$ 46,985		
Total - FCP (including Choice Power Supply)	84	739,452		\$ 64,583		\$ 64,562	\$ (21)	

UGI Utilities, Inc. - Electric Division
Large Power Service - Rate Schedule LP
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2022

Description	Number of Bills (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)	% Change (9)
Distribution Charges								
First 100 kWh		65,723,243	\$ 0.01672	\$ 1,098,893	\$ 0.02199	\$ 1,445,254	\$ 346,361	
Next 200 kWh		120,143,084	\$ 0.01518	\$ 1,823,772	\$ 0.01588	\$ 1,907,872	\$ 84,100	
Next 200 kWh		68,625,486	\$ 0.01383	\$ 949,090	\$ 0.01453	\$ 997,128	\$ 48,038	
Excess		12,727,306	\$ 0.01295	\$ 164,819	\$ 0.01365	\$ 173,728	\$ 8,909	
Total Distribution		267,219,118		\$ 4,036,574		\$ 4,523,982	\$ 487,409	
Demand Charges								
First 100 kW		2,361	\$ 135.80	\$ 320,624	\$ 135.80	\$ 320,624	\$ -	
Next 400 kW		397,332	\$ 0.94000	\$ 373,492	\$ 0.94000	\$ 373,492	\$ -	
Over 500 kW		179,862	\$ 0.69000	\$ 124,105	\$ 0.69000	\$ 124,105	\$ -	
Total Demand		579,555		\$ 818,221		\$ 818,221	\$ -	
State Tax Adjustment Surcharge (STAS) - Rider A			-0.02%	\$ (1,537)	0.00%	\$ -	\$ 1,537	
Generation Supply Rate (GSR) - Rider B		73,836,000	\$ 0.01811	\$ 1,337,068	\$ 0.01811	\$ 1,337,068	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		267,219,118	\$ 0.00445	\$ 1,189,125	\$ 0.00445	\$ 1,189,125	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 302,196	0.00%	\$ -	\$ (302,196)	
Total - LP	2,361	267,219,118		\$ 7,681,646		\$ 7,868,396	\$ 186,749	2.4%
<i>Choice Power Supply</i>		<i>193,383,118</i>	<i>\$ 0.01811</i>	<i>\$ 3,501,900</i>	<i>\$ 0.01811</i>	<i>\$ 3,501,900</i>	<i>\$ -</i>	
Total - LP (including Choice Power Supply)	2,361	267,219,118		\$ 11,183,546		\$ 11,370,296	\$ 186,749	

UGI Utilities, Inc. - Electric Division
Outdoor Lighting Service - Rate Schedule OL - Residential
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2022

Description	Number of Fixture Charges (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)	% Change (9)
Fixture Charge								
Flood Lighting								
11,000 Lumen	12		\$ 7.20	\$ 86	\$ 7.20	\$ 86	\$ -	
20,000 Lumen	-		\$ 8.05	\$ -	\$ 8.05	\$ -	\$ -	
60,000 Lumen	-		\$ 8.24	\$ -	\$ 8.24	\$ -	\$ -	
Street Lighting								
7,000 Lumen	24		\$ 4.54	\$ 109	\$ 4.54	\$ 109	\$ -	
11,000 Lumen	5,844		\$ 7.20	\$ 42,077	\$ 7.20	\$ 42,077	\$ -	
20,000 Lumen	12		\$ 8.05	\$ 97	\$ 8.05	\$ 97	\$ -	
60,000 Lumen	-		\$ 8.24	\$ -	\$ 8.24	\$ -	\$ -	
Total Fixture Charges	5,892			\$ 42,369		\$ 42,369	\$ -	
Distribution Charges								
Flood Lighting								
11,000 Lumen		1,160	\$ 0.03165	\$ 37	\$ 0.03962	\$ 46	\$ 9	
20,000 Lumen		-	\$ 0.03165	\$ -	\$ 0.03962	\$ -	\$ -	
60,000 Lumen		-	\$ 0.03165	\$ -	\$ 0.03962	\$ -	\$ -	
Street Lighting								
7,000 Lumen		928	\$ 0.03165	\$ 29	\$ 0.03962	\$ 37	\$ 7	
11,000 Lumen		395,869	\$ 0.03165	\$ 12,529	\$ 0.03962	\$ 15,684	\$ 3,155	
20,000 Lumen		1,771	\$ 0.03165	\$ 56	\$ 0.03962	\$ 70	\$ 14	
60,000 Lumen		-	\$ 0.03165	\$ -	\$ 0.03962	\$ -	\$ -	
Total Distribution Charges		399,728		\$ 12,651		\$ 15,837	\$ 3,186	
State Tax Adjustment Surcharge (STAS) - Rider A			-0.02%	\$ (17)	0.00%	\$ -	\$ 17	
Generation Supply Rate (GSR) - Rider B		396,480	\$ 0.06354	\$ 25,192	\$ 0.06354	\$ 25,192	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		399,728	\$ 0.00152	\$ 608	\$ 0.00152	\$ 608	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 2,781	0.00%	\$ -	\$ (2,781)	
Total - OL - R	5,892	399,728		\$ 83,585		\$ 84,006	\$ 421	0.5%
Choice Power Supply		3,249	\$ 0.06354	\$ 206	\$ 0.06354	\$ 206	\$ -	
Total - OL - R (including Choice Power Supply)	5,892	399,728		\$ 83,791		\$ 84,212	\$ 421	

UGI Utilities, Inc. - Electric Division
Outdoor Lighting Service - Rate Schedule OL - Commercial/Industrial
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2022

Description	Number of Fixture Charges (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)	% Change (9)
Fixture Charge								
Flood Lighting								
11,000 Lumen	84		\$ 6.79	\$ 570	\$ 6.79	\$ 570	\$ -	
20,000 Lumen	144		\$ 7.43	\$ 1,070	\$ 7.43	\$ 1,070	\$ -	
60,000 Lumen	-		\$ 6.69	\$ -	\$ 6.69	\$ -	\$ -	
Street Lighting								
7,000 Lumen	3,384		\$ 4.26	\$ 14,416	\$ 4.26	\$ 14,416	\$ -	
11,000 Lumen	48		\$ 6.79	\$ 326	\$ 6.79	\$ 326	\$ -	
20,000 Lumen	204		\$ 7.43	\$ 1,516	\$ 7.43	\$ 1,516	\$ -	
60,000 Lumen	12		\$ 6.69	\$ 80	\$ 6.69	\$ 80	\$ -	
Total Fixture Charges	3,876			\$ 17,978		\$ 17,978	\$ -	
Distribution Charges								
Flood Lighting								
11,000 Lumen		8,122	\$ 0.04035	\$ 328	\$ 0.04776	\$ 388	\$ 60	
20,000 Lumen		21,257	\$ 0.04035	\$ 858	\$ 0.04776	\$ 1,015	\$ 158	
60,000 Lumen		-	\$ 0.04035	\$ -	\$ 0.04776	\$ -	\$ -	
Street Lighting								
7,000 Lumen		229,028	\$ 0.04035	\$ 9,241	\$ 0.04776	\$ 10,938	\$ 1,697	
11,000 Lumen		4,641	\$ 0.04035	\$ 187	\$ 0.04776	\$ 222	\$ 34	
20,000 Lumen		26,192	\$ 0.04035	\$ 1,057	\$ 0.04776	\$ 1,251	\$ 194	
60,000 Lumen		4,462	\$ 0.04035	\$ 180	\$ 0.04776	\$ 213	\$ 33	
Total Distribution Charges		293,702		\$ 11,851		\$ 14,027	\$ 2,176	
State Tax Adjustment Surcharge (STAS) - Rider A			-0.02%	\$ (10)	0.00%	\$ -	\$ 10	
Generation Supply Rate (GSR) - Rider B		253,929	\$ 0.06354	\$ 16,135	\$ 0.06354	\$ 16,135	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		293,702	\$ 0.00124	\$ 364	\$ 0.00124	\$ 364	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 1,510	0.00%	\$ -	\$ (1,510)	
Total - OL - C/I	3,876	293,702		\$ 47,828		\$ 48,504	\$ 676	1.4%
Choice Power Supply		39,773	\$ 0.06354	\$ 2,527	\$ 0.06354	\$ 2,527	\$ -	
Total - OL - C/I (including Choice Power Supply)	3,876	293,702		\$ 50,355		\$ 51,031	\$ 676	

UGI Utilities, Inc. - Electric Division
Sodium Outdoor Lighting Service - Rate Schedule SOL - Residential
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2022

Description	Number of Fixture Charges (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)	% Change (9)
Fixture Charge								
Flood Lighting								
16,000 Lumen	252		\$ 7.96	\$ 2,006	\$ 7.96	\$ 2,006	\$ -	
25,000 Lumen	48		\$ 8.35	\$ 401	\$ 8.35	\$ 401	\$ -	
50,000 Lumen	-		\$ 10.42	\$ -	\$ 10.42	\$ -	\$ -	
Street Lighting								
9,500 Lumen	2,256		\$ 7.87	\$ 17,755	\$ 7.87	\$ 17,755	\$ -	
16,000 Lumen	168		\$ 7.96	\$ 1,337	\$ 7.96	\$ 1,337	\$ -	
25,000 Lumen	12		\$ 8.35	\$ 100	\$ 8.35	\$ 100	\$ -	
50,000 Lumen	-		\$ 10.42	\$ -	\$ 10.42	\$ -	\$ -	
Total Fixture Charges	2,736			\$ 21,599		\$ 21,599	\$ -	
Distribution Charges								
Flood Lighting								
16,000 Lumen		17,916	\$ 0.03165	\$ 567	\$ 0.03962	\$ 710	\$ 143	
25,000 Lumen		5,232	\$ 0.03165	\$ 166	\$ 0.03962	\$ 207	\$ 42	
50,000 Lumen		-	\$ 0.03165	\$ -	\$ 0.03962	\$ -	\$ -	
Street Lighting								
9,500 Lumen		113,046	\$ 0.03165	\$ 3,578	\$ 0.03962	\$ 4,479	\$ 901	
16,000 Lumen		11,944	\$ 0.03165	\$ 378	\$ 0.03962	\$ 473	\$ 95	
25,000 Lumen		1,308	\$ 0.03165	\$ 41	\$ 0.03962	\$ 52	\$ 10	
50,000 Lumen		-	\$ 0.03165	\$ -	\$ 0.03962	\$ -	\$ -	
Total Distribution Charges		149,445		\$ 4,730		\$ 5,921	\$ 1,191	
State Tax Adjustment Surcharge (STAS) - Rider A			-0.02%	\$ (7)	0.00%	\$ -	\$ 7	
Generation Supply Rate (GSR) - Rider B		148,844	\$ 0.06354	\$ 9,458	\$ 0.06354	\$ 9,458	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		149,445	\$ 0.00152	\$ 227	\$ 0.00152	\$ 227	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 1,328	0.00%	\$ -	\$ (1,328)	
Total - SOL - R	2,736	149,445		\$ 37,334		\$ 37,205	\$ (129)	-0.3%
Choice Power Supply		601	\$ 0.06354	\$ 38	\$ 0.06354	\$ 38	\$ -	
Total - SOL - R (including Choice Power Supply)	2,736	149,445		\$ 37,372		\$ 37,243	\$ (129)	

UGI Utilities, Inc. - Electric Division
Sodium Outdoor Lighting Service - Rate Schedule SOL - Commercial/Industrial
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2022

Description	Number of Fixture Charges (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)	% Change (9)
Fixture Charge								
Flood Lighting								
16,000 Lumen	2,100		\$ 7.65	\$ 16,065	\$ 7.65	\$ 16,065	\$ -	
25,000 Lumen	2,820		\$ 7.88	\$ 22,222	\$ 7.88	\$ 22,222	\$ -	
50,000 Lumen	2,328		\$ 9.72	\$ 22,628	\$ 9.72	\$ 22,628	\$ -	
Street Lighting								
9,500 Lumen	2,460		\$ 7.66	\$ 18,844	\$ 7.66	\$ 18,844	\$ -	
16,000 Lumen	876		\$ 7.65	\$ 6,701	\$ 7.65	\$ 6,701	\$ -	
25,000 Lumen	576		\$ 7.88	\$ 4,539	\$ 7.88	\$ 4,539	\$ -	
50,000 Lumen	132		\$ 9.72	\$ 1,283	\$ 9.72	\$ 1,283	\$ -	
Total Fixture Charges	11,292			\$ 92,282		\$ 92,282	\$ -	
Distribution Charges								
Flood Lighting								
16,000 Lumen		149,299	\$ 0.04035	\$ 6,024	\$ 0.04776	\$ 7,131	\$ 1,106	
25,000 Lumen		307,363	\$ 0.04035	\$ 12,402	\$ 0.04776	\$ 14,680	\$ 2,278	
50,000 Lumen		390,865	\$ 0.04035	\$ 15,771	\$ 0.04776	\$ 18,668	\$ 2,896	
Street Lighting								
9,500 Lumen		123,268	\$ 0.04035	\$ 4,974	\$ 0.04776	\$ 5,887	\$ 913	
16,000 Lumen		62,279	\$ 0.04035	\$ 2,513	\$ 0.04776	\$ 2,974	\$ 461	
25,000 Lumen		62,781	\$ 0.04035	\$ 2,533	\$ 0.04776	\$ 2,998	\$ 465	
50,000 Lumen		22,162	\$ 0.04035	\$ 894	\$ 0.04776	\$ 1,058	\$ 164	
Total Distribution Charges		1,118,017		\$ 45,112		\$ 53,396	\$ 8,285	
State Tax Adjustment Surcharge (STAS) - Rider A			-0.02%	\$ (41)	0.00%	\$ -	\$ 41	
Generation Supply Rate (GSR) - Rider B		903,837	\$ 0.06354	\$ 57,430	\$ 0.06354	\$ 57,430	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		1,118,017	\$ 0.00124	\$ 1,386	\$ 0.00124	\$ 1,386	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 6,939	0.00%	\$ -	\$ (6,939)	
Total - SOL - C/I	11,292	1,118,017		\$ 203,108		\$ 204,494	\$ 1,386	0.7%
Choice Power Supply		214,180	\$ 0.06354	\$ 13,609	\$ 0.06354	\$ 13,609	\$ -	
Total - SOL - C/I (including Choice Power Supply)	11,292	1,118,017		\$ 216,717		\$ 218,103	\$ 1,386	

UGI Utilities, Inc. - Electric Division
Metal Halide Outdoor Lighting Service - Rate Schedule MHOL - Residential
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2022

Description	Number of Fixture Charges (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)	% Change (9)
Fixture Charge								
Flood Lighting								
20,500 Lumen	108		\$ 9.05	\$ 977	\$ 9.05	\$ 977	\$ -	
36,000 Lumen	264		\$ 9.20	\$ 2,429	\$ 9.20	\$ 2,429	\$ -	
110,000 Lumen	240		\$ 16.11	\$ 3,866	\$ 16.11	\$ 3,866	\$ -	
Street Lighting								
9,000 Lumen	1,512		\$ 8.07	\$ 12,202	\$ 8.07	\$ 12,202	\$ -	
12,900 Lumen	60		\$ 6.83	\$ 410	\$ 6.83	\$ 410	\$ -	
13,000 Lumen	-		\$ 6.36	\$ -	\$ 6.36	\$ -	\$ -	
20,500 Lumen	36		\$ 9.05	\$ 326	\$ 9.05	\$ 326	\$ -	
36,000 Lumen	24		\$ 9.20	\$ 221	\$ 9.20	\$ 221	\$ -	
Total Fixture Charges	2,244			\$ 20,431		\$ 20,431	\$ -	
Distribution Charges								
Flood Lighting								
20,500 Lumen		10,528	\$ 0.03165	\$ 333	\$ 0.03962	\$ 417	\$ 84	
36,000 Lumen		40,215	\$ 0.03165	\$ 1,273	\$ 0.03962	\$ 1,593	\$ 321	
110,000 Lumen		87,738	\$ 0.03165	\$ 2,777	\$ 0.03962	\$ 3,476	\$ 699	
Street Lighting								
9,000 Lumen		75,727	\$ 0.03165	\$ 2,397	\$ 0.03962	\$ 3,000	\$ 604	
12,900 Lumen		3,859	\$ 0.03165	\$ 122	\$ 0.03962	\$ 153	\$ 31	
13,000 Lumen		-	\$ 0.03165	\$ -	\$ 0.03962	\$ -	\$ -	
20,500 Lumen		3,509	\$ 0.03165	\$ 111	\$ 0.03962	\$ 139	\$ 28	
36,000 Lumen		3,656	\$ 0.03165	\$ 116	\$ 0.03962	\$ 145	\$ 29	
Total Distribution Charges		225,232		\$ 7,129		\$ 8,924	\$ 1,795	
State Tax Adjustment Surcharge (STAS) - Rider A			-0.02%	\$ (7)	0.00%	\$ -	\$ 7	
Generation Supply Rate (GSR) - Rider B		91,408	\$ 0.06354	\$ 5,808	\$ 0.06354	\$ 5,808	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		225,232	\$ 0.00152	\$ 342	\$ 0.00152	\$ 342	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 1,395	0.00%	\$ -	\$ (1,395)	
Total - MHOL - R	2,244	225,232		\$ 35,098		\$ 35,505	\$ 407	1.2%
Choice Power Supply		133,824	\$ 0.06354	\$ 8,503	\$ 0.06354	\$ 8,503	\$ -	
Total - MHOL - R (including Choice Power Supply)	2,244	225,232		\$ 43,601		\$ 44,008	\$ 407	

UGI Utilities, Inc. - Electric Division
Metal Halide Outdoor Lighting Service - Rate Schedule MHOL - Commercial/Industrial
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2022

Description	Number of Fixture Charges (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)	% Change (9)
Fixture Charge								
Flood Lighting								
20,500 Lumen	816		\$ 8.65	\$ 7,058	\$ 8.65	\$ 7,058	\$ -	
36,000 Lumen	2,304		\$ 8.57	\$ 19,745	\$ 8.57	\$ 19,745	\$ -	
110,000 Lumen	540		\$ 14.58	\$ 7,873	\$ 14.58	\$ 7,873	\$ -	
Street Lighting								
9,000 Lumen	876		\$ 7.86	\$ 6,885	\$ 7.86	\$ 6,885	\$ -	
12,900 Lumen	108		\$ 6.57	\$ 710	\$ 6.57	\$ 710	\$ -	
13,000 Lumen	696		\$ 6.07	\$ 4,225	\$ 6.07	\$ 4,225	\$ -	
20,500 Lumen	192		\$ 8.65	\$ 1,661	\$ 8.65	\$ 1,661	\$ -	
36,000 Lumen	432		\$ 8.57	\$ 3,702	\$ 8.57	\$ 3,702	\$ -	
Total Fixture Charges	5,964			\$ 51,860		\$ 51,860	\$ -	
Distribution Charges								
Flood Lighting								
20,500 Lumen		79,547	\$ 0.04035	\$ 3,210	\$ 0.04776	\$ 3,799	\$ 589	
36,000 Lumen		350,307	\$ 0.04035	\$ 14,135	\$ 0.04776	\$ 16,731	\$ 2,596	
110,000 Lumen		197,411	\$ 0.04035	\$ 7,966	\$ 0.04776	\$ 9,428	\$ 1,463	
Street Lighting								
9,000 Lumen		43,874	\$ 0.04035	\$ 1,770	\$ 0.04776	\$ 2,095	\$ 325	
12,900 Lumen		6,946	\$ 0.04035	\$ 280	\$ 0.04776	\$ 332	\$ 51	
13,000 Lumen		48,533	\$ 0.04035	\$ 1,958	\$ 0.04776	\$ 2,318	\$ 360	
20,500 Lumen		18,717	\$ 0.04035	\$ 755	\$ 0.04776	\$ 894	\$ 139	
36,000 Lumen		64,490	\$ 0.04035	\$ 2,602	\$ 0.04776	\$ 3,080	\$ 478	
Total Distribution Charges		809,824		\$ 32,676		\$ 38,677	\$ 6,001	
State Tax Adjustment Surcharge (STAS) - Rider A			-0.02%	\$ (28)	0.00%	\$ -	\$ 28	
Generation Supply Rate (GSR) - Rider B		773,899	\$ 0.06354	\$ 49,174	\$ 0.06354	\$ 49,174	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		809,824	\$ 0.00124	\$ 1,004	\$ 0.0012	\$ 1,004	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 4,277	0.00%	\$ -	\$ (4,277)	
Total - MHOL - C/I	5,964	809,824		\$ 138,963		\$ 140,715	\$ 1,752	1.3%
Choice Power Supply		35,925	\$ 0.06354	\$ 2,283	\$ 0.06354	\$ 2,283	\$ -	
Total - MHOL - C/I (including Choice Power Supply)	5,964	809,824		\$ 141,246		\$ 142,997	\$ 1,752	

UGI Utilities, Inc. - Electric Division
Light Emitting Diode Outdoor Lighting Service - Rate Schedule LED-OL - Residential
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2022

Description	Number of Fixture Charges (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)	% Change (9)
Fixture Charge								
Flood Lighting								
85-100 Watts	84		\$ 15.42	\$ 1,295	\$ 15.42	\$ 1,295	\$ -	
170-210 Watts	12		\$ 22.64	\$ 272	\$ 22.64	\$ 272	\$ -	
250-280 Watts	-		\$ 26.08	\$ -	\$ 26.08	\$ -	\$ -	
Street Lighting								
50-60 Watts	1,596		\$ 10.29	\$ 16,423	\$ 10.29	\$ 16,423	\$ -	
100-110 Watts	12		\$ 12.16	\$ 146	\$ 12.16	\$ 146	\$ -	
140-160 Watts	24		\$ 14.00	\$ 336	\$ 14.00	\$ 336	\$ -	
250-280 Watts	-		\$ 21.25	\$ -	\$ 21.25	\$ -	\$ -	
Total Fixture Charges	1,728			\$ 18,472		\$ 18,472	\$ -	
Distribution Charges								
Flood Lighting								
85-100 Watts		2,632	\$ 0.03165	\$ 83	\$ 0.03962	\$ 104	\$ 21	
170-210 Watts		772	\$ 0.03165	\$ 24	\$ 0.03962	\$ 31	\$ 6	
250-280 Watts		-	\$ 0.03165	\$ -	\$ 0.03962	\$ -	\$ -	
Street Lighting								
50-60 Watts		29,682	\$ 0.03165	\$ 939	\$ 0.03962	\$ 1,176	\$ 237	
100-110 Watts		427	\$ 0.03165	\$ 14	\$ 0.03962	\$ 17	\$ 3	
140-160 Watts		1,220	\$ 0.03165	\$ 39	\$ 0.03962	\$ 48	\$ 10	
250-280 Watts		-	\$ 0.03165	\$ -	\$ 0.03962	\$ -	\$ -	
Total Distribution Charges		34,733		\$ 1,099		\$ 1,376	\$ 277	
State Tax Adjustment Surcharge (STAS) - Rider A			-0.02%	\$ (5)	0.00%	\$ -	\$ 5	
Generation Supply Rate (GSR) - Rider B		34,509	\$ 0.06354	\$ 2,193	\$ 0.06354	\$ 2,193	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		34,733	\$ 0.00152	\$ 53	\$ 0.00152	\$ 53	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 981	0.00%	\$ -	\$ (981)	
Total - LED - R	1,728	34,733		\$ 22,793		\$ 22,093	\$ (700)	-3.1%
Choice Power Supply		224	\$ 0.06354	\$ 14	\$ 0.06354	\$ 14	\$ -	
Total - MHOL - C/I (including Choice Power Supply)	1,728	34,733		\$ 22,807		\$ 22,108	\$ (700)	

UGI Utilities, Inc. - Electric Division
Light Emitting Diode Outdoor Lighting Service - Rate Schedule LED-OL - Commercial/Industrial
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2022

Description	Number of Fixture Charges (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)	% Change (9)
Fixture Charge								
Flood Lighting								
85-100 Watts	276		\$ 15.42	\$ 4,256	\$ 15.42	\$ 4,256	\$ -	
170-210 Watts	480		\$ 22.64	\$ 10,867	\$ 22.64	\$ 10,867	\$ -	
250-280 Watts	96		\$ 26.08	\$ 2,504	\$ 26.08	\$ 2,504	\$ -	
Street Lighting								
50-60 Watts	12,696		\$ 10.29	\$ 130,642	\$ 10.29	\$ 130,642	\$ -	
100-110 Watts	-		\$ 12.16	-	\$ 12.16	-	-	
140-160 Watts	48		\$ 14.00	\$ 672	\$ 14.00	\$ 672	\$ -	
250-280 Watts	264		\$ 21.25	\$ 5,610	\$ 21.25	\$ 5,610	\$ -	
Total Fixture Charges	13,860			\$ 154,551		\$ 154,551	\$ -	
Distribution Charges								
Flood Lighting								
85-100 Watts		8,649	\$ 0.04035	\$ 349	\$ 0.04776	\$ 413	\$ 64	
170-210 Watts		30,880	\$ 0.04035	\$ 1,246	\$ 0.04776	\$ 1,475	\$ 229	
250-280 Watts		8,616	\$ 0.04035	\$ 348	\$ 0.04776	\$ 411	\$ 64	
Street Lighting								
50-60 Watts		236,519	\$ 0.04035	\$ 9,544	\$ 0.04776	\$ 11,296	\$ 1,753	
100-110 Watts		-	\$ 0.04035	-	\$ 0.04776	-	-	
140-160 Watts		1,708	\$ 0.04035	\$ 69	\$ 0.04776	\$ 82	\$ 13	
250-280 Watts		13,420	\$ 0.04035	\$ 542	\$ 0.04776	\$ 641	\$ 99	
Total Distribution Charges		299,792		\$ 12,097		\$ 14,318	\$ 2,221	
State Tax Adjustment Surcharge (STAS) - Rider A			-0.02%	\$ (38)	0.00%	\$ -	\$ 38	
Generation Supply Rate (GSR) - Rider B		245,009	\$ 0.06354	\$ 15,568	\$ 0.06354	\$ 15,568	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		299,792	\$ 0.00124	\$ 372	\$ 0.0012	\$ 372	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 8,351	0.00%	\$ -	\$ (8,351)	
Total - LED - C/I	13,860	299,792		\$ 190,900		\$ 184,808	\$ (6,091)	-3.2%
Choice Power Supply		54,783	\$ 0.06354	\$ 3,481	\$ 0.06354	\$ 3,481	\$ -	
Total - MHOL - C/I (including Choice Power Supply)	13,860	299,792		\$ 194,381		\$ 188,289	\$ (6,091)	

UGI Utilities, Inc. - Electric Division
Street Lighting Service - Rate Schedule SL
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2022

Description	Number of Fixture Charges (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)	% Change (9)
Fixture Charge								
Street Lighting								
3,750 Lumen	4,488		\$ 3.88	\$ 17,413	\$ 3.88	\$ 17,413	\$ -	
7,000 Lumen	15,912		\$ 4.05	\$ 64,444	\$ 4.05	\$ 64,444	\$ -	
11,000 Lumen	48		\$ 6.37	\$ 306	\$ 6.37	\$ 306	\$ -	
20,000 Lumen	1,251		\$ 7.65	\$ 9,570	\$ 7.65	\$ 9,570	\$ -	
60,000 Lumen	-		\$ 6.43	\$ -	\$ 6.43	\$ -	\$ -	
Total Fixture Charges	21,699			\$ 91,733		\$ 91,733	\$ -	
Distribution Charges								
Street Lighting								
3,750 Lumen		189,869	\$ 0.04035	\$ 7,661	\$ 0.04776	\$ 9,068	\$ 1,407	
7,000 Lumen		1,077,314	\$ 0.04035	\$ 43,470	\$ 0.04776	\$ 51,453	\$ 7,983	
11,000 Lumen		4,630	\$ 0.04035	\$ 187	\$ 0.04776	\$ 221	\$ 34	
20,000 Lumen		27,253	\$ 0.04035	\$ 1,100	\$ 0.04776	\$ 1,302	\$ 202	
60,000 Lumen		-	\$ 0.04035	\$ -	\$ 0.04776	\$ -	\$ -	
Total Distribution Charges		1,299,067		\$ 52,417		\$ 62,043	\$ 9,626	
State Tax Adjustment Surcharge (STAS) - Rider A			-0.02%	\$ (37)	0.00%	\$ -	\$ 37	
Generation Supply Rate (GSR) - Rider B		487,903	\$ 0.06354	\$ 31,001	\$ 0.06354	\$ 31,001	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		1,299,067	\$ 0.00124	\$ 1,611	\$ 0.0012	\$ 1,611	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 7,288	0.00%	\$ -	\$ (7,288)	
Total - SL	21,699	1,299,067		\$ 184,014		\$ 186,389	\$ 2,375	1.3%
<i>Choice Power Supply</i>		<i>811,163</i>	<i>\$ 0.06354</i>	<i>\$ 51,541</i>	<i>\$ 0.06354</i>	<i>\$ 51,541</i>	<i>\$ -</i>	
Total - SL (including Choice Power Supply)	21,699	1,299,067		\$ 235,555		\$ 237,930	\$ 2,375	

UGI Utilities, Inc. - Electric Division
Sodium Street Lighting Service - Rate Schedule SSL
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2022

Description	Number of Fixture Charges (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)	% Change (9)
Fixture Charge								
Street Lighting								
9,500 Lumen	19,848		\$ 7.51	\$ 149,058	\$ 7.51	\$ 149,058	\$ -	
16,000 Lumen	7,008		\$ 7.58	\$ 53,121	\$ 7.58	\$ 53,121	\$ -	
25,000 Lumen	6,420		\$ 8.57	\$ 55,019	\$ 8.57	\$ 55,019	\$ -	
50,000 Lumen	1,788		\$ 9.10	\$ 16,271	\$ 9.10	\$ 16,271	\$ -	
Total Fixture Charges	35,064			\$ 273,469		\$ 273,469	\$ -	
Distribution Charges								
Street Lighting								
9,500 Lumen		994,562	\$ 0.04035	\$ 40,131	\$ 0.04776	\$ 47,500	\$ 7,370	
16,000 Lumen		498,231	\$ 0.04035	\$ 20,104	\$ 0.04776	\$ 23,796	\$ 3,692	
25,000 Lumen		699,741	\$ 0.04035	\$ 28,235	\$ 0.04776	\$ 33,420	\$ 5,185	
50,000 Lumen		300,201	\$ 0.04035	\$ 12,113	\$ 0.04776	\$ 14,338	\$ 2,224	
Total Distribution Charges		2,492,735		\$ 100,582		\$ 119,053	\$ 18,471	
State Tax Adjustment Surcharge (STAS) - Rider A			-0.02%	\$ (87)	0.00%	\$ -	\$ 87	
Generation Supply Rate (GSR) - Rider B		587,457	\$ 0.06354	\$ 37,327	\$ 0.06354	\$ 37,327	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		2,492,735	\$ 0.00124	\$ 3,091	\$ 0.0012	\$ 3,091	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 18,857	0.00%	\$ -	\$ (18,857)	
Total - SSL	35,064	2,492,735		\$ 433,240		\$ 432,940	\$ (299)	-0.1%
<i>Choice Power Supply</i>		<i>1,905,278</i>	<i>\$ 0.06354</i>	<i>\$ 121,061</i>	<i>\$ 0.06354</i>	<i>\$ 121,061</i>	<i>\$ -</i>	
Total - SSL (including Choice Power Supply)	35,064	2,492,735		\$ 554,301		\$ 554,002	\$ (299)	

UGI Utilities, Inc. - Electric Division
Metal Halide Street Lighting Service - Rate Schedule MHSL
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2022

Description	Number of Fixture Charges (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)	% Change (9)
Fixture Charge								
Street Lighting								
9,000 Lumen	2,748		\$ 6.71	\$ 18,439	\$ 6.71	\$ 18,439	\$ -	
12,900 Lumen	804		\$ 5.42	\$ 4,358	\$ 5.42	\$ 4,358	\$ -	
13,000 Lumen	84		\$ 4.92	\$ 413	\$ 4.92	\$ 413	\$ -	
20,500 Lumen	156		\$ 7.29	\$ 1,137	\$ 7.29	\$ 1,137	\$ -	
36,000 Lumen	444		\$ 6.20	\$ 2,753	\$ 6.20	\$ 2,753	\$ -	
Total Fixture Charges	4,236			\$ 27,100		\$ 27,100	\$ -	
Distribution Charges								
Street Lighting								
9,000 Lumen		137,631	\$ 0.04035	\$ 5,553	\$ 0.04776	\$ 6,573	\$ 1,020	
12,900 Lumen		51,709	\$ 0.04035	\$ 2,086	\$ 0.04776	\$ 2,470	\$ 383	
13,000 Lumen		5,857	\$ 0.04035	\$ 236	\$ 0.04776	\$ 280	\$ 43	
20,500 Lumen		15,208	\$ 0.04035	\$ 614	\$ 0.04776	\$ 726	\$ 113	
36,000 Lumen		67,634	\$ 0.04035	\$ 2,729	\$ 0.04776	\$ 3,230	\$ 501	
Total Distribution Charges		278,038		\$ 11,219		\$ 13,279	\$ 2,060	
State Tax Adjustment Surcharge (STAS) - Rider A			-0.02%	\$ (10)	0.00%	\$ -	\$ 10	
Generation Supply Rate (GSR) - Rider B		152,744	\$ 0.06354	\$ 9,705	\$ 0.06354	\$ 9,705	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		278,038	\$ 0.00124	\$ 345	\$ 0.0012	\$ 345	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 1,933	0.00%	\$ -	\$ (1,933)	
Total - MHSL	4,236	278,038		\$ 50,292		\$ 50,429	\$ 137	0.3%
<i>Choice Power Supply</i>		<i>125,295</i>	<i>\$ 0.06354</i>	<i>\$ 7,961</i>	<i>\$ 0.06354</i>	<i>\$ 7,961</i>	<i>\$ -</i>	
Total - MHSL (including Choice Power Supply)	4,236	278,038		\$ 58,253		\$ 58,391	\$ 137	

UGI Utilities, Inc. - Electric Division
Light Emitting Diode Lighting Service - Rate Schedule LED-CO
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2022

Description	Number of Fixture Charges (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)	% Change (9)
Fixture Charge								
Street Lighting								
50-60 Watts	432		\$ 2.00	\$ 864	\$ 2.00	\$ 864	\$ -	
100-110 Watts	240		\$ 2.00	\$ 480	\$ 2.00	\$ 480	\$ -	
140-160 Watts	84		\$ 2.00	\$ 168	\$ 2.00	\$ 168	\$ -	
250-280 Watts	-		\$ 2.00	\$ -	\$ 2.00	\$ -	\$ -	
Total Fixture Charges	756			\$ 1,512		\$ 1,512	\$ -	
Distribution Charges								
Street Lighting								
50-60 Watts		8,064	\$ 0.04035	\$ 325	\$ 0.04776	\$ 385	\$ 60	
100-110 Watts		8,540	\$ 0.04035	\$ 345	\$ 0.04776	\$ 408	\$ 63	
140-160 Watts		4,270	\$ 0.04035	\$ 172	\$ 0.04776	\$ 204	\$ 32	
250-280 Watts		-	\$ 0.04035	\$ -	\$ 0.04776	\$ -	\$ -	
Total Distribution Charges		20,874		\$ 842		\$ 997	\$ 155	
State Tax Adjustment Surcharge (STAS) - Rider A			-0.02%	\$ (1)	0.00%	\$ -	\$ 1	
Generation Supply Rate (GSR) - Rider B		20,874	\$ 0.06354	\$ 1,326	\$ 0.06354	\$ 1,326	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		20,874	\$ 0.00124	\$ 26	\$ 0.00124	\$ 26	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 119	0.00%	\$ -	\$ (119)	
Total - LED-CO	756	20,874		\$ 3,825		\$ 3,861	\$ 36	1.0%

Appendix C

APPENDIX C

PROPOSED FINDINGS OF FACT

1. UGI Utilities, Inc. – Electric Division (“UGI Electric” or the “Company”) is a “public utility” and “electric distribution company” (“EDC”) as those terms are defined in Sections 102 and 2803 of the Public Utility Code, 66 Pa. C.S. §§ 102, 2803, subject to the regulatory jurisdiction of the Pennsylvania Public Utility Commission (“Commission”), and provides electric distribution, transmission, and default electric supply services to customers located in its certificated service territory.

2. On February 8, 2021, UGI Electric filed with the Commission its 2021 Base Rate Case filing (“2021 Base Rate Case”), which consisted of Supplement No. 26 to Electric Pa. P.U.C. No. 6 (“Tariff No. 6”) and Supplement No. 2 to UGI Electric Tariff – Pa. P.U.C. No. 2S (“Tariff No. 2S”), responses to filing requirements and standard data requests, and supporting direct testimony and exhibits. The Company proposed changes to UGI Electric’s base retail distribution rates designed to produce an increase in revenues of approximately \$8.7 million, based upon data for a fully projected future test year (“FPFTY”) ending September 30, 2022.

3. On June 14, 2021, UGI Electric notified Administrative Law Judge Steven K. Haas (“ALJ”) that a settlement in principle was achieved with respect to all issues except for revenue allocation. The Company also requested that the remaining hearing dates be cancelled, the evidence be admitted by a written stipulation to be filed by June 18, 2021, and the parties provide the ALJ with a Joint Petition for Settlement and Statements in Support on or before July 19, 2021.

4. On July 6, 2021, UGI Electric informed the ALJ that the parties reached a settlement in principle on all issues, including revenue allocation.

5. The Settlement is supported by the active parties in this case: UGI Electric, the Commission’s Bureau of Investigation and Enforcement (“I&E”), the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”), the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), Commission on Economic Opportunity (“CEO”), ChargePoint, Inc. (“ChargePoint”), the Retail Energy Supply Association and NRG Energy, Inc. (together, “RESA/NRG”), and Ms. Brandi Brace (collectively, “Joint Petitioners”).

6. In addition to Ms. Brace, seven customers filed *pro se* formal complaints opposing the proposed rate increase: (1) Jennifer Mattingly at Docket No. C-2021-3024500; (2) Kim Kotyk at Docket No. C-2021-3024833; (3) Barbara Brennan at Docket No. C-2021-3024846; (4) Lindsey Yeider Wosik at Docket No. C-2021-3024927; (5) Roger and Maria Hogue at Docket No. C-2021-3025072; (6) Lisa Infantino at Docket No. C-2021-3025090; (7) Bridgett Brosius at Docket No. C-2021-3025436; and (8) Mark Lazo at Docket No. C-2021-3025091. Besides Ms. Brace, the *pro se* complainants have not been active parties.

7. The Settlement reflects a carefully balanced compromise of the interests of all of the Joint Petitioners.

8. Under the Settlement, UGI Electric will be permitted to increase annual distribution rate revenue by \$6.15 million, to become effective on or before November 9, 2021, for service rendered thereafter. (Settlement ¶ 44.)

9. The agreed upon revenue requirement is a “black box” settlement, under which the parties do not specifically identify or resolve all of the individual rate base, revenue, expenses, and rate of return issues. (Settlement ¶ 44.)

10. The distribution rate revenue increase of \$6.15 million is 70.6% of the proposed revenue increase of \$8.709 million requested in UGI Electric's February 8, 2021 filing. (Settlement ¶ 44; UGI Electric St. No. 1, p. 11.)

11. The Company argued that its current rates do not provide it with a reasonable opportunity to earn a fair rate of return on its investments made to serve the public in the provision of safe and reliable electric distribution service. (UGI Electric St. No. 1, p. 8.)

12. Absent rate relief, UGI Electric projected that, for the 12 months ending September 30, 2022, its operations would produce an overall return on rate base of just 3.24%, which equates to a return on common equity of only 2.28%. (UGI Electric St. No. 1, pp. 8-9.)

13. UGI Electric argued that without its requested rate relief, the Company's returns would continue to decline, deny the Company an opportunity to earn a fair and reasonable rate of return, and jeopardize the Company's ability to attract the capital needed to make the system investments necessary to support and ensure continued system reliability, safety, and customer service performance. (*See* UGI Electric St. No. 1, p. 9.)

14. During the course of the proceeding, the differences between the parties' litigation positions changed. In its rebuttal testimony, UGI Electric explained that its most recent data and updates justified an annual revenue increase of \$9.03 million. (UGI Electric St. No. 1-R, p. 2.) In surrebuttal testimony, I&E updated its recommended revenue requirement to a revenue increase of \$5.115 million, and the OCA updated its recommended revenue requirement to \$4.986 million. (I&E St. No. 1-SR, p. 4; OCA St. No. 1-SR, p. 2.)

15. The revenue increase under the Settlement represents a compromise of the parties' competing litigation positions. The increase under the Settlement is within the range proposed by the parties, is in the public interest, and should be adopted without modification.

16. UGI Electric relied upon a class cost of service study to allocate its proposed total revenue and costs to each of the retail customer classes. (UGI Electric St. No. 6, pp. 4-23; UGI Electric Exh. D.)

17. While UGI Electric, OCA, and OSBA took differing positions on revenue allocation, all of these parties agreed that the majority of the revenue increase should be allocated to the residential customer class. (*See, e.g.*, UGI Electric St. No. 6, p. 22; OCA St. No. 3, pp. 20-22; OSBA St. No. 1, pp. 18-19.)

18. Appendix B to the Settlement sets forth the proof of revenues, which reflects the agreed-upon revenue allocation, changes to monthly customer charges for Rates R and GS-1, and shows how all of the changes in customer charges and distribution rates by class are designed to produce the net increase in distribution operating revenues of \$6.15 million. (Settlement Appx. B; Settlement ¶ 46.)

19. The Company originally proposed increasing the Rate R customer charge to \$13.00, which was an increase of \$4.26 from the current charge of \$8.74, and increasing the Rate GS-1 customer charge to \$14.00, which was an increase of \$3.50 from the current charge of \$10.50. (UGI Electric St. No. 6, pp. 23-24.)

20. The Company's proposed increase for the Rate R customer charge was opposed by OCA and CEO. (*See* OCA St. No. 3, pp. 23-24; CEO St. No. 1, pp. 5-7.)

21. Under the Settlement, the parties have reached a reasonable compromise of their respective positions on the proposed increases to the monthly customer charges, under which the monthly customer charges for Rate R and Rate GS-1 will increase from their current levels of \$8.74 and \$10.50, respectively, to \$9.50 and \$13.00, respectively. (*See* UGI Electric St. No. 6, pp. 23-24; Settlement ¶ 47.)

22. OSBA witness Mr. Knecht raised concerns about the Company's Rate FCP, which is a "flood control service for emergency pumping operations, serving seven municipalities." (OSBA St. No. 1, p. 23.) Particularly, Mr. Knecht averred that UGI Electric provided no cost analysis for Rate FCP and recommended that the Company either eliminate Rate FCP or apply a distribution rate increase equal to 1.5 times the system average. (OSBA St. No. 1, p. 23.)

23. The Settlement provides that the Company will include a proposal to eliminate, consolidate, or otherwise support Rate FCP as a separately identified class in the cost of service presented in the Company's next rate case. (Settlement ¶ 48.)

24. UGI Electric proposed to install and interconnect a utility-owned, small-scale, 1.25 MWh battery storage system as a targeted means to enhance resiliency and improve reliability on a worst performing distribution circuit located in Wapwallopen, PA: the Ruckle Hill Road distribution circuit. (UGI Electric St. No. 3, pp. 24, 26; UGI Electric St. No. 3-R, p. 14.)

25. Like many other rural circuits, it is near the end of a feeder, six miles from the substation, which increases the exposure of the line to outage risks. (UGI Electric St. No. 3-R, pp. 14-15.)

26. The area surrounding the Ruckle Hill Road circuit, as well as the main line feeding it, is primarily mountainous in nature and features heavy vegetation, which also increases the chance of a vegetation-related outage and makes vegetation work to reach and remove trees more difficult. (UGI Electric St. No. 3-R, p. 15.)

27. The source line feeding the Ruckle Hill Road circuit, and the primary location for faults, is bounded by a mountain on one side and a railroad and river on a significant portion of the other side, which precludes the possibility of line relocation away from vegetation. (UGI Electric St. No. 3-R, p. 15.)

28. The proposed project is designed to support the expected peak load of approximately 67 customers, who reside within the battery's footprint, for up to approximately four hours. (UGI Electric St. No. 3, p. 26; UGI Electric St. No. 3-R, p. 18 n.2.)

29. The battery that the Company intends to install would have covered the entire outage durations experienced between 2016 and 2020 for all but 4 of the 26 outages. (UGI Electric St. No. 3-R, pp. 15-16; UGI Electric Exh. EWS-4R.)

30. In selecting the battery storage project, UGI Electric evaluated other potential reliability solutions for the impacted area. (UGI Electric St. No. 3-R, p. 16.)

31. UGI Electric considered: (1) constructing a new substation at the remote end of the primary feeder; (2) relocating the source lines underground; (3) creating a tie-line to an existing source; and (4) relocating overhead supply facilities to limit exposure to outage causes such as vegetation and motor vehicle accidents. (UGI Electric St. No. 3-R, pp. 16-17.)

32. At a cost of \$1.5 million, UGI Electric determined that the battery storage proposal was the most cost-effective solution. (UGI Electric St. No. 3-R, pp. 17-18.)

33. The Company also proposed using the battery storage system to participate in PJM Interconnection LLC's ("PJM") Frequency Regulation Market, which would generate revenues that would be flowed back to customers when using the battery during non-storm conditions. (UGI Electric St. No. 3-R, pp. 18, 25.)

34. I&E, OCA, and RESA/NRG opposed the Company's battery storage proposal for various reasons. Among other issues, these parties questioned whether the battery storage system should be classified as a generation asset and, therefore excluded from distribution rate recovery. (I&E St. No. 3, pp. 7-8; OCA St. No. 3, p. 26; RESA and NRG St. No. 1, pp. 6, 8-9.)

35. Under the Settlement, the battery storage proposal is approved, except that the Company will not use the battery storage system to participate in the PJM Frequency Regulation Market. (Settlement ¶ 49.) Also, the inclusion of the battery storage project shall be considered a pilot for purposes of this Settlement, and the Commission's approval of this proposal shall not serve as precedent for any future UGI Electric battery storage proposal or any other electric utility's battery storage proposal. (Settlement ¶ 49.)

36. Furthermore, as recommended in OCA's direct testimony, UGI Electric has agreed per the pilot to data tracking and reporting obligations under the Settlement. (Settlement ¶ 50.) And, to further address the parties' concerns, the Settlement provides that the Joint Petitioners' agreement to this Settlement is without prejudice to future challenges to any other distribution system upgrades on the Ruckle Hill Road distribution circuit that may occur in the future including, but not limited to, a proposal to remove the battery from rate base. (Settlement ¶ 51.)

37. The Company proposed an electric vehicle ("EV") program consisting of three components: (1) installing and owning three publicly-available EV charging stations, to which the Company's proposed Rate EV-C would apply; (2) a make-ready infrastructure proposal that would allow parties installing and interconnecting EV charging stations with UGI Electric's distribution system to avoid the cost of make-ready infrastructure; and (3) EV education. (UGI Electric St. No. 1, p. 13; UGI Electric St. No. 6, pp. 38-41.)

38. UGI Electric maintained that these EV initiatives were designed to support the expanded growth of EVs within the Company's service territory by promoting EV charging infrastructure build-out and expanded access to EV charging infrastructure. (UGI Electric St. No. 1, p. 13.)

39. UGI Electric's EV charging station proposal was supported by I&E and ChargePoint, who made recommendations for the program, while OCA, OSBA, RESA/NRG, and Ms. Brace challenged the Company's EV charging station proposal. (I&E St. No. 3, pp. 4-5; ChargePoint St. No. 1, p. 3; OCA St. No. 1, pp. 13-14; OSBA St. No. 1, pp. 25-28; RESA and NRG St. No. 2, pp. 15-23; Brace St. No. 1, pp. 22-23.)

40. RESA/NRG opposed the Company's make-ready proposal, whereas ChargePoint supported it (with certain proposed modifications to the eligibility requirements). (RESA and NRG St. No. 2, pp. 21-23; ChargePoint St. No. 1, pp. 3-7.)

41. RESA/NRG also averred that the Company should be permitted to engage in EV customer education and outreach subject to certain recommendations. (RESA and NRG St. No. 2, pp. 23-24.)

42. Under the Settlement, UGI Electric is permitted to implement its make-ready infrastructure proposal, subject to certain modifications of Rules 5-l and 5-m of its proposed electric service tariff, such as clarifying that "make-ready infrastructure" does not include any behind-the-meter costs associated with the installation of EV charging stations. (Settlement ¶ 52.)

43. The Settlement also provides that the Company will post aggregated metered usage data for Qualified EV Charging Stations on a monthly and anonymized basis to its Energy Management Website (kWh and kW billing determinant use data) for interested parties to review. (Settlement ¶ 53.)

44. Also, as part of the Settlement, UGI Electric withdraws without prejudice its proposals to: (1) recover the capital and operating costs associated with the Company's installation and ownership of EV charging stations on its distribution system; and (2) establish Rate EV-C. (Settlement ¶ 55.)

45. Regarding the Company's Distribution System Improvement Charge ("DSIC"), the Settlement provides that, as of the effective date of rates in this proceeding, UGI Electric will be eligible to include plant additions in the DSIC once the Company's total net plant balances exceed \$152,150,000. (Settlement ¶ 57.)

46. The Settlement further states that, for purposes of calculating its DSIC, UGI Electric shall use the equity return rate for electric utilities contained in the Commission's most recent Quarterly Report on the Earnings of Jurisdictional Utilities and shall update the equity return rate each quarter consistent with any changes to the equity return rate for electric utilities contained in the most recent Quarterly Earnings Report, consistent with 66 Pa. C.S. § 1357(b)(3), until such time as the DSIC is reset pursuant to the provisions of 66 Pa. C.S. § 1358(b)(1). (Settlement ¶ 58.)

47. The Settlement also provides that the Company will submit an update to UGI Electric Exhibit A, Schedule C-2 no later than January 1, 2022, which will include actual capital expenditures, plant additions, and retirements by month from October 1, 2020 through September 30, 2021. (Settlement ¶ 56.) An additional update for actuals from October 1, 2021 through September 30, 2022 shall be filed no later than January 2, 2023. (Settlement ¶ 56.)

48. UGI Electric presented detailed depreciation studies on the Company's electric plant for the Historic Test Year ("HTY"), Future Test Year ("FTY"), and FPFTY. (See UGI Electric Exhibit C.) The depreciation studies were sponsored by, and supported by the direct testimony of, UGI Electric witness Mr. Wiedmayer. (See UGI Electric St. No. 7.)

49. Under the Settlement, the Joint Petitioners accept UGI Electric's as-filed depreciation rates. (Settlement ¶ 59.)

50. In its initial rate filing, UGI Electric included a FPFTY Accumulated Deferred Income Tax ("ADIT") calculation, based upon a pro-rationing methodology required under

Treasury Regulation 1.167(l)-1(h)(6)(ii) that is necessary to be in compliance with Internal Revenue Service (“IRS”) normalization requirements. (UGI Electric St. No. 9, pp. 6-8.)

51. Under the Settlement, the Company’s ADIT and pro-rationing methodology as required by Treasury Regulation 1.167(l)-1(h)(6)(ii) is accepted. (Settlement ¶ 60); *see* 26 C.F.R. § 1.167(l). The Settlement also provides that the Company’s method to amortize Excess Accumulated Deferred Federal Income Taxes (“EDFIT”) according to the Average Rate Assumption Method (“ARAM”) is accepted. (Settlement ¶ 60.)

52. In its tax return for the year ended September 30, 2009, UGI Electric adopted a tax accounting method to expense as repairs certain items capitalized for book purposes in accordance with federal tax regulations. (UGI Electric St. No. 9, p. 8.)

53. As it did in the Company’s previous base rate case at Docket No. R-2017-2640058, UGI Electric chose to normalize its federal income tax expense claim, inclusive of the repairs tax deduction. (UGI Electric St. No. 9, p. 8.)

54. This difference between accelerated tax depreciation versus book depreciation in the calculation of federal tax expense creates ADIT. (UGI Electric St. No. 9, p. 8.) Therefore, the Company reduced its rate base by the sum of the federal ADIT balance and the state repair regulatory liability. (UGI Electric St. No. 9, p. 8.)

55. The Settlement states that, for purposes of determining the revenue requirement in this case, all capitalized repairs deductions claimed on a tax return have been normalized for ratemaking purposes, and the appropriate related amount of tax effect of those deductions has been treated similarly to ADIT as a reduction to UGI Electric’s rate base. (Settlement ¶ 61.)

56. Since 2016, the Company has capitalized certain information technology (“IT”) costs associated with software implementation projects, including preliminary-stage project and business and technology reengineering expenses. (UGI Electric St. No. 4, p. 14.)

57. The Settlement provides that, for purposes of the Settlement, UGI Electric’s as-filed capital treatment of certain IT costs is accepted. (Settlement ¶ 62.)

58. UGI Electric has experienced both increased uncollectible accounts expenses and increased costs in other areas due to the coronavirus disease 2019 (“COVID-19”). (UGI Electric St. No. 4, pp. 17-18.)

59. The Company created a regulatory asset for its incremental COVID-19 expenses related to uncollectible accounts expense above the \$1,015,000 amount embedded in its current rates. (UGI Electric St. No. 4, p. 19.)

60. The amount of the regulatory asset, which represents the uncollectible expense in excess of the amount included in rates for the twelve months ended September 30, 2020, is \$1,013,000. (UGI Electric St. No. 4, p. 19.)

61. Under the Settlement, the Company’s revenue increase reflects a three-year amortization of the Company’s COVID-19 regulatory asset related to incremental uncollectible accounts expense, or \$337,666 per year (i.e., $\$1,013,000 \div 3$), which includes all incremental uncollectible expense through September 30, 2020. (Settlement ¶ 63.)

62. UGI Electric proposed to recover rate case expenses totaling \$839,000 over a two-year period, which resulted in a normalized claim of \$420,000. (UGI Electric St. No. 2-R, p. 10.)

63. I&E recommended that the rate case expenses be normalized over three years, thereby reducing the Company’s claim for the FPFTY by \$140,333. (I&E St. No. 1, p. 6.)

64. OCA similarly recommended a three-year normalization but also proposed reducing the Company's rate case expense claim to \$762,000. (OCA St. No. 1, p. 23.) The combined effect of the OCA's proposals would reduce the Company's rate case expense claim for the FPFTY by \$166,000. (OCA St. No. 1, pp. 23-24.)

65. The Settlement provides that the Company's revenue increase reflects a three-year normalization for ratemaking purposes and a three-year amortization for accounting purposes. (Settlement ¶ 64.) Further, the Company will not claim any unamortized amount in a future rate case and agrees that normalization of rate case expense (as opposed to amortization) is the proper treatment for ratemaking purposes. (Settlement ¶ 64.)

66. In the Company's 2018 base rate case, UGI Electric proposed its Company-Owned Services ("COS") Transition Program, under which the Company would transfer to customers certain Company-owned facilities located inside customers' homes. *Pa. PUC v. UGI Utilities, Inc. – Electric Division*, Docket Nos. R-2017-2640058, p. 45 (Order entered Oct. 25, 2018).

67. The Commission approved UGI Electric's COS Transition Program and associated annual implementation expense claim of \$454,418 on the conditions that the Company be: (1) "prohibited from earning a profit from the program"; (2) "prohibited from terminating service in conjunction with the program"; and (3) "required to coordinate with [the Bureau of Consumer Services] and the OCA in implementing and executing the program." *Id.*, p. 49.

68. On October 25, 2018, UGI Electric began its COS Transition Program. (UGI Electric St. No. 3-R, p. 8.)

69. I&E disputed the Company's expense claim for the COS Transition Program. (I&E St. No. 1, pp. 25-26; I&E St. No. 1-SR, pp. 20-21.)

70. Under the Settlement, effective October 1, 2021, the Company will be permitted, for book accounting purposes, to record the costs associated with its COS Transition Program as capital investment. (Settlement ¶ 65.) The capital investment recorded for recovery from ratepayers will be capped at \$5,000,000. (Settlement ¶ 65.)

71. Also, to the extent that the costs exceed the \$5,000,000 capitalization cap subsequent to October 1, 2021, the Company will expense the excess and may seek recovery in a future rate case with all parties reserving their rights to challenge any claimed expense (above the \$5,000,000). (Settlement ¶ 65.)

72. UGI Electric undertook several efforts to assist customers impacted by the economic effects of the COVID-19 pandemic, such as: (1) ceasing to remove customers from its Customer Assistance Program (“CAP”) for failure to recertify; (2) instructing community-based organizations (“CBOs”) to accept telephonic “signature” for CAP authorizations; (3) waiving all late payment charges; (4) proposing changes to its Universal Service and Energy Conservation Plan (“USECP”); and (5) launching an extensive information and outreach campaign associated with its COVID-19 response. (UGI Electric St. No. 1, pp. 10-11.)

73. The Settlement states that the Company will continue to assist customers impacted by COVID-19 through various efforts and initiatives to promote existing Company assistance programs and to facilitate customer access to COVID-19 pandemic-related public utility assistance sources, including the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) and the American Rescue Plan. (Settlement ¶ 66.)

74. UGI Electric proposed to modify Rider C to set the number of CAP enrollees as of September 30, 2021, for purposes of calculating a cost-offset to account for write-offs of bad debt that would arguably have occurred if not for CAP. (UGI Electric St. No. 8, pp. 10-11.)

75. OCA proposed that, in the absence of a COVID-19 Emergency Relief Plan being adopted, the CAP enrollee count in Rider C should be modified to reflect the year-end CAP enrollment for the HTY ending September 30, 2020 or 3,231 participants. (OCA St. No. 4, p. 64.)

76. Under the Settlement, the Company will modify Rider C, such that the as-filed updated participant number of “the number of CAP enrollees as September 30, 2021” will be replaced with “3,231”. (Settlement ¶ 67.)

77. UGI Electric’s Winter Assistance Relief Mobilization (“WARM”) Initiative consists of Company employees from multiple discipline departments, with the focus of hosting events at UGI Utilities, Inc. offices and partnering with CBOs to provide in-person support to help answer customer questions and offer guidance on enrollment in multiple low-income programs. (UGI Electric St. No. 10-R, p. 38.)

78. UGI Electric’s programs and resources include funds available through Low Income Home Energy Assistance Program (“LIHEAP”), CAP, Operation Share, the Customer Assistance and Referral Evaluation Services (“CARES”) program, and Low-Income Usage Reduction Program (“LIURP”). (UGI Electric St. No. 10-R, p. 38.)

79. OCA recommended that the Commission direct UGI Electric to develop a Public Partnership Outreach Plan (“PPOP”), that seeks to (1) identify confirmed low-income customers, (2) enroll income-eligible customers in CAP, and (3) identify customers who income-qualify for winter shutoff protections, and includes several steps. (OCA St. No. 4, pp. 59-60.) The costs of this PPOP would then be passed through to ratepayers via the Company’s Rider C. (OCA St. No. 4, p. 60.)

80. The Settlement sets forth several provisions that will be included in the Company’s WARM Initiative and were carefully crafted to address OCA’s concerns about the Company’s

enrollment of customers in CAP and other assistance programs for low-income customers. (Settlement ¶ 68.) The Settlement also recognizes that UGI Electric may incur incremental expenses in implementing some of these changes to its WARM Initiative and, therefore, will be deferred for recovery (without interest) in the Company's next base rate case. (Settlement ¶ 68.)

81. OCA recommended that Section 3-d of the UGI Electric tariff be modified "to provide that no later than three months after the delivery of usage reduction services to a residential low-income customer...any cash security deposit held by the company be reduced by the expected percentage annual bill reduction resulting from the delivery of the usage reduction investment." (OCA St. No. 4, p. 76.)

82. The Settlement provides that upon a customer being enrolled in the Company's LIURP program or any low-income usage reduction program in the Company's Energy Efficiency and Conservation Plan, and after weatherization services are completed, any and all remaining security deposits on the customers' accounts will be refunded. (Settlement ¶ 69.) Also, on a monthly basis, UGI Electric will review currently held security deposits and will issue a bill credit or refund for any deposit previously collected from a confirmed low-income customer. (Settlement ¶ 72.)

83. CEO argued that "LIURP funding should be increased by the same percentage as any increase in rates to residential customers that result from this proceeding." (CEO St. No. 1, p. 8.) CEO also recommended that UGI Electric continue to use CBOs to conduct LIURP work. (CEO St. No. 1, pp. 9-10.)

84. Under the Settlement, the parties have agreed that the Company's LIURP spending will be increased commensurate with the percentage rate increase to the residential class resulting from this case. (Settlement ¶ 69(a).) The Company also will continue to use the CBOs it has

traditionally utilized in the administration and implementation of its universal service programs. (Settlement ¶ 69(b).) Furthermore, the Company will increase the LIURP budgets of the CBOs that have the demonstrated capacity to do the additional work, i.e., CBOs that have fulfilled their past LIURP budgets and have the capacity for increased budgets. (Settlement ¶ 69(c).)

85. Prior to the COVID-19 pandemic, the Company undertook actions to address the economic challenges faced by segments of its customer base, which included: (1) increasing the Company's donation to Operation Share in the amount of \$60,500 to a new total amount of \$80,500 in FY2020 and FY2021; and (2) committing to continue that level of Operation Share contribution in FY2022. (UGI Electric St. No. 10-R, p. 11.)

86. Under the Settlement, the Company's contribution to Operation Share will be increased commensurate with the percentage rate increase to the residential class resulting from this case. (Settlement ¶ 70.)

Appendix D

APPENDIX D

PROPOSED CONCLUSIONS OF LAW

1. The Commission has jurisdiction over the subject matter and the parties to this proceeding. 66 Pa. C.S. §§ 1301, 1308(d).

2. Under Section 1301 of the Public Utility Code, a public utility's rates must be just and reasonable. 66 Pa. C.S. § 1301.

3. The Commission possesses a great deal of flexibility in its ratemaking function. *See Popowsky v. Pa. PUC*, 665 A.2d 808, 812 (Pa. 1995). "In determining just and reasonable rates, the [Commission] has discretion to determine the proper balance between the interests of ratepayers and utilities." *Id.*

4. The term "just and reasonable" is not intended to confine the ambit of regulatory discretion to an absolute or mathematical formulate; rather, the Commission is granted the power to balance the prices charged to utility customers and returns on capital to utility investors. *Pa. PUC v. Pa. Gas & Water Co.*, 424 A.2d 1213, 1219 (Pa. 1980), *cert. denied*, 454 U.S. 824, 102 S. Ct. 112, 70 L. Ed. 2d 97 (1981).

5. Commission policy promotes settlements. 52 Pa. Code § 5.231. Settlements lessen the time and expense the parties must expend litigating a case and at the same time conserve administrative resources.

6. Settlement results are often preferable to those achieved at the conclusion of a fully litigated proceeding. 52 Pa. Code § 69.401.

7. The Commission encourages black box settlements. *Pa. PUC v. Aqua Pa., Inc.*, Docket No. R-2011-2267958, pp. 26-27 (Order entered June 7, 2012); *Pa. PUC v. Peoples TWP LLC*, Docket No. R-2013-2355886, p. 27 (Order entered Dec. 19, 2013); Statement of Chairman

Robert F. Powelson, *Implementation of Act 11 of 2012*, Docket No. M-2012-2293611, Public Meeting, August 2, 2012.

8. In order to accept a settlement, the Commission must determine that the proposed terms and conditions are in the public interest. *Pa. PUC v. UGI Utilities, Inc. – Gas Division*, Docket Nos. R-2015-2518438, *et al.* (Order entered Oct. 14, 2016); *Pa. PUC v. Philadelphia Gas Works*, Docket No. M-00031768 (Order entered Jan. 7, 2004).

9. The Joint Petitioners have the burden to prove that the Settlement is in the public interest. *Pa. PUC v. Pike Cnty. Light & Power (Electric)*, Docket Nos. R-2013-2397237, C-2014-2405317, *et al.* (Order entered Sept. 11, 2014).

10. The decision of the Commission must be supported by substantial evidence. 2 Pa. C.S. § 704.

11. “Substantial evidence” is such relevant evidence that a reasonable mind might accept as adequate to support a conclusion. More is required than a mere trace of evidence or a suspicion of the existence of a fact sought to be established. *Norfolk & Western Ry. Co. v. Pa. PUC*, 413 A.2d 1037 (Pa. 1980); *Erie Resistor Corp. v. Unemployment Comp. Bd. of Review*, 166 A.2d 96 (Pa. Super. 1961); *Murphy v. Comm., Dept. of Public Welfare, White Haven Center*, 480 A.2d 382 (Pa. Cmwlt. 1984).

12. The rates and terms of service set forth in the Settlement are supported by substantial evidence and are in the public interest. Therefore, consistent with the terms and conditions set forth in the Settlement, UGI Electric’s proposed rate increase should be granted.

Appendix E

APPENDIX E

PROPOSED ORDERING PARAGRAPHS

1. That the Pennsylvania Public Utility Commission approve this Settlement, including all the terms and modifications thereof, without modification;
2. That the investigation into this matter be terminated and the matter marked closed; and
3. That the Commission issue an Opinion and Order terminating the proceeding, and authorizing UGI Electric to file the *pro forma* tariff supplements attached to the Settlement as **Appendix A** to become effective on or before November 9, 2021, for service rendered thereafter.

Appendix F

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I. INTRODUCTION

UGI Utilities, Inc. – Electric Division (“UGI Electric” or the “Company”) hereby submits this Statement in Support of the Joint Petition for Approval of Settlement of All Issues (“Settlement”) entered into by UGI Electric, the Pennsylvania Public Utility Commission’s (“Commission”) Bureau of Investigation and Enforcement (“I&E”), the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”), the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), Commission on Economic Opportunity (“CEO”), ChargePoint, Inc. (“ChargePoint”), and the Retail Energy Supply Association and NRG Energy, Inc. (together, “RESA/NRG”) (collectively, “Joint Petitioners”).¹ The Settlement represents a full resolution of all issues raised in the instant proceeding.

The Joint Petitioners unanimously agree that UGI Electric’s February 8, 2021 distribution base rate increase filing (“2021 Base Rate Case”) should be approved, subject to the terms and conditions of the Settlement. The Settlement provides for increases in rates, as set forth in the *pro forma* tariff supplement attached as **Appendix A** to the Settlement and the proof of revenues attached as **Appendix B** to the Settlement, designed to produce a net increase in the annual distribution operating revenues of \$6.15 million, to become effective on or before November 9, 2021.

The Settlement reflects a carefully balanced compromise of the interests of the Joint Petitioners, who represent a broad array of residential, commercial, and other important customer interests. The Settlement also, and importantly, contains provisions designed to address the

¹ Nine customers filed *pro se* formal complaints opposing the proposed rate increase. Apart from Ms. Brandi Brace, these complainants were not active parties in this proceeding. A complete copy of this Settlement is being served on all formal complainants.

impacts of the coronavirus disease 2019 (“COVID-19”) pandemic. UGI Electric submits that the Settlement is in the public interest, just and reasonable, and supported by substantial evidence and, therefore, should be approved without modification.

For these reasons, and as explained in further detail below, UGI Electric respectfully requests that Administrative Law Judge Steven K. Haas (“ALJ”) and the Commission approve the Settlement without modification.

II. STANDARD FOR APPROVAL OF SETTLEMENT

Commission policy promotes settlements. *See* 52 Pa. Code § 5.231. Settlements reduce the time and expense that parties must expend litigating a case and, at the same time, conserve administrative resources. The Commission has indicated that settlement results are often preferable to those achieved at the conclusion of a fully litigated proceeding. *See* 52 Pa. Code § 69.401.

The Commission has explained that parties to settled cases are afforded flexibility in reaching amicable resolutions, so long as the settlement is in the public interest. *Pa. PUC v. MXenergy Electric Inc.*, Docket No. M-2012-2201861, 2013 Pa. PUC LEXIS 789, 310 P.U.R.4th 58 (Opinion and Order entered Dec. 5, 2013). To approve a settlement, the Commission must first determine that the proposed terms and conditions are in the public interest. *Pa. PUC v. Windstream Pa., LLC*, Docket No. M-2012-2227108, 2012 Pa. PUC LEXIS 1535 (Opinion and Order entered Sept. 27, 2012); *Pa. PUC v. C.S. Water & Sewer Assocs.*, Docket No. R-881147, 74 Pa. PUC 767 (Opinion entered July 22, 1991).

As explained in the next section of this Statement in Support, the Settlement is just and reasonable and in the public interest and, therefore, should be approved without modification.

III. THE SETTLEMENT IS IN THE PUBLIC INTEREST

A. GENERAL

The Joint Petitioners agree that the Settlement is in the public interest. (Settlement ¶ 41.) The Settlement was achieved only after a comprehensive investigation of UGI Electric's proposals set forth in its 2021 Base Rate Case. In addition to informal discovery, UGI Gas responded to over 400 formal discovery requests, many of which included multiple subparts. The active parties submitted several rounds of testimony, including UGI Electric's direct testimony, other parties' direct testimony, rebuttal testimony, surrebuttal testimony, and rejoinder testimony. Further, the parties engaged in numerous settlement discussions and formal negotiations, which ultimately led to the Settlement.

The Joint Petitioners undertook a tremendous effort to reach a full settlement of all issues. The Joint Petitioners each had to compromise on many different and competing issues and proposals raised in this case. In some instances, and in exchange for reaching an agreement on other issues, the Joint Petitioners collectively agreed to accept or reject a certain party's litigation position or to meet somewhere in between competing litigation positions. As such, when determining whether the Settlement is reasonable and in the public interest, the Commission should view the Settlement as a whole instead of focusing on individual terms and conditions.

As noted previously, the Settlement reflects a carefully balanced compromise of the competing and broad array of interests of the Joint Petitioners in this proceeding. The Joint Petitioners, their counsel, and their expert consultants have considerable experience in base rate proceedings. Their knowledge, experience, and ability to evaluate the strengths and weaknesses of their litigation positions provided a strong base upon which to build a consensus in this proceeding. The fact that the Settlement is supported by parties representing a diversity of constituents and interests, in and of itself, provides strong evidence that the Settlement is

reasonable and in the public interest, particularly given the active role of the parties in this proceeding as well as the many negotiations required to achieve the Settlement.

Thus, the terms and conditions of the Settlement, as set forth in the following sections, should be approved without modification.

B. REVENUE REQUIREMENT

1. “Black Box” Revenue Requirement

The Settlement provides for an annual distribution rate revenue increase of \$6.15 million, to become effective on or before November 9, 2021, for service rendered thereafter. (Settlement ¶ 44.) The distribution rate revenue increase of \$6.15 million is 70.6% of the proposed revenue increase of \$8.709 million requested in UGI Electric’s February 8, 2021 filing.

The agreed upon revenue requirement is a “black box” settlement, with certain exceptions discussed below. (Settlement ¶ 44.) Under a “black box” settlement, parties do not specifically identify or resolve individual rate base, revenue, expenses, and rate of return issues. This “black box” concept often facilitates settlement agreements because it permits parties to retain their positions on important ratemaking issues for the proceeding at hand as well as for future proceedings. The Commission encourages black box settlements. *See, e.g., Pa. PUC v. Aqua Pa., Inc.*, Docket No. R-2011-2267958, pp. 26-27 (Order entered June 7, 2012); *Pa. PUC v. Peoples TWP LLC*, Docket No. R-2013-2355886, pp. 27-28 (Order entered Dec. 19, 2013); Statement of Chairman Robert F. Powelson, Implementation of Act 11 of 2012, Docket No. M-2012-2293611 (Public Meeting, Aug. 2, 2012). Under a “black box” settlement, it is not necessary for the ALJ to decide individual rate base or revenue and expense adjustments proposed by the parties or determine the return on equity under the Settlement in order to ascertain the reasonableness of the proposed revenue increase under the Settlement.

The revenue increase is essential to UGI Electric's continued ability to attract capital on reasonable terms and provide safe and reliable service to customers. The Company's current rates do not provide it with a reasonable opportunity to earn a fair rate of return on its investments made to serve the public in the provision of safe and reliable electric distribution service. (UGI Electric St. No. 1, p. 8.) Absent rate relief, UGI Electric projected that, for the 12 months ending September 30, 2022, its operations would produce an overall return on rate base of just 3.24%, which equates to a return on common equity of only 2.28%. (UGI Electric St. No. 1, pp. 8-9.) These returns are not adequate based on applicable financial data and the risks confronted by UGI Electric. (UGI Electric St. No. 1, p. 9.) Unless UGI Electric receives the rate relief agreed to in this Settlement, those returns will continue to decline, deny the Company an opportunity to earn a fair and reasonable rate of return, and jeopardize the Company's ability to attract the capital needed to make the system investments necessary to support and ensure continued system reliability, safety, and customer service performance. (*See* UGI Electric St. No. 1, p. 9.)

In this proceeding, UGI Electric, I&E, and OCA presented testimony on the overall revenue requirement. In its initial filing, UGI Electric proposed a revenue increase of \$8.709 million (UGI Electric St. No. 1, p. 11), which included a proposed return on equity of 10.75% (UGI Electric St. No. 5, p. 1). In its rebuttal testimony, UGI Electric explained that its most recent data and updates justified an annual revenue increase of \$9.03 million. (UGI Electric St. No. 1-R, p. 2.)

By comparison, I&E initially recommended a revenue requirement increase of approximately \$3.153 million (I&E St. No. 1, p. 3) with a return on equity of 8.58% (I&E St. No. 2, p. 6) in its direct testimony. Subsequently, in I&E's surrebuttal testimony, I&E updated its recommended revenue requirement to a revenue increase of \$5.115 million. (I&E St. No. 1-SR,

p. 4.) The OCA, on the other hand, initially recommended a revenue requirement increase of \$4.479 million (OCA St. No. 1, p. 7) with a return on equity of 8.30% (OCA St. No. 2, p. 4). In its surrebuttal testimony, the OCA updated its recommended revenue requirement to \$4.986 million. (OCA St. No. 1-SR, p. 2.)

Through extensive negotiations, the Joint Petitioners were able to reach a compromise within a range of their competing litigation positions. The \$6.15 million settlement increase, which falls within the range of the parties' overall revenue requirement proposals, is just and reasonable, in the public interest, and supported by substantial evidence. Thus, the Commission should approve the "black box" \$6.15 million revenue requirement increase without modification.

C. REVENUE ALLOCATION AND RATE DESIGN

1. Revenue Allocation

UGI Electric relied upon a class cost of service study to allocate its proposed total revenue and costs to each of the retail customer classes. (UGI Electric St. No. 6, pp. 4-23; UGI Electric Exh. D.) UGI Electric, OCA, and OSBA all presented evidence regarding revenue and cost allocation. (*See* UGI Electric St. Nos. 6, 6-R, and 6-RJ; OCA St. Nos. 3, 3-R, and 3-SR; OSBA St. Nos. 1, 1-R, and 1-SR.) While UGI Electric, OCA, and OSBA took differing positions on revenue allocation, all of these parties agreed that the majority of the revenue increase should be allocated to the residential customer class. (*See, e.g.*, UGI Electric St. No. 6, p. 22; OCA St. No. 3, pp. 20-22; OSBA St. No. 1, pp. 18-19.)

Ultimately, the Joint Petitioners were able to reach a full settlement that allocated the revenue in a manner that will move all classes closer to the cost of service. (Settlement ¶ 46.) The

rate impact of the settled revenue allocation can be derived using the Proof of Revenue attached as Appendix B to the Settlement.

UGI Electric believes that the revenue allocation under the Settlement is fully consistent with the Commonwealth Court's decision in *Lloyd v. Pa. PUC*, 904 A.2d 1010 (Pa. Cmwlth. 2006) ("*Lloyd*") and prior appellate court precedent regarding revenue allocation. In *Lloyd*, the Commonwealth Court declared that cost of service is the "polestar" of public utility ratemaking under binding appellate precedent. *Id.* at 1020. When setting rates, the Commission cannot allow another ratemaking concern or principle, such as gradualism, to trump cost of service. *See id.* It is important to recognize, however, that *Lloyd* did not overturn prior judicial precedent regarding revenue allocation and the applicability of cost of service studies. Therefore, when allocating revenues to the rate classes, the Commission is not required to adopt a single cost of service study or strictly allocate revenues according to the study's results. In *Executone of Philadelphia, Inc. v. Pa. PUC*, 415 A.2d 445, 448 (Pa. Cmwlth. 1980), the Court stated as follows:

[T]here is no single correct cost study or methodology that can be used to answer all questions pertaining to costs; there are only appropriate and inappropriate cost analyses depending upon the type of service under study and the management and regulatory decision in question.

Likewise, in *Peoples Natural Gas Co. v. Pa. PUC*, 409 A.2d 446, 456 (Pa. Cmwlth. 1979), the Court stated as follows with respect to rate design:

[T]here is no set formula for determining proper ratios among the rates of different customer classes. *Natona Mills v. Pennsylvania Public Utility Commission*, 179 Pa. Super. 263, 116 A.2d 876 (1955). What is reasonable under the circumstances, the proper difference among rate classes, is an administrative question for the commission to decide. This court's scope of review is limited.

As *Lloyd* and the other cases cited above demonstrate, the Commission retains considerable discretion in designing rates, is not required to follow any particular cost of service study, and can

consider other factors, including gradualism, in designing just and reasonable rates, as long as cost of service is the primary guiding factor. Accordingly, the agreed-upon revenue allocation under this Settlement provides movement towards cost of service for all rate classes under UGI Electric's class cost of service study. As such, UGI Electric submits that the Settlement's proposed revenue allocation is fully consistent with the *Lloyd* decision and other relevant precedent regarding revenue allocation.

2. Rate Design

The primary objective of the Company's proposed rate design was to develop rate schedules that would produce the requested revenues when applied to forecasted conditions for the Fully Projected Future Test Year ("FPFTY") ending September 30, 2022. Under the comprehensive Settlement, the parties have agreed that the pro forma annual revenue increase will be incorporated through the Company's volumetric distribution charges and monthly customer charges and will be based on the Company's filed usage billing determinants. (Settlement ¶¶ 45 and 47.)

For the customer charges specifically, the parties have agreed to the customer charges proposed by the Company, except that: (1) the Rate R customer charge will be \$9.50 per month, instead of the \$13.00 per month proposed by UGI Electric; and (2) the Rate GS-1 customer charge will be \$13.00 per month, rather than the \$14.00 per month proposed by the Company. (Settlement ¶ 47.) The Company's proposed increase for the Rate R customer charge was opposed by OCA and CEO, based predominantly on their belief that higher fixed customer charges discourage energy conservation and adversely affect low-income customers. (*See* OCA St. No. 3, pp. 23-24; CEO St. No. 1, pp. 5-7.) UGI Electric provided thorough and substantial evidence in support of its proposed customer charges, including testimony demonstrating that OCA's and CEO's claims about the impact on energy conservation and low-income customers lack merit. (*See, e.g.*, UGI

Electric St. No. 6, pp. 23-28; UGI Electric St. No. 6-R, pp. 27-36; UGI Electric St. No. 6-RJ, pp. 36-42.) However, under the Settlement, the parties have reached a reasonable compromise of their respective positions on the proposed increases to the monthly customer charges, under which the monthly customer charges for Rate R and Rate GS-1 will increase from their current levels of \$8.74 and \$10.50, respectively, to \$9.50 and \$13.00, respectively. (See UGI Electric St. No. 6, pp. 23-24; Settlement ¶ 47.)

In addition, OSBA witness Mr. Knecht raised concerns about the Company's Rate FCP, which is a "flood control service for emergency pumping operations, serving seven municipalities." (OSBA St. No. 1, p. 23.) Particularly, Mr. Knecht averred that UGI Electric provided no cost analysis for Rate FCP and recommended that the Company either eliminate Rate FCP or apply a distribution rate increase equal to 1.5 times the system average. (OSBA St. No. 1, p. 23.)

UGI Electric witness Mr. Taylor explained that he did not conduct a separate analysis for Rate FCP because: (1) there are only seven customers; and (2) the tariff for Rate FCP requires the customer to own, install, operate, and maintain the lines and transforming equipment, which is not a requirement for Rate GS-4 customers and, therefore, generally justifies a lower rate for Rate FCP customers. (UGI Electric St. No. 6-R, p. 9.) However, as an alternative, the Commission could direct the Company to file a separate ACOSS class designation for the FCP class in the Company's next base rate proceeding. (UGI Electric St. No. 6-R, p. 9.)

The Settlement provides that the Company will include a proposal to eliminate, consolidate, or otherwise support Rate FCP as a separately identified class in the cost of service presented in the Company's next rate case. (Settlement ¶ 48.) Accordingly, parties will have cost of service information on Rate FCP available to them in the next base rate case, which will provide

an adequate record upon which to determine any proposed changes to Rate FCP. Therefore, this Settlement Provision adequately resolves the concerns raised about Rate FCP in this proceeding.

Thus, the overall rate design reflects a gradual increase in rates over the course of the FPFTY, moves all customer classes toward the overall cost of service, and strikes a reasonable balance between the interests of customers and the Company. For these reasons, the revenue allocation and rate design are just, reasonable, and in the public interest and, therefore, should be approved without modification.

D. PROGRAMS/PROPOSALS

1. Battery Storage

In this proceeding, UGI Electric proposed to install and interconnect a utility-owned, small-scale, 1.25 MWh battery storage system as a targeted means to enhance resiliency and improve reliability on a worst performing distribution circuit located in Wapwallopen, PA: the Ruckle Hill Road distribution circuit. (UGI Electric St. No. 3, pp. 24, 26; UGI Electric St. No. 3-R, p. 14.) Like many other rural circuits, it is near the end of a feeder, six miles from the substation, which increases the exposure of the line to outage risks. (UGI Electric St. No. 3-R, pp. 14-15.) The area surrounding the Ruckle Hill Road circuit, as well as the main line feeding it, is primarily mountainous in nature and features heavy vegetation, which also increases the chance of a vegetation-related outage and makes vegetation work to reach and remove trees more difficult. (UGI Electric St. No. 3-R, p. 15.) Finally, the source line feeding the Ruckle Hill Road circuit, and the primary location for faults, is bounded by a mountain on one side and a railroad and river on a significant portion of the other side, which precludes the possibility of line relocation away from vegetation. (UGI Electric St. No. 3-R, p. 15.)

The proposed project is designed to support the expected peak load of approximately 67 customers, who reside within the battery's footprint, for up to approximately four hours. (UGI

Electric St. No. 3, p. 26; UGI Electric St. No. 3-R, p. 18 n.2.) In fact, the battery that the Company intends to install would have covered the entire outage durations experienced between 2016 and 2020 for all but 4 of the 26 outages. (UGI Electric St. No. 3-R, pp. 15-16; UGI Electric Exh. EWS-4R.) There also was only one outage where the battery would not have covered the vast majority of the outage minutes (i.e., the May 15, 2018 outage where the battery would have covered 54.46% of the outage duration for all impacted customers, where it still would have cut the duration of the outage by more than half). (UGI Electric St. No. 3-R, p. 16.) Accordingly, this reliability solution provides significant and consistent reliability enhancements for these customers. (UGI Electric St. No. 3-R, p. 16.)

In selecting the battery storage project, UGI Electric evaluated other potential reliability solutions for the impacted area. (UGI Electric St. No. 3-R, p. 16.) UGI Electric had already performed non-capital reliability improvements, including vegetation management (completion of all trimming and accessible danger tree removals occurred in 2020) as well as enhanced line sectionalizing to minimize customer exposure to outages. (UGI Electric St. No. 3-R, p. 15.) Therefore, UGI Electric evaluated other potential capital reliability improvements to determine whether the battery storage project was the most cost-effective solution. (UGI Electric St. No. 3-R, pp. 16-17.) Specifically, UGI Electric considered: (1) constructing a new substation at the remote end of the primary feeder; (2) relocating the source lines underground; (3) creating a tie-line to an existing source; and (4) relocating overhead supply facilities to limit exposure to outage causes such as vegetation and motor vehicle accidents. (UGI Electric St. No. 3-R, pp. 16-17.) At a cost of \$1.5 million, UGI Electric determined that the battery storage proposal was the most cost-effective solution. (UGI Electric St. No. 3-R, pp. 17-18.) Even still, to help defray the costs of the project, the Company proposed using the battery storage system to participate in PJM

Interconnection LLC's ("PJM") Frequency Regulation Market, which would generate revenues that would be flowed back to customers when using the battery during non-storm conditions. (UGI Electric St. No. 3-R, pp. 18, 25.)

I&E, OCA, and RESA/NRG opposed the Company's battery storage proposal for various reasons. Among other issues, these parties questioned whether the battery storage system should be classified as a generation asset and, therefore excluded from distribution rate recovery. (I&E St. No. 3, pp. 7-8; OCA St. No. 3, p. 26; RESA and NRG St. No. 1, pp. 6, 8-9.) As alleged support for generation asset treatment, parties focused on the battery storage system's ability to store and discharge electricity as well as UGI Electric's proposal to use the battery storage project to participate in the PJM Frequency Regulation Market. (I&E St. No. 3, p. 9; OCA St. No. 3, p. 26; RESA and NRG St. No. 1, pp. 6, 11.) If the Commission approved the battery storage proposal, OCA also recommended certain data tracking and reporting obligations concerning the battery storage project. (OCA St. No. 3, pp. 27-28.)

UGI Electric rebutted all of the issues and concerns that I&E, OCA, and RESA/NRG raised about the Company's battery storage proposal. (UGI Electric St. No. 3-R, pp. 12-33; UGI Electric St. No. 6-R, pp. 42-56; UGI Electric St. No. 3-RJ, pp. 5-9; UGI Electric St. No. 6-RJ, pp. 12-14.) On the principal issue of treating the battery storage system as a distribution asset instead of a generation asset, UGI Electric witness Mr. Taylor explained that a battery storage asset can perform multiple functions and that its categorization should depend on its location and primary use. (UGI Electric St. No. 6-R, p. 50.) Here, the Company's battery storage system will be a distribution asset because it will be located on the distribution system and has a primary purpose of improving reliability and resiliency of the distribution system. (UGI Electric St. No. 6-R, pp. 50, 52.) Indeed, the battery storage system should be treated no differently than other distribution

facilities, such as electrical capacitors, which can store and release electric energy and improve reliability. (UGI Electric St. No. 3-R, pp. 21-22.)

UGI Electric witness Mr. Taylor also refuted the notion that participating in the PJM Frequency Regulation Market would transform the battery storage system into a generation asset because, among other reasons: (1) the Frequency Regulation Market is fundamentally different than markets for energy or capacity; and (2) it is nothing new for an electric distribution company (“EDC”) to participate in a PJM market in order to help reduce the costs borne by ratepayers, as evidenced by EDCs bidding peak demand reductions under their Phase IV of Act 129 Energy Efficiency and Conservation (“EE&C”) Plans. (UGI Electric St. No. 6-R, pp. 53-54.) However, if participating in the PJM Frequency Market would result in the battery storage system being classified as a generation asset, UGI Electric could simply not participate in that market. (UGI Electric St. No. 6-R, pp. 54-55.) Indeed, even without the revenues from the PJM Frequency Market, the battery storage system is the most cost-effective solution to address the reliability and resiliency issues on the Ruckle Hill Road distribution circuit. (UGI Electric St. No. 3-R, p. 14.)

Under the Settlement, the parties have reached a reasonable compromise regarding the Company’s battery storage proposal. (Settlement ¶¶ 49-51.) Specifically, the battery storage proposal is approved, except that the Company will not use the battery storage system to participate in the PJM Frequency Regulation Market. (Settlement ¶ 49.) Also, the inclusion of the battery storage project shall be considered a pilot for purposes of this Settlement, and the Commission’s approval of this proposal shall not serve as precedent for any future UGI Electric battery storage proposal or any other electric utility’s battery storage proposal. (Settlement ¶ 49.) In fact, the Settlement expressly states that it reflects a carefully-crafted compromise of the parties’ positions and is based on the small size of the battery and the unique circumstances of the Ruckle Hill Road

distribution circuit, including its voltage, its status as a worst performing circuit, the surrounding terrain, the nearby vegetation, and the load served by this circuit. (Settlement ¶ 49.)

Furthermore, as recommended in OCA's direct testimony, UGI Electric has agreed to data tracking and reporting obligations under the Settlement. In particular, UGI Electric will maintain and provide information concerning the duration, extent, cause, and times for each outage, the duration and times the battery storage system was used to maintain service during the outage, and loads on the facilities served by the battery storage system just prior to and during the outage. (Settlement ¶ 50.) Such information will be provided in annual reports filed with the Commission by January 1st of each year that the battery storage system remains in service, with the first annual report to be filed by January 1, 2023. (Settlement ¶ 50.) These reports will allow interested stakeholders and the Joint Petitioners to track and monitor the performance of the battery storage system.

Finally, to further address the parties' concerns, the Settlement provides that the Joint Petitioners' agreement to this Settlement is without prejudice to future challenges to any other distribution system upgrades on the Ruckle Hill Road distribution circuit that may occur in the future including, but not limited to, a proposal to remove the battery from rate base. (Settlement ¶ 51.)

Based on the foregoing, the battery storage proposal, as modified by the Settlement, constitutes a reasonable compromise of the parties' positions. Throughout this proceeding, UGI Electric has repeatedly noted that the battery storage system is the most cost-effective solution to address the reliability and resiliency issues on the Ruckle Hill Road distribution circuit, which is in a remote part of the distribution system and is a worst performing circuit. The Settlement will enable the Company to address the unique issues being experienced on that circuit through the

installation and rate base recovery of the battery storage system, while avoiding the issues raised by the other parties regarding participation in the PJM Frequency Regulation Market. Thus, the battery storage system provisions of the Settlement are just, reasonable, and in the public interest and, therefore, should be approved without modification.

2. Electric Vehicle Charging

In response to the increasing usage and ownership of electric vehicles (“EVs”) across the country and in Pennsylvania, and the lack of any publicly-available EV charging station in UGI Electric’s service territory, the Company proposed an EV program consisting of three components: (1) installing and owning three publicly-available EV charging stations, to which the Company’s proposed Rate EV-C would apply; (2) a make-ready infrastructure proposal that would allow parties installing and interconnecting EV charging stations with UGI Electric’s distribution system to avoid the cost of make-ready infrastructure; and (3) EV education. (UGI Electric St. No. 1, p. 13; UGI Electric St. No. 6, pp. 38-41.)

Under the first component, the Company proposed installing and owning three EV charging stations in an effort to support EV development directly within its service territory and gain additional first-hand metrics regarding EV charging utilization demands and usage patterns. (UGI Electric St. No. 3, p. 29.) Each station location would consist of one DC Fast Charge (“DCFC”), which is capable of charging a vehicle to approximately 80% of full charge within 30 minutes. (UGI Electric St. No. 3, p. 29.) Pending space and cost limitations, locations also would be evaluated for additional Level 2 charging installations, which are generally capable of providing 20 miles of range per hour of charging time. (UGI Electric St. No. 3, p. 29.) The project’s estimated cost of \$300,000 was included in the FPFTY capital budget and included the cost of all equipment, site preparation, installation costs, and UGI Electric supply and service make-ready work. (UGI Electric St. No. 3, p. 31.)

The EV program's second component would modify the service extension provisions in the Company's tariff and provide for a Company investment allowance related to the installation of make-ready EV infrastructure. (UGI Electric St. No. 6, p. 40.) Such allowance would be associated with Level 2 or DCFC charging stations installed within UGI Electric's service territory that would be open for public use. (UGI Electric St. No. 6, p. 40.) Under this proposal, the Company would invest, own, and maintain the supporting "make-ready" infrastructure needed to serve the charging stations that the customer would purchase, install, and operate/maintain. (UGI Electric St. No. 6, p. 40.)

The third and final component of the EV program would support the success of the program by providing customers with education and information regarding EVs (e.g., how to connect EV charging equipment, cost of EV charging from the grid, and differences in EV charging levels). (UGI Electric St. No. 6, p. 41.) Such education could include website sources, communication with customers through non-website channels (e.g., bill inserts, television campaigns), and collaboration with government and non-governmental organizations on sharing details of the EV program and general EV education for communities across UGI Electric's service territory. (UGI Electric St. No. 6, p. 41.)

These EV initiatives were designed to support the expanded growth of EVs within the Company's service territory by promoting EV charging infrastructure build-out and expanded access to EV charging infrastructure. (UGI Electric St. No. 1, p. 13.) The EV program would begin to address notable shortfalls in available EV charging infrastructure within the Company's service territory, increase awareness of the benefits of EVs, provide charging station availability and visibility, and publicize information on the impact and use of new charging infrastructure on the distribution grid. (UGI Electric St. No. 1, p. 13.) Indeed, UGI Electric witness Mr. Taylor

observed how there was not a single publicly-available EV charging station in the Company's service territory. (UGI Electric St. No. 6, pp. 33-34.)

Several parties submitted direct testimony on UGI Electric's proposed EV program. Specifically, UGI Electric's EV charging station proposal was supported by I&E and ChargePoint, who made recommendations for the program. (I&E St. No. 3, pp. 4-5; ChargePoint St. No. 1, p. 3.) On the other hand, OCA, OSBA, RESA/NRG, and Ms. Brace challenged the Company's EV charging station proposal. (OCA St. No. 1, pp. 13-14; OSBA St. No. 1, pp. 25-28; RESA and NRG St. No. 2, pp. 15-23; Brace St. No. 1, pp. 22-23.) In general, parties raised concerns about: (1) whether it is appropriate for the Company to own and operate the public EV charging stations; and (2) whether costs associated with the charging stations should be recovered from UGI Electric's ratepayers. (OCA St. No. 1, pp. 13-14; OSBA St. No. 1, pp. 25-28; RESA and NRG St. No. 2, pp. 15-21; Brace St. No. 1, pp. 22-23.) RESA/NRG witness Ms. Park and ChargePoint witness Mr. Deal also addressed the Company's EV make-ready proposal, with Ms. Park opposing the make-ready proposal and Mr. Deal supporting it. (RESA and NRG St. No. 2, pp. 21-23; ChargePoint St. No. 1, pp. 3-7.) ChargePoint witness Mr. Deal also recommended certain modifications to the eligibility requirements under the Company's make-ready proposal. (ChargePoint St. No. 1, pp. 6-7.) Further, RESA/NRG witness Ms. Park testified about the education component of the Company's proposal and other data access issues, explaining that the Company should be permitted to engage in EV customer education and outreach subject to certain recommendations. (RESA and NRG St. No. 2, pp. 23-24.)

In the Company's rebuttal testimony, UGI Electric made certain clarifications and modifications to its EV program proposal. (UGI Electric St. No. 3-R, p. 35.) First, the Company clarified that it would flow back to customers, through a regulatory liability, any net revenues that

it receives from its proposed EV charging stations. (UGI Electric St. No. 3-R, pp. 35-36.) Second, UGI Electric stated that it was willing to implement ChargePoint’s proposed modifications (as specified in ChargePoint St. No. 1, pp. 6-7) to the make-ready proposal. The Company would allow site hosts to set prices for drivers at the three Company-owned EV charging stations, so long as the site hosts appropriately reimbursed the Company (i.e., at the amount that UGI Electric otherwise would have received during each charging session). (UGI Electric St. No. 3-R, p. 35.) Third, UGI Electric corrected certain language in its proposed tariff for the make-ready proposal.² (UGI Electric St. No. 3-R, pp. 35, 41.) Fourth, UGI Electric expressed a willingness to address RESA/NRG witness Ms. Park’s recommendations on the education component and data access.³ (UGI Electric St. No. 3-R, pp. 35-36, 44-45.)

UGI Electric also rebutted the other parties’ criticisms of the Company’s proposed EV program. (UGI Electric St. No. 3-R, pp. 33-45; UGI Electric St. No. 6-R, pp. 56-67.) UGI Electric witness Mr. Sorber explained that the Company’s EV proposal is intended to benefit all of UGI Electric’s ratepayers, not only those who own and charge EVs. (UGI Electric St. No. 3-R, p. 34.) Investments in EVs and EV charging infrastructure continue to increase, yet there are no publicly-available Level 2 or DCFC charging stations in the Company’s service territory. (UGI Electric St. No. 3-R, p. 34.) UGI Electric must be prepared, from a system planning and operations standpoint, for the deployment of EV charging infrastructure in the Company’s service territory. (UGI Electric St. No. 3-R, p. 35.) If the Commission were to approve the Company’s EV proposal, UGI Electric

² UGI Electric clarified that the word “services” in Rule 5(L) of the proposed tariff should be replaced with “overhead service wire.” (UGI Electric St. No. 3-R, p. 41.)

³ UGI Electric witness Mr. Sorber stated in his rebuttal testimony that the Company could use its existing media/communication outlets to promote EVs with such efforts being recovered through a regulatory asset mechanism. (UGI Electric St. No. 3-R, pp. 43-44.) As for data access, the Company was willing to provide customer utilization information to third parties without any personally identifiable customer information. (UGI Electric St. No. 3-R, p. 45.)

would gain vital information on the system impacts stemming from EV charging stations. (UGI Electric St. No. 3-R, p. 35.)

Also, parties' claims that UGI Electric's EV proposal would distort the competitive market lacked merit. (UGI Electric St. No. 6-R, pp. 56-60.) UGI Electric's modest proposal to install and own three EV charging stations, if approved, would represent 0.26% of the public EV charging station market in Pennsylvania. (UGI Electric St. No. 6-R, p. 57.) Furthermore, the Company's eligibility requirements under its make-ready infrastructure proposal are not overly restrictive, as these types of boundaries are common for all regulated utility programs including other EV programs across the country. (UGI Electric St. No. 6-R, pp. 60-61.) Moreover, the one party in the case who is an actual participant in the EV market, *i.e.*, ChargePoint, largely supported the Company's EV proposal. (UGI Electric St. No. 6-R, p. 57.) And, by incenting investment in EV charging stations and purchase of EVs, UGI Electric's EV proposal would actually benefit the competitive market. (UGI Electric St. No. 6-R, p. 58.)

The parties continued to address various aspects the Company's EV proposal in surrebuttal and rejoinder testimonies. (OCA St. No. 1-SR, pp. 5-7; RESA and NRG St. No. 2-SR, pp. 2-18; UGI Electric St. No. 3-RJ, pp. 9-10; UGI Electric St. No. 6-RJ, pp. 10-12.)

Under the Settlement, the Joint Petitioners were able to reach a reasonable compromise of their competing positions on the Company's EV proposal. (Settlement ¶¶ 52-55.) The Settlement permits the Company to implement its make-ready infrastructure proposal, subject to certain modifications of Rules 5-l and 5-m of its proposed electric service tariff. (Settlement ¶ 52.) Also, the Company will post aggregated metered usage data for Qualified EV Charging Stations on a monthly and anonymized basis to its Energy Management Website (kWh and kW billing determinant use data) for interested parties to review. (Settlement ¶ 53.) The Settlement also

clarifies that “make-ready infrastructure” does not include any behind-the-meter costs associated with the installation of EV charging stations. (Settlement ¶ 54.) Lastly, as part of the Settlement, UGI Electric withdraws without prejudice its proposals to: (1) recover the capital and operating costs associated with the Company’s installation and ownership of EV charging stations on its distribution system; and (2) establish Rate EV-C. (Settlement ¶ 55.) Therefore, the Settlement incorporates some but not all of the Company’s EV proposal and modifies certain aspects of the proposal as well. Even as modified, the Company’s EV program will help incent investments in EV charging stations and purchases of EVs. Thus, these provisions of the Settlement are just, reasonable, and in the public interest and should be approved without modification.

E. DSIC/REPORTING

The Settlement provides that, as of the effective date of rates in this proceeding, UGI Electric will be eligible to include plant additions in the Distribution System Improvement Charge (“DSIC”) once the Company’s total net plant balances exceed \$152,150,000. (Settlement ¶ 57.) The Joint Petitioners agree that this provision is included solely for purposes of establishing when the Company’s DSIC may become effective and is not determinative for future ratemaking purposes of the projected additions to be included in rate base in a FPFTY filing. (Settlement ¶ 57.) This provision fully complies with the requirements 66 Pa.C.S. § 1358 and the Commission’s Model Tariff that the DSIC be set to zero as of the effective date of new base rates that include the DSIC-eligible plant.

This threshold provides UGI Electric a reasonable opportunity to recover its capital costs incurred to repair, improve, or replace its aging distribution infrastructure that is placed in service between base rate cases, which, in turn, provides customers with enhanced gas service safety and reliability benefits. This Settlement provision is similar to other settlement provisions the Commission has adopted in recent proceedings. *See, e.g., Pa. PUC v. Columbia Gas of Pa., Inc.,*

Docket No. R-2014-2406274 (Order entered Dec. 10, 2014); *Pa. PUC v. UGI Utilities, Inc. – Gas Division*, Docket No. R-2015-2518438 (Order entered Oct. 14, 2016); *Pa. PUC v. UGI Utilities, Inc. – Gas Division*, Docket No. R-2018-3006814 (Order entered Oct. 4, 2019). For these reasons, UGI Electric submits that this settlement provision should be approved without modification.

The Settlement further provides that, for purposes of calculating its DSIC, UGI Electric shall use the equity return rate for electric utilities contained in the Commission’s most recent Quarterly Report on the Earnings of Jurisdictional Utilities and shall update the equity return rate each quarter consistent with any changes to the equity return rate for electric utilities contained in the most recent Quarterly Earnings Report, consistent with 66 Pa. C.S. § 1357(b)(3), until such time as the DSIC is reset pursuant to the provisions of 66 Pa. C.S. § 1358(b)(1). (Settlement ¶ 58.) This Settlement provision is in the public interest because it satisfies the Commission’s expectation that parties to a rate case settlement identify a return on equity for DSIC computation purposes. *See Pa. PUC v. UGI Utilities, Inc. – Gas Division*, Docket No. R-2015-2518438, p. 27 (Order entered Oct. 14, 2016).

In addition, the Settlement provides that the Company will submit an update to UGI Electric Exhibit A, Schedule C-2 no later than January 1, 2022, which will include actual capital expenditures, plant additions, and retirements by month from October 1, 2020 through September 30, 2021. (Settlement ¶ 56.) An additional update for actuals from October 1, 2021 through September 30, 2022 shall be filed no later than January 2, 2023. (Settlement ¶ 56.) This will enable the parties and interested stakeholders to track the Company’s actual capital expenditures, plant additions, and retirements for the FPFTY and evaluate to what extent the actual figures match the Company’s projections in this case. Accordingly, the Commission should approve this Settlement provision without modification.

F. ACCOUNTING

1. Depreciation Rates

UGI Electric presented detailed depreciation studies on the Company's electric plant for the Historic Test Year ("HTY"), Future Test Year ("FTY"), and FPFTY. (See UGI Electric Exhibit C.) The depreciation studies were sponsored by, and supported by the direct testimony of, UGI Electric witness Mr. Wiedmayer. (See UGI Electric St. No. 7.) Although I&E witness Mr. Cline proposed certain adjustments to the Company's depreciation expense claim and accumulated depreciation (see I&E St. No. 3, pp. 15-22; I&E St. No. 3-SR, pp. 8-14), no party disputed the Company's depreciation rates.

Under the Settlement, the Joint Petitioners accept UGI Electric's as-filed depreciation rates. (Settlement ¶ 59.) UGI Electric submits that this Settlement provision is in the public interest because it properly accounts for the Company's outlook and is consistent with the depreciation procedure used by most other Pennsylvania utilities. Thus, the Commission should approve this Settlement provision without modification.

2. Accumulated Deferred Income Tax and Excess Deferred Federal Income Tax

In its initial rate filing, UGI Electric included a FPFTY Accumulated Deferred Income Tax ("ADIT") calculation, based upon a pro-rationing methodology required under Treasury Regulation 1.167(l)-1(h)(6)(ii) that is necessary to be in compliance with Internal Revenue Service ("IRS") normalization requirements. (UGI Electric St. No. 9, pp. 6-8.) As part of the Settlement, the Joint Petitioners agreed to accept the Company's ADIT and pro-rationing methodology as required by Treasury Regulation 1.167(l)-1(h)(6)(ii). (Settlement ¶ 60.) In addition, the

Company's method to amortize Excess Accumulated Deferred Federal Income Taxes ("EDFIT") according to the Average Rate Assumption Method ("ARAM") is accepted. (Settlement ¶ 60.)

These Settlement provisions are in the public interest because they reflect that the Company's claim is based on a FPFTY and ensures compliance with IRS normalization requirements. The Settlement further provides that, absent a change in federal or state law, regulation, judicial precedent or policy, the remaining unamortized EDFIT balance will continue as a reduction to rate base in all future proceedings until the full amount is returned to ratepayers. (Settlement ¶ 60.) As a result, the Commission should approve these provisions without modification.

3. Repairs Allowance

In its tax return for the year ended September 30, 2009, UGI Electric adopted a tax accounting method to expense as repairs certain items capitalized for book purposes in accordance with federal tax regulations. (UGI Electric St. No. 9, p. 8.) As it did in the Company's previous base rate case at Docket No. R-2017-2640058, UGI Electric chose to normalize its federal income tax expense claim, inclusive of the repairs tax deduction. (UGI Electric St. No. 9, p. 8.) This difference between accelerated tax depreciation versus book depreciation in the calculation of federal tax expense creates ADIT. (UGI Electric St. No. 9, p. 8.) Therefore, the Company reduced its rate base by the sum of the federal ADIT balance and the state repair regulatory liability. (UGI Electric St. No. 9, p. 8.) No party opposed the Company's proposal.

The Settlement states that, for purposes of determining the revenue requirement in this case, all capitalized repairs deductions claimed on a tax return have been normalized for ratemaking purposes, and the appropriate related amount of tax effect of those deductions has been treated similarly to ADIT as a reduction to UGI Electric's rate base. (Settlement ¶ 61.) The Settlement continues the practice that UGI Electric has followed since its adoption of the current

methodology used for calculating the repairs allowance. Normalization benefits customers by ensuring that they receive a fair portion of the benefit of the repairs allowance deduction through rate base, over the life of the plant giving rise to the deductions, regardless of when UGI Electric files a rate case. Moreover, normalizing the repairs allowance deduction provides an important source of cash flow to UGI Electric that can be used to support the Company's capital spending program and to reduce outside borrowing. Therefore, the Commission should approve this Settlement provision without modification.

4. IT Cost Capital Treatment

Since 2016, the Company has capitalized certain information technology ("IT") costs associated with software implementation projects, including preliminary-stage project and business and technology reengineering expenses. (UGI Electric St. No. 4, p. 14.) These IT costs consist of internal labor, external consulting expense, and other expenses related to the preparation of the vendor and system integrator requests for proposals. (UGI Electric St. No. 4, p. 14.) IT costs also include current-state assessments, reengineering business processes to adapt to the new system, data conversion, cleansing and migration (including field verification and digitization of asset attributes required for accurate data and facility capture), and pre-implementation training costs. (UGI Electric St. No. 4, p. 14.) Additionally, the Company capitalizes the above-mentioned cost items for cloud computing software implementation projects. (UGI Electric St. No. 4, p. 14.) Further, beginning in 2019, the Company began capitalizing Hypercare costs associated with large software implementation projects. (UGI Electric St. No. 4, p. 14.) Hypercare is a term for post-implementation support following the deployment of an IT project to ensure that the newly implemented system operates as planned. (UGI Electric St. No. 4, p. 15.) Importantly, the Commission previously approved capital treatment for the Company's IT costs in UGI Electric's

2018 base rate case at Docket No. R-2017-2640058. (UGI Electric St. No. 4, p. 15.) No party disputed the Company’s capital treatment of these IT costs.

The Settlement provides that, for purposes of the Settlement, UGI Electric’s as-filed capital treatment of certain IT costs is accepted. (Settlement ¶ 62.) UGI Electric will capitalize IT costs that include preliminary-stage project work, business and technology reengineering activities, current state assessments, reengineering business processes to adapt to new systems, data conversion, data cleansing and migration, pre-implementation training practices, cloud computing software implementation, and Hypercare. (Settlement ¶ 62.) As noted previously, capital treatment of these IT costs is consistent with the Commission’s approval of such treatment in UGI Electric’s 2018 base rate case. Moreover, under the Federal Energy Regulatory Commission (“FERC”) Uniform System of Accounts, IT costs fit the definition of costs that should be capitalized once placed in service. (UGI Electric St. No. 4, p. 15.) Thus, this Settlement provision is just, reasonable, and in the public interest, and the Commission should approve it without modification.

5. COVID-19 Cost Deferral

On March 6, 2020, Governor Wolf issued a Proclamation of Disaster Emergency (“Emergency Proclamation”), which declared an emergency throughout the Commonwealth as a result of the COVID-19 pandemic. (UGI Electric St. No. 4, p. 16.) On May 13, 2020, the Commission issued a Secretarial Letter (“Secretarial Letter”) responding to the Emergency Proclamation and directing public utilities to “account for prudently incurred incremental extraordinary, nonrecurring expenses related to COVID-19, which result from compliance with the Commission’s moratorium suspension.” (UGI Electric St. No. 4, pp. 16-17.) More specifically, the Secretarial Letter directed utilities to track extraordinary, nonrecurring incremental COVID-19 expenses. (UGI Electric St. No. 4, p. 17.) Utilities also were authorized

to create regulatory assets for incremental uncollectible expenses (related to COVID-19) above those embedded in base rates (since the Commission's March 26, 2020 Emergency Order entered at Docket No. M-2020-3019244). (UGI Electric St. No. 4, p. 17.) Therefore, the Secretarial Letter laid the foundation for utilities to seek recovery of extraordinary, nonrecurring incremental costs related to COVID-19. (UGI Electric St. No. 4, p. 17.) Finally, the Secretarial Letter directed utilities to claim deferred COVID-19 costs, at the first available opportunity. (UGI Electric St. No. 4, p. 17.)

As this is the Company's first base rate case since the Commission's May 13, 2020 Secretarial Letter and the March 26, 2020 Emergency Order, this proceeding was the first available opportunity for the Company to seek recovery of deferred COVID-19 costs. (UGI Electric St. No. 4, p. 17.) UGI Electric has experienced both increased uncollectible accounts expenses and increased costs in other areas due to COVID-19. (UGI Electric St. No. 4, pp. 17-18.) Therefore, the Company created a regulatory asset for its incremental COVID-19 expenses related to uncollectible accounts expense above the \$1,015,000 amount embedded in its current rates. (UGI Electric St. No. 4, p. 19.) The amount of the regulatory asset, which represents the uncollectible expense in excess of the amount included in rates for the twelve months ended September 30, 2020, is \$1,013,000. (UGI Electric St. No. 4, p. 19.)

OCA witness Mr. Morgan recommended that these incremental uncollectible accounts expenses be recovered through a regulatory asset over five years, while I&E witness Mr. Zalesky suggested the use of a three-year recovery period. (OCA St. No. 1, p. 24; I&E St. No. 1, p. 12.) UGI Electric, however, maintained that a two-year recovery period was prudent because: (1) the Company currently estimates that it will file its next base rate case within two years after the rates

in this case become effective; and (2) a two-year amortization period aligns with the same two-year period that the Company uses to normalize other expenses. (UGI Electric St. No. 4-R, p. 17.)

Under the Settlement, the Company's revenue increase reflects a three-year amortization of the Company's COVID-19 regulatory asset related to incremental uncollectible accounts expense, or \$337,666 per year (i.e., \$1,013,000 ÷ 3), which includes all incremental uncollectible expense through September 30, 2020. (Settlement ¶ 63.) This constitutes a reasonable compromise of the parties' positions, which ranged from a two-year amortization period proposed by UGI Electric to the five-year amortization period recommended by OCA. Thus, this Settlement provision is just, reasonable, and in the public interest and should be approved without modification.

6. Rate Case Expense

In this case, UGI Electric proposed to recover rate case expenses totaling \$839,000 over a two-year period, which resulted in a normalized claim of \$420,000. (UGI Electric St. No. 2-R, p. 10.) However, I&E witness Mr. Zalesky recommended that the rate case expenses be normalized over three years, thereby reducing the Company's claim for the FPFTY by \$140,333. (I&E St. No. 1, p. 6.) OCA witness Mr. Morgan similarly recommended a three-year normalization, but he also proposed reducing the Company's rate case expense claim to \$762,000. (OCA St. No. 1, p. 23.) The combined effect of the OCA's proposals would reduce the Company's rate case expense claim for the FPFTY by \$166,000. (OCA St. No. 1, pp. 23-24.)

In rebuttal, UGI Electric countered the parties' proposals by providing further evidentiary support that the Company will be filing its next base rate case within two years. (UGI Electric St. No. 2-R, pp. 10-11.) Moreover, the Company observed that the frequency of filing past base rate cases is not a predictor of the frequency of filing future base rate cases. (UGI Electric St. No. 2-R, p. 10.) Therefore, the focus should be on the evidence demonstrating that UGI Electric plans

to file a base rate case within two years, not on the three years that have passed since UGI Electric's last base rate case. (UGI Electric St. No. 2-R, p. 10.) Other factors, such as rising capital cost rates and higher risks associated with a rate of return that will reflect and be supportive of the Company's financial and risk profile, further supported the Company's proposed two-year normalization of rate case expense. (UGI Electric St. No. 2-R, p. 11.)

In their surrebuttal testimony, I&E witness Mr. Zalesky and OCA witness Mr. Morgan continued to advocate for a three-year normalization of rate case expenses. (I&E St. No. 1-SR, pp. 5-6; OCA St. No. 1-SR, pp. 7-8.)

The Settlement provides that the Company's revenue increase reflects a three-year normalization for ratemaking purposes and a three-year amortization for accounting purposes. (Settlement ¶ 64.) Further, the Company will not claim any unamortized amount in a future rate case and agrees that normalization of rate case expense (as opposed to amortization) is the proper treatment for ratemaking purposes. (Settlement ¶ 64.) This Settlement provision is a reasonable compromise of the parties' positions on the Company's rate case expense claim and provides clarity on the accounting treatment of such expenses. As a result, the Settlement provision is just, reasonable, and in the public interest and should be approved without modification.

7. Company-Owned Service Expenditures

In the Company's 2018 base rate case, UGI Electric proposed its Company-Owned Services ("COS") Transition Program, under which the Company would transfer to customers certain Company-owned facilities located inside customers' homes. *Pa. PUC v. UGI Utilities, Inc. – Electric Division*, Docket Nos. R-2017-2640058, p. 45 (Order entered Oct. 25, 2018). These facilities include "service entrance cables, meter sockets, panel boxes, main breakers and 240-volt breakers." *Id.* Ultimately, the Commission approved UGI Electric's COS Transition Program and associated annual implementation expense claim of \$454,418 on the conditions that the Company

be: (1) “prohibited from earning a profit from the program”; (2) “prohibited from terminating service in conjunction with the program”; and (3) “required to coordinate with [the Bureau of Consumer Services] and the OCA in implementing and executing the program.” *Id.*, p. 49. Accordingly, on October 25, 2018, UGI Electric began its COS Transition Program. (UGI Electric St. No. 3-R, p. 8.)

In this case, I&E witness Mr. Zalesky disputed the Company’s expense claim for the COS Transition Program. (I&E St. No. 1, pp. 25-26.) According to Mr. Zalesky, the Company’s annual expense claim should be reduced by \$367,463, such that the claim matches the \$90,537 the Company actually incurred in the HTY under the Company’s COS Transition Program. (I&E St. No. 1, pp. 25-26.)

UGI Electric demonstrated in its rebuttal testimony that I&E’s proposed reduction of this expense claim should be rejected. Specifically, UGI Electric witness Mr. Sorber explained that I&E’s adjustment is based on the Company’s FY2019 ramp-up year and the COVID-19 impacted performance of FY2020. (UGI Electric St. No. 3-R, pp. 7-8.) Such data is “artificially lower than the anticipated program experience on a going forward basis.” (UGI Electric St. No. 3-R, p. 8.) The Company also provided: (1) additional evidentiary support for its projected 500 COS transfers during the FPFTY; and (2) details on its plans to increase the number of contractor resources available for scheduling the COS transfer work. (UGI Electric St. No. 3-R, pp. 8-12.) However, to the extent that the Commission accepted I&E’s proposed reduction, Mr. Sorber testified that UGI Electric should be permitted to create a regulatory asset that would track the variances in the allowance for the annual COS Program expenses and enable the Company to recover/refund the variances in subsequent base rate cases for the duration of the COS Program. (UGI Electric St. No. 3-R, p. 12.)

In I&E's surrebuttal testimony, Mr. Zalesky updated his recommendation to reflect 245 COS transfers (i.e., the amount projected for the FTY), which equated to a reduction of the Company's claim by \$233,580. (I&E St. No. 1-SR, p. 21.) Mr. Zalesky continued to question the amount of COS transfers projected for the FPFTY and alleged that the FTY transfer figure was more reliable. (I&E St. No. 1-SR, pp. 20-21.) Moreover, Mr. Zalesky "reject[ed] the use of a regulatory asset for tracking of these costs" because they are "anticipated routine operating expenses." (I&E St. No. 1-SR, p. 21.)

UGI Electric witness Mr. Sorber submitted rejoinder testimony opposing Mr. Zalesky's updated recommendation. (UGI Electric St. No. 3-RJ, p. 4.) Mr. Sorber noted that the Company provided substantial support for its projected 500 transfers in the FPFTY. (UGI Electric St. No. 3-RJ, p. 4.) However, if the Commission were to accept Mr. Zalesky's use of 245 service transfers, Mr. Sorber demonstrated that Mr. Zalesky's calculation of the proposed allowance was flawed because he did not use the updated information on the cost of service replacements. (UGI Electric St. No. 3-RJ, p. 4.) Had Mr. Zalesky updated for both the total services and the cost of those services based on FTY experience, he would have concluded that an allowance based on 245 service transfers is \$270,970, not \$244,420. (UGI Electric St. No. 3-RJ, p. 4.)

Under the Settlement, effective October 1, 2021, the Company will be permitted, for book accounting purposes, to record the costs associated with its COS Transition Program as capital investment. (Settlement ¶ 65.) The capital investment recorded for recovery from ratepayers will be capped at \$5,000,000. (Settlement ¶ 65.) Also, to the extent that the costs exceed the \$5,000,000 capitalization cap subsequent to October 1, 2021, the Company will expense the excess and may seek recovery in a future rate case with all parties reserving their rights to challenge any claimed expense (above the \$5,000,000). (Settlement ¶ 65.)

These Settlement provisions reflect a reasonable compromise of the parties' positions on the COS Transition Program. As mentioned previously, there was disagreement between UGI Electric and I&E on the Company's COS transfer projections for the FPPTY. The Settlement allows UGI Electric to capitalize up to \$5,000,000 of the costs associated with the COS Transition Program. To the extent that the Company's COS Transition Program costs exceed \$5,000,000, the Company may request recovery of the excess costs in a future base rate case as an operating expense. This provides a level of certainty to the Company and its ratepayers about the amount of COS Transition Program costs approved in this case, while enabling UGI Electric and other parties to litigate recovery of any costs in excess of the \$5,000,000 cap in the future. Moreover, these costs are associated with the transfer of Company-owned facilities to customers for purposes of safe and reliable service. Although these facilities are no longer owned by the Company after they are transferred, capital treatment of such costs (up to the \$5,000,000 cap) is consistent with the Commission's approach in cases involving Peoples Natural Gas Company LLC, Columbia Gas of Pennsylvania, Inc., and The York Water Company, where those utilities were granted authority to capitalize costs associated with the replacement of customer-owned service lines.⁴ Thus, this Settlement provision is just, reasonable, and in the public interest and should be approved without modification.

G. COMPANY'S COVID-19 RELIEF EFFORTS

UGI Electric recognizes the impacts that the COVID-19 pandemic has had on its customers and communities it serves. (UGI Electric St. No. 1-R, p. 10.) As explained in the Company's

⁴ See *Petition of Peoples Natural Gas Co. LLC for Approval of Limited Waivers of Certain Tariff Rules Related to Customer Service Line Replacement*, 2013 Pa. PUC LEXIS 543, at *13-15, 31-34 (Order entered May 23, 2013); *Petition of Columbia Gas of Pennsylvania, Inc. for Limited Waivers of Certain Tariff Rules Related to Customer Service Line Replacement*, 2008 Pa. PUC LEXIS 344, at *2-9 (Order entered May 19, 2008); *Petition of The York Water Co. for an Expedited Order Authorizing Limited Waivers of Certain Tariff Provisions and Granting Accounting Approval to Record Costs of Certain Customer-Owned Service Line Replacements to the Company's Service Account*, Docket No. P-2016-2577404 (Order entered Mar. 8, 2017).

direct testimony, UGI Electric undertook several efforts to assist customers impacted by the economic effects of the COVID-19 pandemic, such as: (1) ceasing to remove customers from its Customer Assistance Program (“CAP”) for failure to recertify; (2) instructing community-based organizations (“CBOs”) to accept telephonic “signature” for CAP authorizations; (3) waiving all late payment charges; (4) proposing changes to its Universal Service and Energy Conservation Plan (“USECP”); and (5) launching an extensive information and outreach campaign associated with its COVID-19 response. (UGI Electric St. No. 1, pp. 10-11.)

OCA witnesses Mr. Colton and Ms. DeAngelo argued that the COVID-19 pandemic is continuing to have an impact and will have long-term impacts. (OCA St. No. 4, pp. 6-21; OCA St. No. 5, pp. 1-14.) However, all indications are that the economy is improving and that the country and the Commonwealth are exiting the pandemic. (UGI Electric St. No. 1-R, p. 9.) Nevertheless, in recognition of the impacts of the COVID-19 pandemic, UGI Electric has gone to great lengths to help customers who are struggling to pay their UGI Electric bills and has been successful in providing payment arrangement relief, USECP program guidance, and intake and education outreach to help customers gain access to and understand federal and state relief programs. (UGI Electric St. No. 1-R, p. 10.)

The Settlement contains several commitments by the Company to help address the financial hardships caused by the COVID-19 pandemic. Specifically, the Settlement states that the Company will continue to assist customers impacted by COVID-19 through various efforts and initiatives to promote existing Company assistance programs and to facilitate customer access to COVID-19 pandemic-related public utility assistance sources, including the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) and the American Rescue Plan. (Settlement ¶ 66.) The Company’s ongoing pandemic relief efforts include the following measures:

- a. Mass media campaign promoting UGI Utilities, Inc. assistance programs and CARES Act funding.
- b. Direct mail and email campaign(s) targeting customers with arrearages whom UGI Electric determines may benefit from Company assistance programs and/or CARES Act programs.
- c. Bill inserts to all customers alerting them about Company assistance programs and CARES Act programs.
- d. Coordination with CARES Act program providers in the Company's service territory to facilitate and enable direct communication with the Company on CARES Act application requests. This work will include a direct hotline number for provider use, an ability for benefit payments to be made on multiple accounts with one check, an option to make payments via credit card, as well as Company Call Center staff training to promote CARES Act Programs for qualifying customers, in addition to Company programs and available Commission COVID-19 payment arrangement options.
- e. Modification of the above efforts, as appropriate, once American Rescue Plan funding becomes available via defined program(s).
- f. Solicitation of customers who received LIHEAP in the prior 12 months for enrollment in the Company's CAP two times a year.
- g. Solicitation of customers who self-reported Level 1 income in the prior 12 months for enrollment in the Company's CAP two times a year.

(Settlement ¶ 66.) These efforts have been effective in helping customers deal with the financial impact of the COVID-19 pandemic and should continue to be effective going forward. Thus, the Settlement, as a whole, properly balances the Company's need for rate relief with provisions designed to address the financial hardships being experienced by UGI Electric's ratepayers.

H. UNIVERSAL SERVICES

1. Rider C – Universal Service Plan Rider

In its direct testimony, UGI Electric proposed to modify Rider C to set the number of CAP enrollees as of September 30, 2021, for purposes of calculating a cost-offset to account for write-offs of bad debt that would arguably have occurred if not for CAP. (UGI Electric St. No. 8, pp. 10-11.) However, OCA witness Mr. Colton proposed that, in the absence of a COVID-19

Emergency Relief Plan being adopted, the CAP enrollee count in Rider C should be modified to reflect the year-end CAP enrollment for the HTY ending September 30, 2020 or 3,231 participants. (OCA St. No. 4, p. 64.) The Company disagreed with Mr. Colton’s proposal because the Company projects 3,841 CAP customers for the FPFTY. (UGI Electric St. No. 10-R, p. 42.)

Under the Settlement, the Company will modify Rider C, such that the as-filed updated participant number of “the number of CAP enrollees as September 30, 2021” will be replaced with “3,231”. (Settlement ¶ 67.) This addresses OCA’s concern about the CAP enrollee count in Rider C, by providing a reasonably appropriate cost-offset to account for write-offs of bad debt, while facilitating the parties’ ability to reach a comprehensive Settlement on all issues. Thus, the Settlement provision is just, reasonable, and in the public interest and should be approved without modification.

2. WARM Initiative

UGI Electric’s Winter Assistance Relief Mobilization (“WARM”) Initiative consists of Company employees from multiple discipline departments, with the focus of hosting events at UGI Utilities, Inc. offices and partnering with CBOs to provide in-person support to help answer customer questions and offer guidance on enrollment in multiple low-income programs. (UGI Electric St. No. 10-R, p. 38.) UGI Electric’s programs and resources include funds available through Low Income Home Energy Assistance Program (“LIHEAP”), CAP, Operation Share, the Customer Assistance and Referral Evaluation Services (“CARES”) program, and Low-Income Usage Reduction Program (“LIURP”). (UGI Electric St. No. 10-R, p. 38.)

OCA witness Mr. Colton alleged that the Company under-enrolls its low-income population into CAP, based on Census data about households in its territory participating in assistance programs and on data about free and subsidized school meal percentages in schools in the Company’s service territory. (OCA St. No. 4, pp. 55-58.) Therefore, he recommended that

the Commission direct UGI Electric to develop a Public Partnership Outreach Plan (“PPOP”), that seeks to (1) identify confirmed low-income customers, (2) enroll income-eligible customers in CAP, and (3) identify customers who income-qualify for winter shutoff protections, and includes several steps. (OCA St. No. 4, pp. 59-60.) The costs of this PPOP would then be passed through to ratepayers via the Company’s Rider C. (OCA St. No. 4, p. 60.)

In rebuttal, UGI Electric explained that the Company essentially provides a PPOP through its long-standing relationships and partnerships with CBOs, including its WARM Initiative and Universal Services Advisory Committee (“USAC”). (UGI Electric St. No. 10-R, p. 38.) Therefore, OCA’s proposal for a PPOP would only duplicate the Company’s efforts and the costs of the WARM Initiative and USAC. (UGI Electric St. No. 10-R, p. 40.) The parties continued to address OCA witness Mr. Colton’s recommendation for a PPOP in surrebuttal and rejoinder testimony. (*See* OCA St. No. 4-SR, pp. 14-16; UGI Electric St. No. 10-RJ, pp. 2-3.)

Through the Settlement, the parties have reached a reasonable compromise regarding OCA’s recommendations concerning the WARM Initiative. (*See* Settlement ¶ 68.) Specifically, the Company has agreed to include the following provisions in its WARM Initiative:

- a. Perform a solicitation of customers who received LIHEAP in the prior 12 months for enrollment in the Company’s CAP two times a year.
- b. Perform a solicitation of customers who self-reported Level 1 income in the prior 12 months for enrollment in the Company’s CAP two times a year.
- c. Accept verbal self-reported income eligibility for customers at or below 250% of the Federal Poverty Level during the Winter Moratorium for purposes of winter shutoff protections, requests for deferred payment arrangements, or any other customer contact with the call center for an unpaid bill. Normal income verification requirements maintained by the Company shall apply upon the end of the Winter Moratorium period.
- d. Accept verification of income eligibility by any CBO in the Company’s service territory delivering public or private assistance.

- e. Contact of administrators of applicable PA Department of Human Services (“DHS”) public assistance programs, requesting that they ask DHS applicants enrolling in their public assistance programs to designate whether the DHS applicants want UGI Electric to be informed of their income eligibility for various customer service protections propounded by the Commission. Each household who the DHS program administrators identify to UGI Electric as answering in the affirmative shall be deemed by UGI Electric as a Confirmed Low-Income customer and/or a customer eligible for winter shutoff protections. Normal income verification requirements maintained by the Company shall apply thereafter (for enrollment/participation in UGI Electric Universal Service programs).
- f. Provide written materials, which solicit participation in UGI Electric’s CAP and/or identification of customers eligible for winter shutoff protections, to the following:
 - i. Public school districts in the Company’s service territory, so that they can distribute the materials to school households with students eligible for the federal free and reduced school meals program and/or Head Start programs; and
 - ii. Community and faith-based food pantries, soup kitchens, and emergency shelters.
- g. Provide written CAP solicitation materials to be delivered by local and/or county offices delivering benefits through the federal Supplemental Nutrition Assistance Program (“SNAP”) (Food Stamps), as well as through local Public Housing Authorities.
- h. Only include earned income from household occupants aged 18 years and older when verifying household income.
- i. Any incremental costs incurred by the Company in the administration of items (e)-(h) will be deferred for recovery, without interest, in the Company’s next base rate case.

(Settlement ¶ 68.) These Settlement provisions were carefully crafted to address OCA’s concerns regarding the Company’s enrollment of customers in CAP and other assistance programs for low-income customers, while recognizing that the Company may incur incremental expenses in implementing these changes to its WARM Initiative. Moreover, improvements to the enrollment of qualifying customers in CAP and other assistance programs will help customers who are experiencing the financial impacts of the COVID-19 pandemic. For these reasons, these

Settlement provisions are just, reasonable, and in the public interest and should be approved without modification.

3. Refund of Security Deposits after Enrollment in LIURP or Low-Income EE&C Programs, and Release of Previously-Collected Security Deposits

In OCA's direct testimony, Mr. Colton asserted that a customer's receipt of usage reduction services can be expected to reduce usage and improve payment patterns. (OCA St. No. 4, p. 75.) Therefore, Mr. Colton recommended that Section 3-d of the UGI Electric tariff be modified "to provide that no later than three months after the delivery of usage reduction services to a residential low-income customer...any cash security deposit held by the company be reduced by the expected percentage annual bill reduction resulting from the delivery of the usage reduction investment." (OCA St. No. 4, p. 76.)

UGI Electric witness Mr. Adamo argued that this recommendation was unnecessary because a security deposit is not required at the time customers qualify for LIURP, and if one is currently being held, it is refunded back to the customer. (UGI Electric St. No. 10-R, p. 48.)

Mr. Colton responded in surrebuttal testimony that it is not merely LIURP that would deliver usage reduction services to low-income customers. (OCA St. No. 4-SR, p. 18.) Therefore, a customer's receipt of any usage reduction services, not only LIURP, should result in the security deposits being refunded. (OCA St. No. 4-SR, p. 18.)

The Settlement provides that upon a customer being enrolled in the Company's LIURP program or any low-income usage reduction program in the Company's Energy Efficiency and Conservation Plan, and after weatherization services are completed, any and all remaining security deposits on the customers' accounts will be refunded. (Settlement ¶ 69.) This provision essentially incorporates OCA's proposal to refund customers' security deposits after their receipt of usage reduction services. Moreover, it is a simple expansion of the Company's current practice to refund

security deposits to customers upon their enrollment in LIURP. Relatedly, the Settlement states that on a monthly basis, UGI Electric will review currently held security deposits and will issue a bill credit or refund for any deposit previously collected from a confirmed low-income customer. (Settlement ¶ 72.) This is designed to help ensure that confirmed low-income customers are refunded or credited any previously-collected security deposits in a timely fashion. Thus, these Settlement provisions are just, reasonable, and in the public interest and should be approved without modification.

4. LIURP

CEO witness Mr. Brady recommended that “LIURP funding should be increased by the same percentage as any increase in rates to residential customers that result from this proceeding.” (CEO St. No. 1, p. 8.) Mr. Brady also recommended that UGI Electric continue to use CBOs to conduct LIURP work. (CEO St. No. 1, pp. 9-10.)

In rebuttal, UGI Electric witness Mr. Adamo explained that this is not the appropriate proceeding to address an increase in LIURP funding, as the Commission has established processes for addressing such changes to the USECP. (UGI Electric St. No. 10-R, pp. 48-50.) Furthermore, Mr. Adamo agreed that CBOs play an important role in the management of LIURP, but they should not be the only contractors that UGI Electric can use to administer the program. (UGI Electric St. No. 10-R, p. 50.)

Under the Settlement, the parties have agreed that the Company’s LIURP spending will be increased commensurate with the percentage rate increase to the residential class resulting from this case. (Settlement ¶ 69(a).) Moreover, the Company will continue to use the CBOs it has traditionally utilized in the administration and implementation of its universal service programs. (Settlement ¶ 69(b).) Also, in regards to the large carryover of LIURP funding from 2020, the Company will increase the LIURP budgets of the CBOs that have the demonstrated capacity to do

the additional work, i.e., CBOs that have fulfilled their past LIURP budgets and have the capacity for increased budgets. (Settlement ¶ 69(c).) These provisions properly balance the parties' competing positions on the proposed changes to the Company's LIURP and provide continued LIURP benefits commensurate with increased rates in this proceeding. Thus, the Settlement provisions are just, reasonable, and in the public interest and should be approved without modification.

5. Operation Share

The Company's Operation Share provides energy assistance grants to qualified customers who experience difficulty paying their heating bills. Prior to the pandemic, the Company undertook actions to address the economic challenges faced by segments of its customer base, which included: (1) increasing the Company's donation to Operation Share in the amount of \$60,500 to a new total amount of \$80,500 in FY2020 and FY2021; and (2) committing to continue that level of Operation Share contribution in FY2022. (UGI Electric St. No. 10-R, p. 11.) This increase is being distributed to provide relief to customers identified as being in-need through the Company's WARM Initiative. (UGI Electric St. No. 10-R, p. 11.)

Under the Settlement, the Company's contribution to Operation Share will be increased commensurate with the percentage rate increase to the residential class resulting from this case. (Settlement ¶ 70.) This provision is consistent with the Company's actions prior to the pandemic that increased the donations to Operation Share and will help customers who are having difficulty paying their heating bills. This is particularly beneficial to customers during the COVID-19 pandemic, which has affected many customers' ability to pay their bills. Therefore, this Settlement provision is just, reasonable, and in the public interest and should be approved without modification.

IV. CONCLUSION

The Settlement is the result of a detailed examination of UGI Electric's proposals, substantial discovery requests, multiple rounds of testimony, numerous settlement discussions, and compromise by the active parties. UGI Electric believes that fair and reasonable compromises have been achieved on all issues in this case, particularly given the fact that the settling parties have such diverse and competing interests in this proceeding and have reached a Settlement on all issues, and in light of the significant challenges presented by COVID-19. UGI Electric fully supports this Settlement and respectfully requests that Administrative Law Judge Steven K. Haas and the Pennsylvania Public Utility Commission:

- (i) Approve the Joint Petition for Approval of Settlement of All Issues without modification;
- (ii) Approve the proposals set forth in UGI Electric's above-captioned distribution base rate increase filing subject to the terms and conditions of the Joint Petition for Approval of Settlement of All Issues;
- (iii) Approve the *pro forma* tariff attached to the Joint Petition for Approval of Settlement of All Issues as Appendix A;
- (iv) Approve the proof of revenues attached to the Joint Petition for Approval of Settlement of All Issues as Appendix B;
- (v) Mark the Formal Complaints filed by OCA, OSBA, and the individual customer complainants as satisfied and closed; and
- (vi) Mark the investigation at Docket No. R-2021-3023618 closed.

Respectfully submitted,



Kent Murphy (ID # 44793)
Michael S. Swerling (ID # 94748)
UGI Corporation
460 North Gulph Road
King of Prussia, PA 19406
Phone: 610-768-3628
Phone: 610-992-3203
E-mail: murphyke@ugicorp.com
E-mail: SwerlingM@ugicorp.com

David B. MacGregor (ID # 28804)
Post & Schell, P.C.
Four Penn Center
1600 John F. Kennedy Boulevard
Philadelphia, PA 19103-2808
Phone: 215-587-1197
E-mail: dmacgregor@postschell.com

Devin T. Ryan (ID # 316602)
Garrett P. Lent (ID # 321566)
Post & Schell, P.C.
17 North Second Street, 12th Floor
Harrisburg, PA 17101
Phone: 717-731-1970
E-mail: dryan@postschell.com
E-mail: glent@postschell.com

Dated: July 19, 2021

Counsel for UGI Utilities, Inc. – Electric
Division

Appendix G

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
Office of Consumer Advocate	:	
Office of Small Business Advocate	:	
	:	
v.	:	Docket No.: R-2021-3023618
	:	
UGI Utilities, Inc. – Electric Division	:	
Base Rates	:	

**BUREAU OF INVESTIGATION AND ENFORCEMENT
STATEMENT IN SUPPORT OF
JOINT PETITION FOR SETTLEMENT**

TO: ADMINISTRATIVE LAW JUDGE STEVEN K. HAAS:

I. INTRODUCTION

The Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”), by and through its Prosecutor Scott B. Granger, hereby respectfully submits that the terms and conditions of the foregoing Joint Petition for Approval of Settlement of All Issues (“Joint Petition” or “Settlement”) are in the public interest and represent a fair, just, and reasonable balance of the interests of UGI Utilities, Inc. – Electric Division (“UGI Electric” or “UGI” or the “Company”), I&E, the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”), the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), the Commission for Economic Opportunity (“CEO”), ChargePoint, Inc. (“ChargePoint”), Retail Energy Supply Association (“RESA”), NRG

Energy, Inc. (“NRG”) and Brandi Brace (parties in the above-captioned proceeding and hereinafter collectively referred to as the “Parties” or “Joint Petitioners”), as well as the UGI Electric ratepayers.

II. BACKGROUND

1. I&E is charged with representing the public interest in Commission proceedings related to rates, rate-related services, and applications affecting the public interest. In negotiated settlements, it is incumbent upon I&E to identify how amicable resolution of any such proceeding may benefit the public interest and to ensure that the public interest is served. Based upon I&E’s analysis of the UGI Electric base rate filing, acceptance of this proposed Settlement is in the public interest and I&E recommends that the Administrative Law Judge and the Commission approve the Settlement in its entirety.

2. On February 8, 2021, UGI Electric filed Proposed Supplement No. 26 to Tariff Electric - Pa. P.U.C. No. 6 and Proposed Supplement No. 2 to Tariff Electric - Pa. P.U.C. No. 2S to become effective April 9, 2021. Tariff Nos. 6 and 2S contained proposed changes in rates, rules, and regulations calculated to produce an increase of \$8,700,000 (10%) in additional annual revenues and an increase in residential customer’s bills (using 1,000 kWh’s) from \$110.18 to \$123.83/month (12.4%).

3. UGI Electric stated that the need for the requested increase in its base rates was driven principally by increased distribution plant investments, including accelerated replacement of aging electric distribution plant; increased operating expenses, including those related to wages, salaries, and benefits; and relatively flat customer usage and growth trends.

4. I&E filed its Notice of Appearance on February 9, 2021.
5. The OSBA filed a Public Statement and Notice of Appearance in this proceeding on February 17, 2021.
6. On February 17, 2021, CEO filed its Petition to Intervene.
7. The OCA filed its Notice of Appearance and Public Statement also on February 18, 2021.
8. On March 4, 2021 ChargePoint filed a Petition to Intervene.
9. On March 11, 2021, pursuant to 66 Pa. C.S. § 1308(d), the Commission ordered suspension of the proposed tariff changes until November 9, 2021, unless permitted by Commission Order to become effective at an earlier date. Through its order, the Commission assigned this case to the Office of Administrative Law Judge for scheduling of hearings as necessary for issuance of a recommended decision.
10. On March 19, 2021, RESA and NRG filed their Petitions to Intervene in this proceeding.
11. A telephonic Prehearing Conference was held on March 22, 2021 at 10:00 a.m. before Administrative Law Judge Steven K. Haas (“ALJ Haas”) during which the parties agreed to a schedule for the conduct of the case including the service of testimony among the parties and the dates for evidentiary hearings.
12. March 25, 2021 CAUSE PA filed a Petition to Intervene in this proceeding.
13. All parties undertook comprehensive discovery in this proceeding after the filing was made and continued to conduct discovery throughout the litigation and settlement negotiation process.

14. In accordance with the procedural schedule established at the prehearing conference, I&E served to all active parties the following seven (7) pieces of testimony and accompanying five (5) exhibits from three (3) I&E witnesses:

- I&E Statement No. 1 (PROPRIETARY) (NON-PROPRIETARY) and I&E Exhibit No. 1 (PROPRIETARY) (NON-PROPRIETARY) – the Direct Testimony of I&E witness John Zalesky;
- I&E Statement No. 1-SR (PROPRIETARY) (NON-PROPRIETARY) and I&E Exhibit No. 1-SR (PROPRIETARY) (NON-PROPRIETARY) – the Surrebuttal Testimony of I&E witness John Zalesky;
- I&E Statement No. 2 and I&E Exhibit No. 2 – the Direct Testimony of I&E witness Anthony Spadaccio;
- I&E Statement No. 2-R – the Rebuttal Testimony of I&E witness Anthony Spadaccio;
- I&E Statement No. 2-SR – the Surrebuttal Testimony of I&E witness Anthony Spadaccio;
- I&E Statement No. 3 and I&E Exhibit No. 3 – the Direct Testimony of I&E witness Ethan H. Cline;
- I&E Statement No. 3-SR and I&E Exhibit No. 3-SR – the Surrebuttal Testimony of I&E witness Ethan H. Cline.

15. In accordance with Commission policy encouraging settlements at 52 Pa. Code § 5.231 and § 69.401 as they often achieve results preferable to a fully litigated proceeding, I&E participated in multiple settlement discussions with UGI Electric and the Parties to this proceeding. Following extensive settlement negotiations, the Joint Petitioners reached a full settlement of all issues as set forth in the Joint Petition.

III. SETTLEMENT

16. I&E is charged with representing the public interest in Commission proceedings related to rates, rate-related services, and applications affecting the public interest. In negotiated settlements, it is incumbent upon I&E to identify how amicable

resolution of any such proceeding may benefit the public interest and to ensure that the public interest is served.

17. “The prime determinant in the consideration of a proposed Settlement is whether the settlement is in the public interest.”¹ The Commission has recognized that a settlement “reflects a compromise of the positions held by the parties of interest, which, arguably fosters and promotes the public interest.”²

18. Settlements conserve precious administrative resources and provide regulatory certainty with respect to the disposition of issues with results that are often preferable to those achieved at the conclusion of a fully-litigated proceeding; and, provide a final resolution of adversarial proceedings which, in the Commission’s judgement, is preferable.³ The very nature of a settlement requires a review and discussion of all issues raised by the parties’ and a negotiated compromise on the part of all parties.

19. I&E submits that this Settlement balances the interests of the Company, its customers, the Joint Petitioners, and the parties in a fair and equitable manner and presents a resolution for the Commission’s adoption that best serves the public interest. Furthermore, the negotiated Settlement demonstrates that compromises are evident throughout the Joint Petition. Accordingly, for the specific reasons articulated below to achieve the full scope of benefits addressed in the Settlement; I&E requests that the

¹ *Pennsylvania Public Utility Commission v. Philadelphia Electric Company*, 60 PA PUC 1, 22 (1985).

² *Pennsylvania Public Utility Commission v. C S Water and Sewer Associates*, 74 PA PUC 767, 771 (1991).

³ *See generally* 52 Pa. Code § 5.231 and § 69.401.

Settlement be recommended by ALJ Haas, and approved by the Commission, without modification.

A. GENERAL (Joint Petition ¶¶ 42-43):

The Joint Petitioners agree that the terms of this Settlement reflect a carefully balanced “black box” compromise of the interests of all the active Parties in this proceeding. The Joint Petitioners agree that UGI Electric’s February 8, 2021 distribution base rate increase filing should be approved, including those tariff changes included in and specifically identified in Appendix A attached to the Joint Petition, subject to the terms and conditions of the Settlement set forth in the Joint Petition.

B. REVENUE REQUIREMENT (Joint Petition ¶ 44):

In the Settlement, the Joint Petitioners agreed to settlement terms regarding the overall base rate revenue increase. Specifically, the settlement terms regarding revenue requirement are as follows:

Annual distribution revenue increase. UGI Electric will be permitted to submit a revised tariff supplement designed to produce an overall base rate revenue increase of \$6.15 million, to become effective on or before November 9, 2021 for service rendered thereafter. The increase in annual base rate revenue is in lieu of the as-filed requested increase of approximately \$8.7 million. The settlement as to revenue requirement shall be a “black box” settlement, except for the items specifically set forth in the Joint Petition.

I&E engaged in extensive discovery and submitted extensive testimony regarding UGI Electric’s proposed overall base rate revenue increase. In its direct testimony, I&E

discussed significant adjustments regarding UGI's base rate filing that had the potential to have significant impacts to the proposed overall annual distribution revenue increase.

I&E now submits that it fully supports the negotiated level of overall base rate revenue increase as compared to UGI's original request. While the overall revenue requirement is a "black box" compromise, the overall revenue levels are within the levels advanced on the evidentiary record and reflect a full compromise of all revenue-related issues raised by the parties. And, as a "black box" settlement, unless specifically addressed below, the Settlement does not reflect agreement upon individual issues. Therefore, in consideration of the extensive testimony presented by all of the parties to this proceeding, I&E fully supports the negotiated level of overall base rate revenue increase as a full and fair compromise that provides UGI Electric, the Joint Petitioners, affected ratepayers, and the Commission with resolution of these issues, all of which is in the public interest.

C. Revenue Allocation/Rate Design (Joint Petition ¶¶ 45-48):

In the Settlement, the Joint Petitioners agree that revenue allocation is to be determined with a proportional scale back based on the actual base rate revenue increase as compared to the requested revenue increase.

Further, the Joint Petitioners agree that billing determinants will be based on the Company's UGI Electric Exhibit E, Proof of Revenue.

Additionally, the Joint Petitioners agree to the following customers charges:

Rate R: \$9.50 per month.

Rate GS-1: \$13.00 per month.

And finally, the Joint Petitioners agree that the Company will include a proposal to eliminate, consolidate, or otherwise support Rate FCP as a separately identified class in the cost of service presented in the Company's next rate case.

I&E submitted extensive testimony regarding revenue allocation, rate design and scale back of rates.⁴ I&E noted that the Company proposed that the current residential customer charge of \$8.34 be increased to \$13.00.⁵ I&E proffered that while the Company's proposed \$13.00 customer charge is supported by the Company's customer cost analysis, the \$4.25 increase from \$8.74 to \$13.00, or approximately 49%, would be a significant increase.⁶ Therefore, I&E recommend that the residential customer charge be included in the scale back of rates if the Commission grants less than the full requested increase.⁷

Additionally, and similar to the residential class, the Company's proposed 42% $((\$14.00 - \$9.83) / \$9.83)$ increase to the GS-1 class customer charge represents a significant increase.⁸ And, if the Commission would grant less than the full requested increase, I&E recommended that the \$14.00 GS-1 customer charge also be scaled back.⁹

Therefore, after extensive negotiations among the Joint Petitioners and in consideration of all of the testimony presented, I&E supports the revenue allocation and rate design settlement terms as set forth in the Revenue Allocation table at Joint Petition Paragraph 46 as a full and fair compromise that provides UGI, the Joint Petitioners,

⁴ I&E St. No. 3, pp. 28-32; I&E Exh. No. 3, Sch. 5; I&E St. No. 3-SR, pp. 17-23.

⁵ I&E St. No. 2, p. 29, *citing* UGI St. No. 6, p. 26.

⁶ *Id.*

⁷ *Id.*, pp. 29, 31-32. *See also* I&E Exh. 3, Sch. 5.

⁸ *Id.*, pp. 30, 31-32, *citing* UGI Exh. E, p. 13.

⁹ *Id.* *See also* I&E Exh. 3, Sch. 5.

affected ratepayers, and the Commission with regulatory certainty and resolution of the revenue allocation/rate design issue, all of which is in the public interest.

D. Programs and Proposals

1. Battery Storage Proposal (Joint Petition ¶¶ 49-51). In the Settlement, the Joint Petitioners agree the battery storage proposal is approved, except that the Company will not use the battery storage system to participate in the PJM Interconnection LLC (“PJM”) Frequency Regulation Market. The inclusion of the battery storage project shall be considered a pilot for purposes of this Settlement. The Joint Petitioners agreed on allowing the battery storage proposal based on several conditions.

The Commission’s approval of UGI Electric’s battery storage proposal in this proceeding shall not serve as precedent for any future UGI Electric battery storage proposal or any other electric utility’s battery storage proposal. This Settlement reflects a carefully-crafted compromise of the parties’ positions and is based on the small size of the battery and the unique circumstances of the Ruckle Hill distribution circuit, including its voltage, its status as a worst performing circuit, the surrounding terrain, the nearby vegetation, and the load served by this circuit.

UGI Electric will maintain and provide information concerning the duration, extent, cause, and times for each outage, the duration and times the battery storage system was used to maintain service during the outage, and loads on the facilities served by the battery storage system just prior to and during the outage. Such information will be provided in annual reports filed with the Commission by January 1st of each year that

the battery storage system remains in service, with the first annual report to be filed by January 1, 2023.

The parties' agreement to this Settlement is without prejudice to future challenges to any other distribution system upgrades on the Ruckle Hill distribution circuit that may occur in the future including, but not limited to, a proposal to remove the battery from rate base.

To recap the Company's original proposal and the I&E testimony presented in this proceeding, UGI Electric proposed to "install and interconnect a utility-owned, small-scale, energy storage battery into the primary distribution system."¹⁰ The Company stated that "[t]he goal of the project is to demonstrate the feasibility of this new technology to support system reliability and to provide the Company, and Company personnel, direct first-hand knowledge and experience with battery storage systems of this type."¹¹ Specifically, UGI Electric proposed to use the battery storage project to target 68 customers within the Company's service territory near Wapwallopen, PA who have experienced multiple service interruptions over the last several years.¹² The Company indicated that the cost of the battery storage project would be approximately \$1.5 million.¹³

The Company also proposed an opportunity to reduce the financial impact of the battery storage project by receiving revenues from the battery storage project's

¹⁰ UGI St. No. 3, p. 24.

¹¹ *Id.*

¹² *Id.*, pp. 25-26.

¹³ *Id.*, p. 26.

participation in PJM’s frequency regulation market (“PJM Market D”).¹⁴ As described by the Company, PJM Market D is a market for regulation resources such as generator inertia, adding and subtracting generation assets, and dedicated demand response, and electricity storage, that can help correct for short-term changes in electricity use and generation.¹⁵ These short-term changes, UGI offered, have the potential to affect the stability of the power system due to the system frequency being out of acceptable bounds.¹⁶ But, the Company could not provide an estimate of the potential revenue that might be received from PJM Market D because the level of revenues possible is unknown due to the volatility of PJM Market D clearing prices.¹⁷

And, finally, when asked through discovery. UGI Electric stated that, “Yes, it considers the battery system to be a distribution asset similar to other distribution facilities such as substations, reclosers, capacitors, and other key elements of distribution system design, construction, operation and control.”¹⁸

In testimony, I&E argued that UGI Electric’s Battery Storage Project should be denied because the battery storage project is more appropriately considered a generation asset rather than a distribution asset due to the ability for UGI Electric to profit from the battery storage’s ability to store and release power to either UGI Electric’s own customers or to the PJM Market D.¹⁹ This would allow the Company to profit from the battery storage by purchasing electricity at a lower base load price and then sell it at a

¹⁴ UGI St. No. 6, p. 45.

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ *Id.*, p. 46.

¹⁸ See I&E Exh. No. 3, Sch. 1.

¹⁹ I&E St. No. 3, p. 9; I&E St. No. 3-SR, p. 3.

higher price on the PJM market, thus earning a profit off of an asset being paid for by distribution customers.²⁰ Further, the Commission currently has an open docket where this very issue is being considered and is yet unresolved.²¹

Additionally, I&E argued regardless of whether this is classified as a generation or distribution asset, battery storage is a technology that is relatively new and the implications, base rate and otherwise, are still unknown.²² I&E reasoned the proposed battery storage project is not necessary to provide safe and reliable service to UGI Electric customers as it is an experimental project designed to assist 68 customers of the Company's approximate 62,000 customer base.²³ And, the battery storage proposal which is estimated to cost approximately \$1.5 million to target 68 customers, is particularly concerning at a time when ratepayers are struggling to recover from the COVID-19 pandemic.²⁴

Finally, I&E argued that UGI has stated the main purpose of the battery storage project is to provide additional system stability to 68 customers in the Company's service territory near Wapwallopen, PA.²⁵ However, outside of these 68 customers, the battery storage project provides the rest of UGI Electric's customer base with no benefit while they are allocated the full cost of the project.²⁶ And, the potential for double recovery from the sale of electricity into PJM Market D is a distinct possibility. Therefore, I&E

²⁰ *Id.*

²¹ *See* I&E St. No. 3-SR, pp. 4-5, *citing* Secretarial Letter (December 3, 2020), Docket No. M-2020-3022877.

²² I&E St. No. 3, p. 10; I&E St. No. 3-SR, p. 3.

²³ *Id.*

²⁴ *Id.*

²⁵ *Id.*, p 12.

²⁶ *Id.*

argued that it was reasonable to require that 100% of the revenues generated from the participation of the battery storage project in PJM's Market D be used to offset as much of the costs as possible for those customers who receive no benefit from the project.²⁷

After lengthy negotiations where all parties argued the pros and cons of the proposed battery storage project; and in consideration of all of the testimony presented, the various positions presented by the Joint Petitioners, and the conditions agreed to by the Joint Petitioners, I&E supports the settled upon terms as stated in the Joint Petition as a full and fair compromise that provides UGI, the Joint Petitioners, affected ratepayers, and the Commission with regulatory certainty and with a resolution regarding the battery storage proposal, all of which is in the public interest.

2. Electric Vehicle Charging (Joint Petition ¶¶ 52-55). In the Settlement, the Joint Petitioners agreed the EV make-ready charging infrastructure tariff provisions are accepted as filed, except that the Company will revise Rule 5-1 and Rule 5-m of its proposed EV tariff to state the following:

Rule 5-1: Service to Electric Vehicle Supply Equipment. For Qualified Electric Vehicle Charging Stations ("Qualified EV Charging Stations") which will be accessible to the public for charging access, the Company shall provide all required investment without contribution and will design and install the required infrastructure facilities necessary for operation of such Qualified EV Charging Stations (including any new conductor replacement, transformers, overhead service wire, and meters; inclusive of any make ready work located in front of the meter). Such facilities shall be provided at no required contribution to the customer as part of an EV infrastructure which will end September 30, 2026. Qualified EV Charging Stations may be supplied electricity by an EGS.

²⁷ *Id.*; I&E St. No. 3-SR, p. 4.

Rule 5-m: Qualified EV Charging Stations shall be defined as one (1) to four (4) DC Fast Charge (“DCFC”) stations of 50 kW or greater, or at least four (4) Level 2 charging stations, which are compatible with the Company’s distribution system and are located within 400 feet of a Company 3-phase primary distribution circuit line, or in another location where the Company, in its sole discretion, anticipates that adequate public availability and access is being provided. DCFC installation locations may also be inclusive of one or more adjacent Level 2 charging stations. All qualifying chargers must have smart or network capabilities and be tested for safety by a national testing laboratory such as UL. Qualifying Level 2 chargers must be ENERGY STAR certified.

Further, the Joint Petitioners agreed beginning with the operation of the second Qualified EV Charging Station in the Company’s service territory, the Company shall post aggregated metered usage data for Qualified EV Charging Stations on a monthly and anonymized basis to its Energy Management Website (kWh and kW billing determinant use data) for interested parties to review. This requirement shall end on September 30, 2026.

And finally, the Joint Petitioners agreed make-ready infrastructure for purposes of this Settlement does not include any behind-the-meter costs associated with the installation of EV charging stations.

To recap the Company’s original proposal, the Company proposed to install and own three Electric Vehicle (“EV”) charging stations in its service territory.²⁸ UGI argued there are no existing EV charging stations in its service territory and UGI Electric’s proposal is “an effort to support EV development directly and gain additional first-hand metrics regarding EV charging utilization demands and usage patterns.”²⁹ UGI proposed

²⁸ UGI St. No. 3, p. 29.

²⁹ *Id.*

the charging stations be available to the public and they identified three general locations that are along primary transportation corridors, near population centers, and have high levels of traffic.³⁰ UGI included \$300,000 in the fiscal year 2022 capital budget which includes all equipment, site preparation, installations costs, and UGI Electric supply and service make-ready work to cover the costs associated with the proposed EV charging station project.³¹

I&E reviewed the EV charging station proposal and concluded that it is a reasonable step towards making EV charging service available to electric vehicle owners within the Company's service area.³² I&E's concern was that the Company did not include any reporting provisions in its proposal.³³ Therefore, I&E recommended that starting one year after the first EV charging station is deployed and continuing on an annual basis thereafter, the Company provide an update on the status of the EV Charging project, the corresponding plant, operating expenses, revenue and the progress that has made toward meeting its stated goals, and any other related information that may be valuable.³⁴ Additionally, I&E recommended that, in its next base rate case, the Company provide a detailed discussion in testimony regarding its choice to either end, continue as is, or expand its EV charging station operations.³⁵

After extensive negotiations and in consideration of all of the testimony presented, the various positions presented by the Joint Petitioners, and the conditions agreed to by

³⁰ *Id.*, p. 30.

³¹ *Id.*, p. 31.

³² I&E St. No. 3, p. 4; I&E St. No. 3-SR, p. 2.

³³ *Id.*

³⁴ *Id.*, p. 5; *Id.*

³⁵ *Id.*

the Joint Petitioners, I&E supports the settled upon terms as stated in the Joint Petition as a full and fair compromise that provides UGI, the Joint Petitioners, affected ratepayers, and the Commission with regulatory certainty and with a resolution regarding the battery storage proposal, all of which is in the public interest.

E. DSIC/Reporting (Joint Petition ¶¶ 56-58)

In the Settlement, the Joint Petitioners have agreed to the following settlement provisions with regard to Distribution System Improvement Charge (“DSIC”) and applicable reporting requirements.

1. Test Year Plant Reporting. The Company shall submit an update to UGI Electric Exhibit A, Schedule C-2 no later than January 1, 2022, which will include actual capital expenditures, plant additions, and retirements by month from October 1, 2020 through September 30, 2021. An additional update for actuals from October 1, 2021 through September 30, 2022 shall be filed no later than January 2, 2023.

I&E submitted testimony regarding test year plant-in-service.³⁶ Specifically, I&E recommended that the Company provide the Commission’s Bureaus of Technical Utility Services and Investigation and Enforcement with an update to UGI Electric Volume 5 – Exhibit 3-C, no later than January 2, 2022, which should include actual capital expenditures, plant additions, and retirements by month from October 1, 2020 through September 30, 2021 and an additional update for actuals from October 1, 2021 through September 30, 2022, no later than January 2, 2023.³⁷ I&E reasoned, through use of the

³⁶ I&E St. No. 3, pp. 25-26; I&E St. No. 3-SR, pp. 16-17.

³⁷ *Id.*, p. 26; *Id.*, p. 16.

FPFTY, a utility is allowed to require ratepayers, in essence, to pre-pay a return on a utility's projected investment in future facilities that are not in place and providing service at the time the new rates take effect and are not subject to any guarantee of being completed and placed into service.³⁸ While the FPFTY provides for such projections, there should be some timely verification of the projections.³⁹ Usage of the FPFTY has become common practice by Pennsylvania utilities, including UGI Electric, and the Company agreed to provide such projections as part of its previous base rate case in which it made use of the FPFTY.⁴⁰

Therefore, in consideration of the testimony presented by I&E and negotiations with the Company and the Joint Petitioners, I&E supports this settled upon term regarding the test year plant reporting obligation as stated in the Joint Petition as a full and fair compromise that provides the UGI, the Joint Petitioners, affected ratepayers, and the Commission with resolution of the test year plant reporting issue, all of which is in the public interest.

2. DSIC Eligible Plant Balances. As of the effective date of rates in this proceeding, UGI Electric will be eligible to include plant additions in the Distribution System Improvement Charge once the Company's total net plant balances exceed \$152,150,000. The foregoing provision is included solely for purposes of calculating the DSIC and is not determinative for future ratemaking purposes of the projected additions to be included in rate base in a FPFTY filing.

³⁸ I&E St. No. 3, p. 26.

³⁹ *Id.*

⁴⁰ *Id.*

I&E submitted testimony regarding the FTY and FPFTY rate base and plant projections which includes, generally, by reference, the relationship between the total net plant balances and DSIC eligible plant additions.⁴¹ Further, I&E recognizes that 66 Pa. C.S. § 1350 *et seq.* provides the pertinent Commission statutory authority regarding the DSIC and the rate base treatment of DSIC eligible plant additions. Therefore, I&E does not oppose this settlement term as a full and fair compromise that provides UGI, the Joint Petitioners and the Commission with regulatory certainty and resolution of this DSIC eligible plant issue, which is in the public interest.

3. DSIC Return on Equity. For purposes of calculating its DSIC, UGI Electric shall use the equity return rate for electric utilities contained in the Commission's most recent Quarterly Report on the Earnings of Jurisdictional Utilities and shall update the equity return rate each quarter consistent with any changes to the equity return rate for electric utilities contained in the most recent Quarterly Earnings Report, consistent with 66 Pa. C.S. § 1357(b)(3), until such time as the DSIC is reset pursuant to the provisions of 66 Pa. C.S. § 1358(b)(1).

I&E did not submit testimony regarding the DSIC calculation return on equity. I&E recognizes that 66 Pa. C.S. § 1357(b)(3) provides in pertinent part:

If more than two years have elapsed between the entry of a final order and the effective date of the distribution system improvement charge, the equity return rate used in the calculation shall be the equity return rate calculated by the Commission in the most recent Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission.

⁴¹ I&E St. No. 3, pp. 14-15, 22-25; I&E St. No. 3-SR, pp. 3-14.

Therefore, I&E does not oppose this settled upon term, as stated in the Joint Petition, as a full and fair compromise that provides UGI, the Joint Petitioners and the Commission with regulatory certainty and resolution of this issue, which is in the public interest.

F. Accounting (Joint Petition ¶¶ 59-65)

In the Settlement, the Joint Petitioners have agreed to the following settlement provisions with regard to Company accounting.

1. Depreciation Rates. For purposes of this settlement, UGI Electric's as-filed depreciation rates are accepted.

I&E did not submit testimony regarding the as-filed depreciation rates. Therefore, I&E does not oppose this settled upon term, as stated in the Joint Petition, as a full and fair compromise that provides UGI, the Joint Petitioners and the Commission with regulatory certainty and resolution of this issue, which is in the public interest.

2. ADIT/EDFIT. The Company's Accumulated Deferred Income Tax ("ADIT") and pro-rationing methodology as required by Treasury Regulation 1.167(l)-1(h)(6)(ii) is accepted. Further, the Company's method to amortize Excess Accumulated Deferred Federal Income Taxes ("EDFIT") according to the Average Rate Assumption Method ("ARAM") is accepted. Absent a change in federal or state law, regulation, judicial precedent or policy, the remaining unamortized EDFIT balance will continue as a reduction to rate base in all future proceedings until the full amount is returned to ratepayers.

I&E did not submit testimony regarding the ADIT and EDFIT. Therefore, I&E does not oppose this settled upon term, as stated in the Joint Petition, as a full and fair compromise that provides UGI, the Joint Petitioners and the Commission with regulatory certainty and resolution of this issue, which is in the public interest.

3. Repairs Allowance. For purposes of determining the revenue requirement in this case, all capitalized repairs deductions claimed on a tax return have been normalized for ratemaking purposes, and the appropriate related amount of tax effect of those deductions has been treated similarly to Accumulated Deferred Income Taxes as a reduction to UGI Electric's rate base.

I&E did not submit testimony regarding repairs allowance. Therefore, I&E does not oppose this settled upon term, as stated in the Joint Petition, as a full and fair compromise that provides UGI, the Joint Petitioners and the Commission with regulatory certainty and resolution of this issue, which is in the public interest.

4. IT Costs Capital Treatment. For purposes of this settlement, UGI Electric's as-filed capital treatment of certain IT costs is accepted. UGI Electric will capitalize IT costs that include preliminary-stage project work, business and technology reengineering activities, current state assessments, reengineering business processes to adapt to new systems, data conversion, data cleansing and migration, pre-implementation training practices, cloud computing software implementation, and Hypercare. *See* UGI Electric St. No. 4, pp. 14-16.

I&E did not submit testimony regarding the IT costs capital treatment. Therefore, I&E does not oppose this settled upon term, as stated in the Joint Petition, as a full and

fair compromise that provides UGI, the Joint Petitioners and the Commission with regulatory certainty and resolution of this issue, which is in the public interest.

5. COVID-19 Costs Deferral. The Company’s revenue increase provided in this settlement is reflective of a three-year amortization of the Company’s COVID-19 regulatory asset related to incremental uncollectible accounts expense, or \$337,666 per year, which includes all incremental uncollectible expense through September 30, 2020.

To recap, the Company tracked what it claimed to be extraordinary, nonrecurring incremental COVID-19 expenses unrelated to un-collectibles and proposed a two-year normalization period to recover these expenses.⁴² The Company proposed regulatory asset treatment for all such additional costs.⁴³ These additional costs included such items as increased personal protective equipment (PPE), vehicle rentals, and unrecovered late fees and other miscellaneous fees.⁴⁴ The Company also subtracted such items for savings related to COVID-19.

I&E disagreed and recommended disallowance of the Company’s claim in its entirety.⁴⁵ I&E argued that the Commission allowed companies to track incremental COVID-19 related costs (beyond uncollectibles and associated increases to expenses) but has not issued any guidance on whether or how companies may recover these costs.⁴⁶ Alternatively, the Commission stated that tracking these expenses were, “intended to

⁴² I&E St. No. 1, p. 13, citing UGI St. No. 4, pp. 21-22.

⁴³ *Id.*

⁴⁴ *Id.*, citing UGI Elec. Exh. A – Fully Projected, Sch. D-12.

⁴⁵ I&E St. No. 1, p. 14.

⁴⁶ *Id.*

provide the Commission with information to understand the extent of the COVID-19 pandemic's impact on utilities' finances."⁴⁷ I&E noted that the Commission stated further, apart from the uncollectible expenses, "this Secretarial Letter does not grant authorization for utilities to defer any other potential COVID-19 related expenses."⁴⁸ Additionally, it is uncertain whether increases in costs related to PPE and vehicle rentals are reflective of ongoing increases to expenses since it is likely that the Company has had to build in associated costs for these items in the FTY and FPFTY.⁴⁹ And, as for lost revenues due to late fees and other miscellaneous fees, I&E is not aware that the Commission has ever instructed regulated utilities to track such amounts, and the Commission certainly has not approved establishing a regulatory asset for deferral of such lost revenues.⁵⁰ Therefore, I&E concluded it was inappropriate for the Company to defer and recover these expenses as a part of this rate case or create a regulatory asset account for recovery of subsequent COVID-19 expenses.⁵¹

In consideration of the testimony presented by I&E and the extensive negotiations with the Company and the Joint Petitioners, I&E supports this settled upon term regarding COVID-19 costs deferral recovery as stated in the Joint Petition as a full and fair compromise that provides the UGI, the Joint Petitioners, affected ratepayers, and the Commission with regulatory certainty and a resolution of the COVID-19 costs deferral recovery issue, all of which is in the public interest.

⁴⁷ *Id.*, pp. 14-15, citing Docket No. M-2020-3019775 *COVID-19 Cost Tracking and Creation of Regulatory Asset*, p. 3.

⁴⁸ *Id.*, p. 15, citing Docket No. M-2020-3019775 *COVID-19 Cost Tracking and Creation of Regulatory Asset*, p. 2.

⁴⁹ *Id.*, p. 15.

⁵⁰ *Id.*

⁵¹ *Id.*

6. Rate Case Expense. The Company's revenue increase provided in this settlement is reflective of a three-year normalization for ratemaking purposes and a three-year amortization for accounting purposes. The Company will not claim any unamortized amount in a future rate case and agrees that normalization of rate case expense (as opposed to amortization) is the proper treatment for ratemaking purposes.

UGI originally proposed a claim for rate case expense of \$420,000.⁵² The Company estimated its total rate case expense amount to be \$839,000 and requested a normalization period of two years (24 months).⁵³ This produced a normalized rounded claim of \$420,000 [(\$839,000 ÷ 24 months) x 12 months]. The Company stated that it will make regular rate case filings going forward due to capital investments in accordance with its Long-Term Infrastructure Improvement Plan (LTIIP).⁵⁴

I&E, on the other hand, recommended that the Company's rate case expense be normalized over a period of 36 months (three years) resulting in an annual expense of \$279,667 [(\$839,000 ÷ 36 months) x 12 months], or a reduction of \$140,333 (\$420,000 - \$279,667) to the Company's claim.⁵⁵ I&E reasoned that the Company's claimed 24-month normalization period, is not supported by the Company's historic filing frequency, and therefore, the proposed 24-month normalization period fails to properly rely upon the historic data and is speculative in nature.⁵⁶

⁵² *Id.*, p. 5, citing UGI Elec. Exh. A – Fully Projected, Sch. D-10.

⁵³ *Id.*

⁵⁴ *Id.*, citing UGI St. No. 2, p. 16.

⁵⁵ I&E St. No. 1, p. 6.

⁵⁶ *Id.*

Therefore, in consideration of the testimony presented by I&E and the extensive negotiations with the Company and the Joint Petitioners, I&E supports this settled upon term regarding rate case expense as stated in the Joint Petition as a full and fair compromise that provides the UGI, the Joint Petitioners, affected ratepayers, and the Commission with regulatory certainty and a resolution of the rate case expense issue, all of which is in the public interest.

7. Company Owned Service Expenditures (“COS-E”). Effective October 1, 2021, the Company will be permitted, for book accounting purposes, to record the costs associated with its COS program as capital investment. The capital investment recorded for recovery from ratepayers will be capped at \$5,000,000. To the extent that the costs exceed the \$5,000,000 capitalization cap subsequent to October 1, 2021, the Company will expense the excess and may seek recovery in a future rate case with all parties reserving their rights to challenge any claimed expense.

To recap, in a previous 2017 base rate case, UGI Electric stated that it owned and maintained nearly 5,000 facilities (mainly residential) including service entrance cables, meter sockets, panel boxes, main breakers and 240-volt breakers, of which some equipment is located inside customers’ homes.⁵⁷ The Company proposed, at that time, a 10-year plan to transition ownership of these facilities to homeowners.⁵⁸ Further, the Company projected 500 service transfers annually as outlined in the 2017 base rate case for both the FTY 2021 and the FPFTY 2022.⁵⁹

⁵⁷ I&E St. No. 1, p. 25, *citing* UGI St. No. 3, pp. 14-14 at Docket No. R-2017-2640058.

⁵⁸ *Id.*

⁵⁹ *Id.*, p. 25.

I&E recommended a drastic reduction to the Company's annualized Company-owned service transition program claim.⁶⁰ I&E based its recommendation on the actual HTY 2020 costs.⁶¹ I&E reasoned the actual historic costs spent in the HTY are more reliable than what the Company projects it will spend in the FPFTY considering the FPFTY projected costs are far greater than the actual HTY spending.⁶²

Therefore, in consideration of the testimony presented by I&E and the extensive negotiations with the Company and the Joint Petitioners, I&E supports this settled upon term regarding Company-owned service transition expenditures as stated in the Joint Petition as a full and fair compromise that provides the UGI, the Joint Petitioners, affected ratepayers, and the Commission with regulatory certainty and a resolution of the Company-owned service transition expenditures issue, all of which is in the public interest.

G. Company's COVID-19 Relief Efforts (Joint Petition ¶ 66).

In the Settlement, the Joint Petitioners have agreed to the following settlement provisions regarding the Company's COVID-19 relief efforts.

The Company will continue to assist customers impacted by COVID-19 through various efforts and initiatives to promote existing Company assistance programs and to facilitate customer access to COVID-19 pandemic-related public utility assistance sources, including the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") and the American Rescue Plan. The Company's ongoing pandemic relief efforts

⁶⁰ *Id.*

⁶¹ *Id.*, p. 26.

⁶² *Id.*

will continue to include the following six specific measures set forth in the Joint Petition: (1) a mass media campaign; (2) a direct mail and email campaign; (3) bill inserts; (4) coordination with the CARES Act program; (5) modifications to the above efforts as appropriate; and, (6) solicitation of certain low-income customers.

I&E did not submit testimony regarding this specific issue, although I&E did present testimony questioning whether it would be proper to create a regulatory asset account for recovery of subsequent COVID-19 related expense.⁶³ Nevertheless, I&E shares the concerns of the interested Joint Petitioners that did submit testimony on this issue. Further, I&E played an active role in the settlement negotiations regarding this issue and the proposals and counter proposals offered by the parties throughout this proceeding. Therefore, I&E does not oppose the settled upon terms regarding the Company's COVID-19 relief efforts as a full and fair compromise that provides regulatory certainty and a resolution of this issue, all of which facilitates the Commission's stated preference favoring negotiated settlements as in the public interest.

H. Universal Services (Joint Petition ¶¶ 67-72).

In the Settlement, the Joint Petitioners have agreed to settlement terms and provisions regarding the Company's following Universal Services programs:

1. Rider C – Universal Service Plan Rider.
2. WARM initiative provisions.
3. Security Deposit refunds.
4. LIURP program spending increases.
5. Company contributions to Operation Share.
6. Review and release of previously held security deposits.

⁶³ I&E St. No. 1, pp. 14-16; I&E St. No. 1-SR, pp. 9-11.

I&E did not submit testimony regarding these specific Universal Service issues. Nevertheless, I&E shares the concerns of the interested Joint Petitioners. Further, I&E played an active role in the settlement negotiations regarding these provisions and monitored the proposals and counter proposals offered by the parties throughout this proceeding. Therefore, in consideration of all of the proffered testimony and settlement negotiations, I&E does not oppose this settled upon term as a full and fair compromise that provides regulatory certainty and a resolution of these issues, all of which facilitates the Commission's stated preference favoring negotiated settlements as in the public interest.

IV. THE SETTLEMENT SATISFIES THE PUBLIC INTEREST

20. I&E represents that all issues raised in testimony have been satisfactorily resolved through discovery and discussions with the Company or are incorporated or considered in the resolution proposed in the Settlement. This Settlement exemplifies the benefits to be derived from a negotiated approach to resolving what can appear at first blush to be irreconcilable regulatory differences. Joint Petitioners have carefully discussed and negotiated all issues raised in this proceeding, and specifically those addressed and resolved in this Settlement. Further line-by-line identification of the ultimate resolution of the disputed issues beyond those presented in the Settlement is not necessary as I&E represents that the Settlement maintains the proper balance of the interests of all parties. I&E is satisfied that no further action is necessary and considers its investigation of this rate filing complete.

21. I&E submits that the acceptance of this Settlement negates the need for evidentiary hearings, which would compel the extensive devotion of time and expense for the preparation, presentation, and cross-examination of multiple witnesses, the preparation of Main and Reply Briefs, the preparation of Exceptions and Replies, and the potential of filed appeals, all yielding substantial savings for all parties and ultimately all customers. Moreover, the Settlement provides regulatory certainty with respect to the disposition of issues and final resolution of this case which all parties agree benefits their discrete interests.

22. The Settlement is conditioned upon the Commission's approval of all terms without modification. Should the Commission fail to grant such approval or otherwise modify the terms and conditions of the Settlement, it may be withdrawn by the Company, I&E, or any other Joint Petitioner.

23. I&E's agreement to settle this case is made without any admission or prejudice to any position that I&E might adopt during subsequent litigation in the event that the Settlement is rejected by the Commission or otherwise properly withdrawn by any other parties to the Settlement.

24. If the ALJs recommend that the Commission adopt the Settlement as proposed, I&E agrees to waive the filing of Exceptions. However, I&E does not waive its right to file Replies to Exceptions with respect to any modifications to the terms and conditions of the Settlement or any additional matters that may be proposed by the ALJs in their Recommended Decision. I&E also does not waive the right to file Replies in the event any party files Exceptions.

WHEREFORE, the Commission's Bureau of Investigation and Enforcement represents that it supports the Joint Petition for Settlement as being in the public interest and respectfully requests that Administrative Law Judge Stephen K. Haas recommends, and the Commission approves, the terms and conditions contained in the Joint Petition for Settlement without modification.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Scott B. Granger".

Scott B. Granger
Prosecutor
PA Attorney ID No. 63641

Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17120
(717) 787-4887

Dated: July 19, 2021

Appendix H

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
	:	
v.	:	Docket No. R-2021-3023618
	:	
	:	
UGI Utilities, Inc. - Electric Division	:	

STATEMENT OF THE OFFICE OF CONSUMER ADVOCATE
IN SUPPORT OF THE
JOINT PETITION FOR APPROVAL OF
SETTLEMENT OF ALL ISSUES

The Office of Consumer Advocate (OCA), one of the signatory parties to the Joint Petition for Approval of Settlement of All Issues (Settlement), finds that the proposed terms and conditions of the Settlement are in the public interest. The OCA respectfully requests that the Pennsylvania Public Utility Commission (Commission) approve the Settlement, without modification, for the reasons set forth below:

I. BACKGROUND

UGI Utilities, Inc. – Electric Division (UGI Electric or the Company) is engaged in the business of providing electric distribution service to approximately 62,000 residential, commercial and industrial customers in Luzerne and Wyoming Counties and 35 municipalities throughout Pennsylvania. On February 8, 2021, UGI Electric filed proposed Supplement No. 26 to UGI Electric Tariff – PA. P.U.C. No. 6 (Proposed Supplement No. 26) and Proposed Supplement No. 2 to UGI Electric Tariff Pa. P.U.C. No. 2S (Proposed Supplement No. 2). The rates set forth therein would increase the Company’s annual jurisdictional distribution operating

revenues by \$8.7 million and would produce an increase in total revenues (including distribution and generation revenues) of approximately 10.0%. More specifically, the Company proposed to allocate approximately \$8.12 million of the proposed \$8.7 million increase to the residential class based on the results of the Company's class cost of service study (COSS). 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%.

On February 9, 2021, a Notice of Appearance was filed on behalf of the Bureau of Investigation and Enforcement (I&E). On February 17, 2021, a Formal Complaint, Public Statement, and Notice of Appearance was filed on behalf of the Office of Small Business Advocate (OSBA). On February 17, 2021, the Commission on Economic Opportunity (CEO) filed a Petition to Intervene. On February 18, 2021, the OCA filed a Formal Complaint, Public Statement, and Notice of Appearance. On March 4, 2021, ChargePoint, Inc. (ChargePoint) filed a Petition to Intervene.

On March 11, 2021, the Commission issued an Order initiating an investigation into the lawfulness, justness, and reasonableness of the proposed rate increase in this filing, in addition to the Company's existing rates, rules, and regulations, and suspended the effective date of Proposed Supplement No. 26 and Proposed Supplement No. 2 until November 9, 2021, by operation of law. The case was assigned to the Office of Administrative Law Judge (OALJ) and further assigned to Administrative Law Judge Steven K. Haas (ALJ Haas).

On March 22, 2021, Retail Energy Supply Association (RESA) and NRG Energy, Inc. (NRG) filed a Petition to Intervene. On March 25, 2021, ALJ Haas entered a Scheduling Order setting forth discovery modifications and a procedural schedule for this proceeding. On March 26, 2021, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania

(CAUSE-PA) filed a Petition to Intervene and Answer. Formal complaints were also filed by several UGI Electric consumers.

On May 3, 2021, after completing its investigation of the Company's claims, written testimony, and discovery responses, the OCA submitted the Direct Testimonies of Lafayette K. Morgan Jr.¹, OCA Statement 1², Aaron L. Rothschild³, OCA Statement 2, Jerome D. Mierzwa⁴, OCA Statement 3, Roger D. Colton⁵, OCA Statement 4, and Morgan N. DeAngelo⁶, OCA Statement 5. On May 27, 2021, the OCA submitted OCA Statement No. 3-R, the Rebuttal Testimony of Jerome D. Mierzwa. Additionally, on June 10, 2021, the OCA submitted the

¹ Mr. Morgan is an independent regulatory consultant focusing in the analysis of public utility operations, with particular emphasis on rate regulation. He has reviewed and analyzed utility rate filings, focusing primarily on revenue requirements, accounting, regulatory policy and cost recovery mechanisms throughout the country. Mr. Morgan was a Senior Regulatory Analyst with Exeter Associates from 1993 through 2010. Prior to his work with Exeter Associates, Mr. Morgan was a Senior Financial Analyst with Potomac Electric Power Company. Prior to that, Mr. Morgan was a Staff Accountant with the North Carolina Utilities Commission. OCA St. 1, App. A.

² The OCA submitted a Revised OCA Statement No. 1 on May 7, 2021, correcting an error contained in Mr. Morgan's schedules. Revised OCA Statement 1 has been admitted into the evidentiary record in lieu of the original version.

³ Mr. Rothschild is a financial consultant specializing in cost of capital issues in utility regulation. He has over twenty years of experience providing utility financial analysis. Mr. Rothschild has applied his expertise in numerous proceedings before the Pennsylvania Public Utility Commission, over twenty other state public service commissions, and the Federal Energy Regulatory Commission. His full background and qualifications are provided in Appendix A, attached to OCA Statement 2.

⁴ Mr. Mierzwa is a principal at and the President of the utility consulting firm, Exeter Associates Inc., and has been affiliated with the firm since April 1990. During his tenure with Exeter, Mr. Mierzwa has specialized in, among other things, evaluating the gas purchasing practices of natural gas utilities, utility cost of service and rate design analysis, performance-based incentive regulation and revenue requirement analysis. Mr. Mierzwa has testified in more than 300 utility regulatory proceedings in 13 states, including Pennsylvania. He holds a Bachelor's degree and a Masters of Business Administration degree from Canisius College. His full background and qualifications are provided in OCA Statement 3 at pages 1-2.

⁵ Mr. Colton is a Principal of Fisher Sheehan & Colton, Public Finance and General Economics in Belmont, Massachusetts. He provides technical assistance to public utilities and primarily works on low income utility issues. Mr. Colton has devoted his professional career to helping public utilities, community-based organizations and state and local governments design, implement and evaluate energy assistance programs to help low income households better afford their home energy bills. He has been involved with the development of the vast majority of ratepayer-funded affordability programs in the nation. A more complete description of Mr. Colton's education and experience is provided in OCA St. 4, Appendices.

⁶ Ms. DeAngelo is a Regulatory Analyst with the Pennsylvania Office of Consumer Advocate. She has a Master's Degree in Business Administration and a Bachelor's Degree in Finance from Wilkes University. A more complete description of Ms. DeAngelo's education and experience is provided in OCA St. 5, App. A.

Surrebuttal Testimonies of Lafayette K. Morgan Jr., OCA Statement 1-SR, Aaron L. Rothschild, OCA Statement 2-SR, Jerome D. Mierzwa, OCA Statement 3-SR, Roger D. Colton, OCA Statement 4-SR, and Morgan N. DeAngelo, OCA Statement 5-SR.

Several settlement conferences were held to attempt to reach a settlement in principle on the issues raised in this proceeding. As a result of those conferences, the Joint Petitioners reached a comprehensive agreement on all issues and notified the Presiding Officer on June 14, 2021. Accordingly, ALJ Haas issued an Interim Order Suspending Litigation Schedule. On June 18, 2021, a Joint Stipulation for the Admission of Evidence was filed seeking to admit the testimony and evidence of the parties into the evidentiary record. ALJ Haas issued an Order on June 29, 2021, granting the request.

The terms and conditions of the Settlement satisfactorily address the issues raised in the OCA's Formal Complaint and testimony. The OCA recognizes that this Settlement contains modifications from the original recommendations proposed by the OCA. The OCA submits, however, that the agreed upon Settlement achieves a fair resolution of the many complex issues presented in this proceeding.

In this Statement in Support, the OCA addresses those areas of the Settlement that specifically relate to important issues that the OCA raised in this case. The OCA expects that other parties will discuss how the Settlement's terms and conditions address their respective issues and how those parts of the Settlement support the public interest standard required for Commission approval.

For these reasons, and those that are discussed in greater detail below, the OCA submits that the Settlement is in the public interest, and in the interest of UGI Electric's ratepayers, and should be approved by the Commission without modification.

II. SETTLEMENT TERMS AND CONDITIONS

A. Revenue Requirement (Settlement ¶ 44)

UGI Electric proposed to increase rates designed to produce additional annual operating revenue of approximately \$8.7 million, or an increase of 10 percent on a total revenue basis. UGI Electric St. 1 at 6. The Company stated that its proposal was driven primarily by its need to earn a fair rate of return on the Company's investments. UGI Electric St. 1 at 8-9.

Based upon the testimony of the OCA's witnesses, the OCA recommended that the Company receive a revenue increase of no more than \$4.986 million, which is approximately \$3.714 million less than the Company's request. This recommendation was based, in part, upon numerous adjustments to the Company's rate base and expenses for the Future Test Year (FTY) and Fully Projected Future Test Year (FPFTY), as well as a recommended reduction to the Company's proposed return on equity.

The Settlement provides that the Company will be permitted to increase rates to produce an annual distribution revenue increase of approximately \$6.15 million. Settlement ¶ 44. Overall, this represents an increase of approximately 7.1% over present revenues and is approximately \$2.55 million less than the total amount requested by UGI Electric.

The Settlement represents a "black box" approach to the revenue requirement, including cost of capital issues. Black box settlements avoid the need for protracted disputes over the merits of individual revenue requirement adjustments and avoid the need for a diverse group of stakeholders to attempt to reach a consensus on each of the disputed accounting and ratemaking issues raised in this matter, as policy and legal positions can differ. As such, the parties have not specified a dollar amount for each issue or adjustment raised in this case. Attempting to reach

agreement regarding each adjustment in this proceeding would have likely prevented any settlement from being reached.

Based on the OCA's analysis of UGI Electric's filing, discovery responses received, and testimony by all parties, the revenue increase under the Settlement represents a result that would be within the range of likely outcomes in the event of full litigation of the case. As such, the OCA submits that the increase agreed to in this Settlement is in the public interest and in the interest of UGI Electric's ratepayers, and should be approved by the Commission.

B. Revenue Allocation/Rate Design (Settlement ¶¶ 45-48)

In its filing, UGI Electric proposed to increase annual distribution revenues by \$8.7 million for a system average increase of 20.53 percent (on a distribution revenue-only basis). UGI Electric St. 6 at 23. Of that amount, the Company proposed to allocate approximately \$8.12 million to the residential customer class. *Id.* The Company's proposed allocation resulted in a 29.3 percent increase to the residential class on a distribution-only basis. *Id.* The Company also proposed to increase its existing fixed customer charge from \$8.74 to \$13.00 per month. UGI Electric St. 6 at 23.

OCA witness Jerome D. Mierzwa reviewed the Company's revenue allocation proposal and the Company's COSS upon which the Company's allocation was based. The OCA contested the Company's COSS in this matter and Mr. Mierzwa submitted two alternative cost of service studies. *See* OCA St. 3 at 16-19. Mr. Mierzwa's preferred COSS classified upstream distribution costs as 100 percent demand-related. OCA St. 3 at 16. Based on Mr. Mierzwa's preferred COSS, Mr. Mierzwa recommended that the residential class be allocated approximately \$6.345 million of the Company's proposed increase with a proportional scale back should an increase of less than \$8.7 million be authorized. OCA St. 3 at 21, 23. In the

alternative, if the Commission were to adopt the Company’s COSS, Mr. Mierzwa revised the Company’s COSS to reflect the peak load carrying capability (PLCC) of the minimum system. See OCA St. 3 at 13, 17-19. Based on this alternative COSS, in the event that the Commission were to adopt the minimum system method, Mr. Mierzwa recommended that the residential class be allocated no more than approximately \$6.655 million of the Company’s proposed increase with a proportional scale back should an increase of less than \$8.7 million be authorized. OCA St. 3 at 22-23. Lastly, Mr. Mierzwa recommended that the Company’s fixed monthly customer charge remain at \$8.74. OCA St. 3 at 25.

Based on the OCA’s review of the cost of service studies presented in this proceeding and the varying revenue allocation proposals, the OCA views the Settlement to be within the range of reasonable outcomes that would result from full litigation of this case. Under the Settlement, the residential customer class will be allocated approximately \$5.44 million of the settled-upon revenue increase, which is an approximate 19.6 percent increase over present distribution revenue. Settlement ¶ 46. Moreover, the fixed monthly customer charge for residential customers will increase from \$8.74 to \$9.50 per month, or by \$0.76, or by 8.7%. Settlement ¶ 47.

The following table compares the monthly bill of an average monthly residential customer using 1,000 kWh at present rates, filed rates, and settlement rates:

Monthly Bill of an Average Residential Customer Using 1,000 kWh	
Present Rates	\$110.18
Filed Rates	\$123.83
Settlement Rates	\$119.69

Thus, the Settlement reduces the impact of this rate increase on residential customers. Moreover, reducing the amount of the increase allocated to the fixed monthly customer charge will ensure that customers have greater control over lowering their monthly bills through conservation and

usage reduction efforts. Accordingly, the OCA submits that the revenue allocation is reasonable, and in the public interest, and should be approved.

C. Electric Vehicle Charging Initiative (Settlement ¶ 52-55)

In its filing, the Company proposed its Electric Vehicle (EV) Charging Initiative, which, if approved, would allow the Company to construct and own three charging stations for public use at a tariffed rate, also known as Rate EV-C (Electric Vehicle – Company Owned). UGI Electric St. 6 at 38-39; see also UGI Electric Book XI, Exh. F, Proposed Supplement No. 26, Second Revised Page 82. In addition, the Company also sought approval to revise its tariff to modify its service line extension regulations to provide make-ready infrastructure to any qualified electric vehicle charging station. UGI Electric St. 6 at 40; see also UGI Electric Book XI, Exh. F, Proposed Supplement No. 26, First Revised Page 17. Altogether, the Company's EV Charging Initiative was estimated to cost approximately \$300,000 for the FPFTY. UGI Book V, Sch. C-2, Pg. 4, Column 3, Line, 31.

OCA witness Lafayette Morgan, testified that the Company should not be allowed to own the EV Charging Stations as proposed because this would allow a regulated utility to enter an unregulated competitive market with all risks being borne by captive ratepayers. OCA St. 1 at 13. Mr. Morgan also recommended that the Commission deny the Company's proposed rate EV-C for similar reasons. OCA St. 1 at 14. Moreover, Mr. Morgan recommended that the Commission deny the Company's proposed revisions to its service line regulations that would allow the Company to own 'make-ready' infrastructure that extends behind the meter, when such costs are more appropriately borne by the charging station owner. OCA St. 1 at 14.

The OCA submits that the Settlement reasonably addresses the recommendations of the OCA. The settlement states that the Company will withdraw, without prejudice, its proposals to

(1) recover the capital and operating costs associated with the Company's installation and ownership of EV charging stations on its distribution system; and (2) its proposal to establish Rate EV-C. Settlement ¶ 55. Moreover, the Company revised its proposed service line modifications to address the OCA's concern that such 'make-ready infrastructure' provided by the Company does not extend behind the meter. Settlement ¶ 54. Accordingly, the OCA submits that this provision of the Settlement is in the public interest.

D. Battery Storage Proposal (Settlement ¶ 49-51)

In its filing, the Company sought approval to construct, own, and maintain a small-scale battery storage asset on its distribution system. UGI Electric St. 1 at 15. The Company noted that the battery would be installed on a circuit that has been subject to frequent outages and has unusual terrain making traditional solutions difficult to implement. UGI Electric St. 3 at 27-28. The Company stated that the battery would be used to respond to major storm interruptions to reduce potential hours of service interruption. UGI Electric St. 3 at 24-25. The Company indicated the battery could support a peak load of 68 customers within its footprint for up to four hours and potentially for longer periods during non-peak hours. UGI Electric St. 3 at 26. The Company also stated that the battery would be used to participate in the PJM Interconnection LLC ("PJM") Frequency Regulation Market. Id.; see also UGI Electric St. 3 at 28, UGI Electric St. 6 at 45-46. The cost of the battery is approximately \$1.5 million and would be included in the Company's proposed rate base. UGI Electric Book V, Sch. C-2, Pg.4, Column 3, Line 19.

In direct testimony, OCA witness Jerome D. Mierzwa recommended that the Commission reject the Company's battery storage proposal. OCA St 3 at 27. Among his concerns, Mr. Mierzwa indicated that the battery may perform a generation function such that the Company's ownership may violate Section 2804(14) of the Public Utility Code, that the

Company has not demonstrated that the battery is the most cost effective approach to meeting the demands of the 68 customers in the battery's footprint, and that the battery may not be sufficiently charged for service if it participates in PJM's Frequency Regulation Market. OCA St. 3 at 26-27; see also 66 Pa. C.S. § 2804(14).

In rebuttal, the Company indicated that the cost to install the battery would be the cheapest option to address the outages when compared to the cost of traditional solutions. UGI Electric St. 3-R at 17-18.

The OCA submits that the Settlement represents a fair resolution of the issues. As set forth in the Settlement, the Company agrees to install the battery as a pilot program to test the ability of the battery to provide outage services within the battery's footprint. Settlement ¶ 49. The Company also agrees to provide annual information concerning the duration, extent, cause, and times for each outage, the duration and times the battery storage system was used to maintain service during the outage, and loads on the facilities served by the battery storage system just prior to and during the outage. Settlement ¶ 50. In addition, the Company will not use the battery storage system to participate in the PJM Frequency Regulation Market. Settlement ¶ 49. Lastly, all parties reserve their rights to challenge any future upgrades to this circuit that may occur in the future, including removing the battery from rate base. Settlement ¶ 51.

This provision of the Settlement reflects a carefully-crafted compromise of the parties' positions and is based on the small size of the battery and the unique circumstances of the distribution circuit at issue, including its voltage, its status as a worst performing circuit, the surrounding terrain, the nearby vegetation, and the load served by this circuit. Moreover, the Settlement will provide the parties an opportunity to learn and understand how the Company

operates the battery, the benefits it provides, and the extent to which it enhances the reliability of the distribution system. Importantly, if the Company fails to demonstrate these benefits, the Settlement allows the parties to recommend removal of the battery asset from rate base in a future base rate proceeding. Accordingly, this provision is in the public interest.

E. Customer Assistance Provisions (Settlement ¶¶ 66-72)

The Settlement also provides for numerous provisions and modifications to the Company's universal service programs, as well as continued outreach to customers during the ongoing COVID-19 Pandemic. Chief among them, the Company agrees to make concerted efforts to promote assistance programs and Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") funding through mass media campaigns, bill inserts, and through co-ordination with program providers. Settlement ¶ 66. In addition, the Company has agreed to modify its WARM initiative to, among other things: (1) solicit customers who received LIHEAP in the prior 12 months for enrollment in the Company's CAP two times a year, (2) solicit customers who self-reported Level 1 income in the prior 12 months for enrollment in the Company's CAP two times a year, (3) accept verbal self-reported income eligibility for customers at or below 250% of the Federal Poverty Level during the Winter Moratorium for purposes of winter shutoff protections, requests for deferred payment arrangements, or any other customer contact with the call center for an unpaid bill, (4) contact administrators of applicable PA DHS public assistance programs, requesting that they ask DHS applicants enrolling in their public assistance programs to designate whether the DHS applicants want UGI Electric to be informed of their income eligibility for various customer service protections propounded by the Pennsylvania PUC, and (5) provide written materials regarding UGI Electric's CAP to public school districts in the Company's service and community and faith-based food pantries, soup kitchens, and emergency

shelters to solicit participation and identify eligible customers for winter shutoff protections. Settlement ¶ 68.

As part of Settlement, the Company also will increase spending in its Low-Income Usage Reduction Program (LIURP) commensurate with the increase to the residential class resulting from this case. Settlement ¶ 70. The Company will also increase its contribution to its Operation Share program commensurate with the percentage rate increase to the residential class resulting from this case.⁷ Settlement ¶ 71.

Altogether, the OCA supports these additional measures. As stated by the OCA's Witness Roger Colton:

Even as the public vaccination against the coronavirus becomes more widespread, the economic crisis caused by the COVID-19 pandemic continues to hit Pennsylvania residents, including UGI Electric customers, hard. The economic impacts will result in a long-term economic disruption for customers of UGI Electric.

OCA St. 5 at 12. The above provisions, taken together, provide targeted outreach to customers to ensure that they have access to the Company's assistance programs when they may need it most.

⁷ The Company's Operation Share Energy Fund is the Company's hardship fund consisting of donations from the Company, its employees, and customers, providing energy assistance grants to qualified customers.

III. CONCLUSION

The OCA submits that the terms and conditions of the proposed Settlement of this rate investigation, taken as a whole, represents a fair and reasonable resolution of the issues raised by the OCA in this matter. Therefore, the OCA submits that the Settlement should be approved by the Commission, without modification as being in the public interest and in the interest of UGI Electric's ratepayers.

Respectfully Submitted,

/s/Phillip D. Demanchick
Phillip D. Demanchick Jr.
Assistant Consumer Advocate
PA Attorney I.D. # 324761
E-Mail: PDemanchick@paoca.org

Darryl A. Lawrence
Senior Assistant Consumer Advocate
PA Attorney I.D. # 93682
E-Mail: DLawrence@paoca.org

Counsel for:
Christine Maloni Hoover
Interim Acting Consumer Advocate

Office of Consumer Advocate
5th Floor, Forum Place
555 Walnut Street
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152

DATE: July 19, 2021
311184

Appendix I

**STATEMENT OF
THE OFFICE OF SMALL BUSINESS ADVOCATE
IN SUPPORT OF THE
JOINT PETITION FOR APPROVAL OF SETTLEMENT OF ALL ISSUES**

Introduction

The Small Business Advocate is authorized and directed to represent the interests of the small business consumers of utility services in the Commonwealth of Pennsylvania under the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50. Pursuant to that statutory authority, the Office of Small Business Advocate (“OSBA”) filed a complaint against the rates, terms, and other provisions of Supplement No. 26 to Electric Pa. P.U.C. No. 6 (“Tariff No. 6”) and Supplement No. 2 to UGI Electric Tariff – Pa. P.U.C. No. 2S (“Tariff No. 2S”) which were filed with the Pennsylvania Public Utility Commission (“Commission”) by UGI Utilities, Inc. –Electric Division (“UGI-E” or the “Company”) on February 8, 2021.

The OSBA actively participated in the negotiations that led to the proposed settlement and is a signatory to the Joint Petition for Approval of Settlement of All Issues (“*Joint Petition*”). The OSBA submits this statement in support of the *Joint Petition*.

The Joint Petition

The *Joint Petition* sets forth a list of issues that were resolved through the negotiation process. The following issues were of particular significance to the OSBA when it concluded that the *Joint Petition* was in the best interests of UGI-E's small business customers.

1. Revenue Allocation

OSBA witness Robert D. Knecht summarized the Company's small commercial and industrial ("Small C&I") GS-1 and GS-4 classes, as follows:

The two primary categories for service to small and medium business customers are Rates GS-1 and GS-4.

Rate GS-1 comprises the smallest non-residential customers, with a maximum billing demand of only 5 kW. The average customer consumes about 437 kWh per month, roughly half that of the average residential customer.

* * *

The GS-1 tariff for distribution services consists of a monthly customer charge and a flat energy charge. The vast majority of Rate GS-1 load takes utility default service electric supply (90 percent).

Rate GS-4 service applies to customers with at least 5 kW in billing demand, generally up to the 100-kW minimum for Rate LP large power service. Service is generally 3-phase, although single phase service is provided to certain customers.

* * *

The GS-4 tariff for distribution services consists of a two-block demand charge (sharply declining), and a three-load-factor-block 'Wright' energy tariff. A significant share of GS-4 service load takes default service, although approximately 29 percent of the load is purchased from competitive electric generation suppliers ('EGSs').

OSBA Statement No. 1, at 2-3 (footnote omitted). Note that for cost allocation purposes, the Company includes its flood control service (Rate FCP) customers in the GS-4 rate class category.

Mr. Knecht testified extensively regarding the allocated cost of service study (“ACOSS”) methodology and revenue allocation. *See, e.g.*, OSBA Statement No. 1, at 4-14.

Due to errors and oversights in the Company’s original ACOSS, Mr. Knecht created his own ACOSS in this proceeding.¹ Ultimately, Mr. Knecht summarized his results in the follow Table:

Table IEc-1				
Comparative ACOSS Results				
	Class Rate of Return at Current Rates		Class Cross-Subsidies at Current Rates (\$000)	
	UGI Electric	RDK	UGI Electric	RDK
Residential	-1.3%	-3.4%	(\$4,387)	(\$6,595)
GS-1	1.2%	-2.2%	(\$166)	(\$464)
GS-4	19.9%	32.4%	\$2,023	\$2,778
Large Power	17.6%	49.1%	\$2,014	\$3,672
Lighting	27.2%	42.5%	\$516	\$6,08
System	3.2%	2.8%	--	--
Notes: 1. A positive cross-subsidy implies that the class is over-recovering costs; a negative value implies that the class is being subsidized. 2. The system rate of return in my ACOSS is lower than that reported by the Company due to the change in ACOSS revenues to be consistent with the proof-of-revenues analysis. Sources: RDK WP1, RDK WP2				

OSBA Statement No. 1, at 14.

¹ *See* OSBA Statement No. 1, at 7-14, for a full discussion of Mr. Knecht’s ACOSS. As detailed in the rebuttal testimony of John D. Taylor (UGI Electric Statement No. 6-R), the Company accepted most of Mr. Knecht’s recommended corrections.

Mr. Knecht then applied the results of his ACOSS to develop an alternative class revenue allocation at the originally requested Company revenue requirement. As Mr. Knecht explained, this proposal was only modestly different from the Company’s proposal because the maximum increases for the subsidized rate classes are constrained by rate gradualism considerations.

OSBA Statement No. 1, at 18. Table IEC-R3 is set forth, below:

Table IEC-3					
RDK Revenue Allocation Summary					
	Increase (\$000)	Increase (%)	Subsidy at Present Rates (\$000)	Subsidy at Proposed Rates (\$000)	Progress (%)
Residential	\$8,027	34.8%	(\$6,595)	(\$5,466)	17%
GS-1	\$676	33.3%	(\$464)	(\$384)	17%
GS-4	\$6	NM	\$2,778	\$2,180	22%
Large Power	--	0.0%	\$3,672	\$3,163	14%
Lighting	--	0.0%	\$6,08	\$507	17%
System	\$8,709	24.0%	--	--	--
Source: RDK WP1					

OSBA Statement No. 1, at 19.

UGI-E originally requested an increase in annual revenues of approximately \$8.7 million. *Joint Petition*, at Paragraph 1. This amount represents an increase in base rate revenues of 24.0 percent. Of that amount, approximately \$590,000 was to be recovered from Rate GS-1 (a 33 percent base rate increase), and zero from Rate GS-4. The Joint Petition proposes an annual revenue increase of \$6.15 million. *Joint Petition*, at 2. This represents an average base rate increase of 16.9 percent. The *Joint Petition* proposes the following revenue allocation for the GS-1 and GS-4 classes:

- Rate GS-1: \$ 391,869 (19.3 percent of base rates)
- Rate GS-4: \$ 127,437 (2.6 percent of base rates)

Joint Petition, at Paragraph 46. The OSBA observes that the *Joint Petition*'s revenue allocation proposal for the combined GS-1 and GS-4 classes is only modestly higher than Mr. Knecht's revenue allocation proposal when proportionally scaled-back. As such, the OSBA concludes that the revenue allocation proposal in the *Joint Petition* is not unreasonable, recognizing the overall rate increase agreed to by the parties.

Consequently, the OSBA submits that this proposal is a just and reasonable result.

2. EV Charging Stations

Mr. Knecht provided extensive testimony addressing the Company's various electric vehicle ("EV") charging proposals. *See, e.g.*, OSBA Statement No. 1, at 25-28. Mr. Knecht summarized the UGI-E proposals, as follows:

The Company proposes to develop, install and operate three EV charging stations with DC Fast Charge ("DCFC") and Level 2 Charge capabilities, in the fully projected future test year, at a rate base costs of \$300,000 plus operating costs. Neither electricity costs nor sales revenues are reflected in the FPFTY revenue requirement for the charging stations. Electricity supply for the proposed EV stations will be treated as company-use supply, and implicitly provided through line loss adjustments to both default and EGS supply. In effect, it appears that the entire cost for this project even including electric supply costs will be imposed on ratepayers, with all revenues flowing to UGI Electric shareholders.

OSBA Statement No. 1, at 25 (footnotes omitted). Mr. Knecht continued, as follows:

The Company also proposes that it will provide investment allowances in make-ready infrastructure for new third-party EV charging stations. The Company's proposed changes are presented in Tariff Rule 5 (new paragraphs (l) and (m)), relating to system extension policies, and indicate generally that the Company will provide the investment required for 'infrastructure' necessary for the operation of third-party EV charging stations.

Id., at 25-26.

Mr. Knecht concluded that the Company's EV proposals were unfair to UGI-E's ratepayers, as they would have to pay the costs of the proposals; were anti-competitive; and the Company had failed to assess the actual need for EV charging stations in its service territory. *Id.*, 26. Ultimately, Mr. Knecht recommended that the Commission either reject the UGI-E EV proposals in their entirety or approve the Company's EV proposals temporarily and only if they are offered on a competitively neutral basis. *Id.*, at 27-28.

The *Joint Petition* essentially adopts Mr. Knecht's testimony. First, the EV "make-ready" charging infrastructure tariff provisions will be offered on a temporary basis, through a pilot program that will sunset on September 30, 2026. *Joint Petition*, at Paragraph 52(a).

Second, the *Joint Petition* proposes that the make-ready infrastructure will not include any behind-the-meter costs associated with the installation of EV charging stations. *Id.*, at Paragraph 54. This will significantly reduce the financial burden placed upon the Company's ratepayers of any EV charging infrastructure developed in the Company's service territory.

Third, the *Joint Petition* proposes to withdraw the Company's proposal to recover the costs associated with the Company's installation and ownership of EV charging stations on its distribution system, and the Company proposal to establish Rate EV-C.

Consequently, as the *Joint Petition* proposes to follow Mr. Knecht's testimony on this issue, the OSBA submits that the proposed resolution is just and reasonable.

3. Rate FCP

Mr. Knecht's testimony demonstrated that the Company's proposed rates for FCP service continued to be far below those of GS-4 customers, without any evidence that the cost to provide FCP service were lower. OSBA Statement No. 1, at 23. The Company's rebuttal testimony indicated that there are aspects of FCP service that make it less costly, but failed to provide any

quantitative evidence in support. UGI-E Statement No. 6-R, at 9. *See also* OSBA Statement No. 1-S, at 3-4. As this is a long-standing and relatively low-cost issue, the Company and the OSBA concluded that this matter was best resolved by having the Company undertake a full cost evaluation in the next base rates proceeding. The *Joint Petition* reflects that agreement in paragraph 48.

Conclusion

For the reasons set forth in the *Joint Petition*, as well as the additional factors that are enumerated in this statement, the OSBA supports the proposed *Joint Petition* and respectfully requests that the ALJ and the Commission approve the *Joint Petition* in its entirety.

Respectfully submitted,

/s/ Steven C. Gray

Steven C. Gray
Senior Supervising
Assistant Small Business Advocate
Attorney ID No. 77538

Office of Small Business Advocate
555 Walnut Street
Forum Place, 1st Floor
Harrisburg, PA 17101

Dated: July 19, 2021

Appendix J

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission, et al.	:	
	:	
v.	:	Docket No. R-2021-3023618
	:	
UGI Utilities, Inc. – Electric Division	:	

**STATEMENT OF THE COALITION FOR AFFORDABLE UTILITY SERVICES
AND ENERGY EFFICIENCY IN PENNSYLVANIA (CAUSE-PA) IN SUPPORT OF
THE JOINT PETITION FOR SETTLEMENT OF ALL ISSUES**

The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), a signatory party to the Joint Petition for Settlement of All Issues (Joint Petition or Settlement), respectfully requests that the terms and conditions of the Settlement be approved by the Honorable Steven K. Haas, Administrative Law Judge (ALJ), and the Pennsylvania Public Utility Commission (Commission). For the reasons stated more fully below, CAUSE-PA believes that the terms and conditions of the Settlement are in the public interest and should be approved.

I. INTRODUCTION

CAUSE-PA intervened in this proceeding to address, among other issues, whether the proposed rate increase would detrimentally impact the ability of UGI Utilities, Inc. – Electric Division’s (UGI’s) low-income customers to access affordable service under reasonable terms and conditions. CAUSE-PA did not submit written testimony in this proceeding, but actively participated in settlement negotiations.

The Commission’s regulations lend unambiguous support for settlements, and declare: “It is the policy of the Commission to encourage settlements.”¹ The Commission has also set explicit policy guiding settlement of a major rate case, explaining in its codified statement of policy that “the results achieved from a negotiated settlement or stipulation, or both, in which the interested parties have had an opportunity to participate are often preferable to those achieved at the conclusion of a fully litigated proceeding.”² Settlements are preferred because they “lessen the time and expense that Parties must expend litigating a case and, at the same time, conserve resources.”³ In reviewing whether to approve a proposed settlement, the Commission must determine whether the terms and conditions are in the interest of the public based on a preponderance of the evidence “showing a likelihood or probability of public benefits that need not be quantified or guaranteed.”⁴ Historically, the Commission has defined the public interest as inclusive of ratepayers, shareholders, and the regulated community at large.⁵ Of course, proposed settlement terms must also be consistent with applicable law.⁶

This Settlement was arrived at through good faith negotiation by all parties. The Settlement is in the public interest in that it (1) addresses the ability of low-income customers in UGI’s service territory to access safe and affordable electric, (2) balances the interests of the parties, and (3) fairly resolves a number of critical issues raised by the parties. If the Settlement is approved, the parties will also avoid considerable litigation and/or appeals costs.

¹ 52 Pa. Code § 5.231.

² 52 Pa. Code § 69.401.

³ See Commonwealth of Pa. et al. v. IDT Energy, Inc., Docket No. C-2014-2427657, at 35-37 (Tentative Order entered June 30, 2016).

⁴ See id. (quoting Popowsky v. Pa. PUC, 594 Pa. 583, 937 A.2d at 1040 (2007)).

⁵ See id. (citing Pa. PUC v. Bell Atlantic Pennsylvania, Inc., Docket No. R-00953409 (Order entered Sept. 29, 1995)).

⁶ See id. (citing Dauphin County Indus. Dev. Auth. v. Pa. PUC, 2015 Pa. Commw. LEXIS 381 (Sept. 9, 2015)).

II. BACKGROUND

For the purposes of this Statement in Support, CAUSE-PA adopts the procedural history as set forth in the attached Joint Petition. (Joint Pet. at ¶¶ 1-41).

III. SETTLEMENT

A. GENERAL

When determining whether a proposed rate increase is just and reasonable, special consideration must be given to the impact of the proposed rate increase and rate structure on the ability of vulnerable, low-income consumers to afford service.

The proposed Settlement takes rate affordability into account by using structural rate design to limit the disproportionate burdens on low-income households and through the adoption of critical enhancements to UGI's universal service programs. The rate design and enhancements to universal service programming contained in the proposed Settlement will better match needy households with available assistance and ensure access to stable and affordable utility services over the long term. These terms, and the reasons each are in the public interest, are discussed further below.

B. REVENUE REQUIREMENT

CAUSE-PA did not take a formal position in this proceeding on the revenue requirement.

C. REVENUE ALLOCATION/RATE DESIGN

One of CAUSE-PA's concerns regarding UGI's proposed rate increase was the negative effect its proposal to significantly increase its fixed residential customer charge, could have a disparate impact on smaller households, with limited economic means. (CAUSE-PA Pet. to Intervene at ¶ 16) Under the terms of the Settlement, the residential (fixed) customer charge will be set at \$9.50 (Joint Pet. at ¶ 47). UGI initially proposed a customer charge of \$13.00. CAUSE-

PA supports this provision and recommends that the Commission approve it. Limiting the amount of the fixed charge increase will preserve the ability of low-income households to meaningfully reduce their consumption to control their utility costs and, in turn, other universal service costs.

D. PROGRAMS/PROPOSALS

In its initial filing, UGI proposed a plan to install and own electric vehicle (EV) charging stations and recover the cost through rates. As part of this settlement, UGI Electric withdraws, without prejudice, its proposals to recover the capital and operating costs associated with the Company's installation and ownership of EV charging stations on its distribution system. (Joint Pet. at ¶ 55). CAUSE-PA supports this provision of the settlement and recommends that it be approved by the Commission, because it will help ensure that low-income customers are not required to pay the cost for electric vehicle charging stations, which they cannot afford to utilize.

E. DSIC/REPORTING

CAUSE-PA did not take a formal position in this proceeding on DSIC/Reporting.

F. ACCOUNTING

CAUSE-PA did not take a formal position in this proceeding on Accounting.

G. COMPANY'S COVID-19 RELIEF EFFORTS

Currently, the economic crisis caused by the COVID-19 pandemic continues to negatively impact Pennsylvania residents, with low-income consumers being especially hard hit. (OCA St. 4 at 11-12). As part of this settlement, the Company will continue to assist customers impacted by COVID-19 through various efforts and initiatives to promote existing Company assistance programs and to facilitate customer access to COVID-19 pandemic-related public utility assistance sources. (Joint Pet at ¶ 66). The Company has agreed to a mass media campaign, direct mail and email campaigns, and bill inserts promoting available assistance programs. (Joint Pet at ¶ 66 (a),(b),(c)). The Company will also coordinate with administrators for federal and state program

providers to connect customers with appropriate programs and will solicit both customers receiving LIHEAP in the prior 12 months and customers who self-report Level 1 income in the prior 12 months for enrollment in CAP two time per year. (Joint Pet at ¶ 66 (d), (d), (f), (g)).

CAUSE-PA supports these provisions of the settlement because they will help aid the economic recovery for UGI's low-income customers by connecting them with needed assistance, which will help them afford service while reducing unprecedented levels of residential customer arrears. As such, CAUSE-PA recommends that the Commission approve this provision.

H. UNIVERSAL SERVICES

Continued delivery of safe, affordable service is of critical importance to the safety, welfare, and economic stability of all Pennsylvanians – particularly those with limited financial means. In recognition of this fact, the law requires that utility services be universally available at an affordable rate, and that all universal service programs be developed, maintained, and appropriately funded to ensure that low-income households can reasonably afford to maintain service to their homes. (CAUSE-PA Pet to Intervene at ¶ 16; see also 66 Pa. C.S. § 2203(3), (8)). As part of this settlement, UGI agrees to improve its WARM initiative by taking the following steps (Joint Pet at ¶ 68):

- Perform a solicitation of customers who received LIHEAP in the prior 12 months for enrollment in the Company's CAP 2 times a year.
- Perform a solicitation of customers who self-reported Level 1 income in the prior 12 months for enrollment in the Company's CAP 2 times a year.
- Accept verbal self-reported income eligibility for customers at or below 250% of the Federal Poverty Level during the Winter Moratorium for purposes of winter shutoff protections, requests for deferred payment arrangements, or any other customer contact with the call center for an unpaid bill. Normal income verification requirements maintained by the Company shall apply upon the end of the Winter Moratorium period.

- Accept verification of income eligibility by any community-based organization (“CBO”) in the Company’s service territory delivering public or private assistance.
- Contact of administrators of applicable PA DHS public assistance programs, requesting that they ask DHS applicants enrolling in their public assistance programs to designate whether the DHS applicants want UGI Electric to be informed of their income eligibility for various customer service protections propounded by the Commission. Each household who the program administrators identify to UGI Electric as answering in the affirmative shall be deemed by UGI Electric as a Confirmed Low-Income customer and/or a customer eligible for winter shutoff protections. Normal income verification requirements maintained by the Company shall apply thereafter (for enrollment/participation in UGI Electric Universal Service programs).
- Provide written materials, which solicit participation in UGI Electric’s CAP and/or identification of customers eligible for winter shutoff protections, to:
 - Public school districts in the Company’s service territory, so that they can distribute the materials to school households with students eligible for the federal free and reduced school meals program; and/or Head Start programs; and
 - Community and faith-based food pantries, soup kitchens, and emergency shelters.
- Provide written CAP solicitation materials to be delivered by local and/or county offices delivering benefits through the federal Supplemental Nutrition Assistance Program (“SNAP”) (Food Stamps), as well as through local Public Housing Authorities.
- Only include earned income from household occupants aged 18 years and older when verifying household income.

(Joint Pet at ¶ 16). CAUSE-PA supports these provisions and recommends they be approved because they will help improve low-income customers access UGI’s universal service programs and will improve the effectiveness of the programs.

Additionally, UGI has agreed to refund all security deposits to a customer who receives weatherization through the Company’s Low Income Usage Reduction Program (LIURP) or any other low-income usage reduction program in the Company’s Energy Efficiency and Conservation Plan. (Joint Pet at ¶ 69). The Company also agrees:

- To increase LIURP spending commensurate with the percentage rate increase to the residential class resulting from this case,

- To use the CBOs traditionally utilized in the administration and implementation of its universal service programs, and
- To use the large carryover of LIURP funding from 2020 to increase the LIURP budgets of the CBOs that have the demonstrated capacity to do the additional work.

(Joint Pet. at ¶ 70).

Also, the Company's contribution to Operation Share will be increased commensurate with the percentage rate increase to the residential class resulting from this case. (Joint Pet at ¶ 71). The Company has also agreed to review currently held security deposits and will issue a bill credit or refund for any deposit previously collected from a confirmed low-income customer. (Joint Pet at ¶ 72).

CAUSE-PA supports these provisions of the Settlement and recommends they be approved because they will help to ensure that low-income customers receive refunds for security deposits to which they are entitled, pursuant to section 56.32(e) of the Commission's regulations, and will improve the accessibility of the Company's LIURP. The provisions will also help ensure that UGI's LIURP programs is adequately funded to help low-income customers mitigate the impact of the rate increase by reducing usage through conservation measures. The provisions will also help ensure that the LIURP funds that were not spent due to the COVID-19 pandemic are fully utilized to help reduce energy usage for high usage customers. Finally, these provisions will help ensure Operation Share has additional funds available to help low-income customers facing hardships, which is especially important in the face of the rate increase.

IV. THE SETTLEMENT IS IN THE PUBLIC INTEREST

This Settlement takes rate affordability into account by limiting the impact of the rate increase on low-income households through common-sense enhancements to available low-income programs and by limiting increases to the fixed customer charge. While rates will still increase for residential consumers, CAUSE-PA asserts that the enhancements contained in the

Settlement reasonably balance a range of interests in this proceeding and will help vulnerable low-income consumers to access available assistance programs. The Settlement also helps preserve limited resources of the Company, the Commission, and the parties to this proceeding by eliminating the need for further litigation and possible appeal. Thus, CAUSE-PA asserts that the terms of the proposed Settlement are in the public interest and should be approved.

IV. CONCLUSION

CAUSE-PA submits that the Settlement, which was achieved by the Joint Petitioners after an extensive investigation of UGI's filing and negotiations amongst the parties, is in the public interest. Acceptance of the Settlement avoids the necessity of further administrative and possible appellate proceedings about the settled issues – which would have been undertaken at a substantial cost to the Joint Petitioners and UGI's customers. Accordingly, CAUSE-PA respectfully requests that ALJ Hoyer and the Commission approve the Settlement without modification.

Respectfully submitted,
PENNSYLVANIA UTILITY LAW PROJECT
Counsel for CAUSE-PA



John W. Sweet, Esq., PA ID: 320182
Ria M. Pereira, Esq., PA ID: 316771
118 Locust Street
Harrisburg, PA 17101
Tel.: 717-236-9486
Fax: 717-233-4088
PULP@putilitylawproject.org

Date: July 19, 2021,

Appendix K

B. In the Settlement the Company reiterates its intent to continue to use community-based organizations to assist in the implementation of its universal service programs and will look to increase the budgets of those CBOs that have the capacity to perform carry-over work from 2020;

C. The Company proposed in its initial filing to increase its fixed monthly residential customer charge from \$13.00. Such an increase in the fixed charge would have lessened the motive and ability of the residential class to conserve energy and reduce their monthly bill. The Settlement lessens such a negative impact in that it provides that the fixed monthly residential customer charge will set at \$9.50;

D. In settlement the Company has agreed to increase the Company's contribution to its Hardship Fund;

E. This settlement is consistent with the Commission's obligation under the Electricity Generation Customer Choice and Competition Act to insure that universal service programs are appropriately funded and available, that energy conservation measures are promoted and available to consumers, particularly low income consumers, and that community-based organizations are used to assist in the implementation of an electric company's universal service programs.

WHEREFORE, CEO respectfully requests that the settlement be approved.

Respectfully submitted,

s/ Joseph L. Vullo
JOSEPH L. VULLO, ESQUIRE
I.D. No. 41279
Burke Vullo Reilly Roberts
1460 Wyoming Avenue
Forty Fort, PA 18704
Attorney for CEO

Appendix L

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	Docket Number
v.	:	R-2021-3023618
UGI Utilities, Inc. – Electric Division	:	

**TESTIMONY IN SUPPORT OF SETTLEMENT OF
MATTHEW DEAL
ON BEHALF OF
CHARGEPOINT, INC.**

ChargePoint Statement No. 3

July 19, 2021

1 **Q: Please state your name.**

2 A: My name is Matthew Deal.

3 **Q: By whom are you employed and in what position?**

4 A: I am Manager of Utility Policy at ChargePoint, Inc (ChargePoint).

5 **Q: Are you the same Matthew Deal who submitted Direct Testimony and Rebuttal**
6 **Testimony on behalf of ChargePoint in this proceeding on May 3, 2021 and May 27,**
7 **2021, respectively?**

8 A: Yes, I am.

9 **Q: What is the purpose of your testimony?**

10 A: The purpose of my testimony is to explain ChargePoint's reasons for supporting the Joint
11 Petition for Approval of Settlement of All Issues (Settlement Agreement). ChargePoint is
12 a party to the Settlement Agreement and recommends that the Commission approve it.
13 Though ChargePoint supports the Settlement Agreement in its entirety, my testimony only
14 addresses the issues of importance to ChargePoint, namely, UGI Electric's EV charging
15 proposals, which are addressed in Paragraphs 52-55 of the Settlement Agreement.

16 **Q: What were ChargePoint's recommendations in this proceeding?**

17 A: In my Direct Testimony, I made the following recommendations to the Commission:

- 18 • Approve UGI Electric's proposal to invest in, own, and maintain make-ready
19 infrastructure needed to support customer-owned EV charging stations, and direct UGI
20 Electric to require EV chargers deployed through the program to be smart or
21 networked, ENERGY STAR certified, and tested for safety by a national testing
22 laboratory such as UL;

- 1 • Direct UGI Electric to allow site hosts to choose the EV charging station equipment
2 and network service provider for EV charging station locations at which UGI Electric
3 has proposed to own chargers, and to allow site hosts to set prices to drivers.

4 In my Rebuttal Testimony, I made the following additional recommendations to the
5 Commission:

- 6 • Direct UGI Electric to remove the reference to Tesla in Section 5-m of Supplement No.
7 26;
- 8 • Encourage UGI Electric to be expansive in its interpretation and implementation of
9 subpart (c) of Section 5-m to allow as many willing EV charging site hosts to participate
10 in the make-ready program as possible;
- 11 • Direct UGI Electric to adopt my proposed changes to Section 5-m of Supplement No.
12 26.

13 **Q: Please explain ChargePoint’s reasons for supporting the terms of Paragraph 52(a) of**
14 **the Settlement Agreement, which modifies proposed Rule 5-l.**

15 A: ChargePoint supports UGI Electric’s proposal to invest in, own, and maintain make-ready
16 infrastructure needed to support customer-owned EV charging stations, which Paragraph
17 52(a) would approve. As I explained in my Direct Testimony, by reducing the upfront cost
18 of installing EV charging stations for site hosts and promoting site host choice in EV
19 charging equipment and network services, UGI Electric’s make-ready proposal can be
20 expected to effectively support transportation electrification in its service territory.¹ I
21 appreciate that the parties were able to reach agreement to support UGI Electric’s make-
22 ready proposal.

¹ ChargePoint Statement No. 1, p. 4, l. 16 – p. 5, l. 21.

1 **Q: Please explain ChargePoint’s reasons for supporting the terms of Paragraph 52(b) of**
2 **the Settlement Agreement, which modifies proposed Rule 5-m.**

3 A: There are several reasons ChargePoint supports Paragraph 52(b). First, in my Direct
4 Testimony, I recommended that UGI Electric establish several eligibility criteria for EV
5 charging stations supported by the make-ready program. Specifically, I recommended that
6 UGI Electric and the Commission require that charging stations be networked, ENERGY
7 STAR Certified (for Level 2 chargers), and be certified for safety by a third-party
8 Nationally Recognized Testing Laboratory such as UL.² The Settlement Agreement
9 establishes these eligibility criteria as requirements for EV charging stations receiving
10 make-ready support.

11 Second, in my Rebuttal Testimony, I further recommended that the Commission
12 direct UGI Electric not to limit make-ready support to DC fast charger (DCFC) installations
13 and to offer make-ready support to site hosts that install at least four Level 2 charging
14 ports.³ The Settlement Agreement establishes such flexibility, which I expect will
15 encourage more site hosts to install EV charging stations in UGI Electric’s service territory.

16 Third, in my Rebuttal Testimony, I further recommended that UGI Electric not
17 require site hosts to install Tesla plugs to qualify for the make-ready program.⁴ The
18 Settlement Agreement removes this proposed requirement, which would have limited site
19 hosts’ options for EV charging equipment and network services.

² *Id.* at p. 6, l. 1 – p. 7, l. 6.

³ ChargePoint Statement No. 2, p. 4, ll. 3-22.

⁴ *Id.* at p. 5, l. 1 – p. 6, l. 13.

1 I appreciate that UGI Electric and the other parties carefully considered my
2 concerns with UGI Electric's original make-ready proposal and incorporated my primary
3 recommendations for improving the program into the Settlement Agreement.

4 **Q: Does ChargePoint support Paragraph 55 of the Settlement Agreement?**

5 A: In my Direct Testimony, I expressed support for UGI Electric's proposal to install, own,
6 and maintain EV charging stations at three locations in its service territory but
7 recommended that UGI Electric allow site hosts to choose the equipment and network
8 service provider for the chargers deployed on their property and allow site hosts to establish
9 the prices paid by drivers for EV charging services.⁵ Under Paragraph 55 of the Settlement
10 Agreement, UGI Electric withdraws its request to recover the costs of its proposed utility-
11 owned charging stations from ratepayers. I believe the Settlement Agreement represents a
12 good compromise between the various parties' positions on this issue.

13 **Q: What do you recommend?**

14 A: I recommend that the Commission approve the Settlement Agreement without
15 modification.

16 **Q: Does this conclude your testimony at this time?**

17 A: Yes.

⁵ ChargePoint Statement No. 1, p. 8, l. 4 – p. 10, ll. 22.

Appendix M

and sustainable competitive retail energy markets for all consumers. RESA members currently serve residential, commercial and industrial and institutional customers in Pennsylvania and other jurisdictions in North America that have enacted retail choice.

NRG is a leading integrated power company built on dynamic retail brands and diverse generation assets. A Fortune 500 company, NRG brings the power of energy to consumers by producing, selling and delivering electricity and related products and services to consumers in competitive markets across the U.S. and Canada, as well as 23,000 MW of electric power generation including nuclear, coal, gas, oil and solar nationwide. NRG's retail brands serve more than six million customers across North America, including a significant share in Pennsylvania – so significant, in fact, that NRG's northeast retail business is headquartered in Philadelphia. NRG has several licensed retail electricity suppliers that are actively serving residential, commercial, industrial and institutional customers.² NRG's retail companies offer customers a range of products including demand response and energy efficiency, 100% renewable energy, energy plans bundled with energy efficiency technology, such as Nest or Hive thermostats, as well as loyalty rewards and our charitable giving products through our "Choose to Give" plans.

RESA and NRG recommended in this proceeding that the Commission reject UGI Electric's: (1) battery storage proposal; and (2) request to construct and own three DC Fast Charge charging stations and invest in make-ready infrastructure. RESA and NRG also recommended

² As electric generation suppliers in Pennsylvania, NRG companies hold licenses as follows: Direct Energy Business, LLC – (Docket No. A-110025), Direct Energy Business Marketing, LLC – (Docket No. A-2013-2368464), Direct Energy Services, LLC – (Docket No. A-110164), Energy Plus Holdings LLC – (Docket No. A-2009-2139745), Gateway Energy Services Corporation – (Docket No. A-2009-2137275), Independence Energy Group LLC d/b/a Cirro Energy – (Docket No. A-2011-2262337), Reliant Energy Northeast LLC d/b/a NRG Home/NRG Business/NRG Retail Solutions – (Docket No. A-2010-2192350), Green Mountain Energy Company – (Docket No. A-2009-2139745), Stream Energy Pennsylvania, LLC – (Docket No. A-2010-2181867) and XOOM Energy Pennsylvania, LLC – (Docket No. A-2012-2283821).

that UGI Electric’s proposed EV Program focus on customer education aimed at correcting the consumer misconceptions that serve as a barrier to electric vehicle (“EV”) adoption.

In support of the Settlement, RESA and NRG offer the following.

II. STATEMENT IN SUPPORT OF THE SETTLEMENT

RESA and NRG’s interests in this proceeding were limited in scope to UGI Electric’s battery storage proposal and its proposed EV Program. Even though all of RESA and NRG’s concerns and issues are not fully addressed in the manner preferred by RESA and NRG, the Settlement represents a reasonable compromise on the issues raised by UGI Electric’s battery storage and electric vehicle proposals and should be approved.

RESA and NRG had questioned the appropriateness of UGI Electric owning the proposed battery as RESA and NRG believed that the proposed battery would be acting as a generation resource due to UGI Electric’s proposal to have the battery participate in the PJM Interconnection LLC (“PJM”) Frequency Regulatory Market.³ As part of the Settlement, UGI Electric will own the energy storage project; however, it will not use the battery to participate in the PJM Frequency Regulatory Market. (Joint Petition for Settlement at ¶ 49). The Settlement’s proposed resolution of this issue is a reasonable step forward.

RESA and NRG also questioned whether UGI Electric’s ownership of the battery storage asset would bring about the most cost savings and benefits for its distribution customers.⁴ RESA and NRG, therefore, suggested that private ownership and development of battery storage facilities would provide customers with the most cost savings and benefits because private developers, as opposed to public utilities, are incentivized by the competitive market to increase customer value

³ RESA and NRG Statement No. 1 at 8–11.

⁴ RESA and NRG Statement No. 1 at 13–17.

through efficient capital investment. As part of the Settlement, UGI Electric agreed that the battery storage project would be considered a pilot project and that the Commission's approval of the proposal will not serve as precedent for any future UGI Electric battery storage proposal or any other electric utility's battery storage proposal. (Joint Petition for Settlement ¶ 49). The Settlement also states that the settlement on the battery storage proposal is based on the small size of the battery and the unique circumstances of the distribution circuit, including its voltage, its status as a worst performing circuit, the surrounding terrain, the nearby vegetation, and the load served by the circuit. (Joint Petition for Settlement ¶ 49). As part of the parties' compromise, UGI Electric also agreed to maintain and provide information concerning the utilization of the battery storage system in an annual report filed with the Commission. (Joint Petition for Settlement ¶ 50). The battery storage proposal, as modified by the Settlement, is a reasonable resolution of a complex and novel issue.

RESA and NRG raised various concerns with UGI Electric's proposal to own and operate EV charging stations as well as its proposal to own and maintain make-ready infrastructure for EV charging stations.⁵ Primarily, RESA and NRG's concerns were related to the impact of UGI Electric's proposals on the ability of market participants to offer competitive options for their products and services to retail customers.⁶ In the Settlement, UGI Electric withdrew its proposal to recover the capital and operating costs associated with the Company's installation and ownership of EV charging stations on its distribution system. (Joint Petition for Settlement ¶ 55). UGI Electric agreed that its proposed make-ready program would not include any behind-the-meter costs associated with the installation of EV charging stations (Joint Petition for Settlement ¶ 54). UGI Electric also agreed to modify Rule 5-m of its proposed EV tariff to make its proposal

⁵ RESA and NRG Statement No. 2 (REVISED).

⁶ RESA and NRG Statement No. 2 (REVISED).

more competitively neutral. While the Settlement does not resolve all the issues raised by RESA and NRG in the manner preferred by RESA and NRG, the Settlement reflects a reasonable resolution of the aforementioned issues.

In that same vein, RESA and NRG advocated for equal access to customer data obtained through the EV Program so that market participants are not placed at a competitive disadvantage.⁷ As part of the Settlement, UGI Electric agreed to post aggregated metered usage data for Qualified EV Charging Stations on a monthly and anonymized basis to its Energy Management Website for interested parties to review. (Joint Petition for Settlement ¶ 53). Customer usage data is critically important to engaging and educating customers about their electricity use and developing tailored products to help consumers take control of their energy consumption. On balance, the Settlement's proposed resolution of the data access issue is reasonable.

III. CONCLUSION

RESA and NRG respectfully request that the Commission approve the Settlement as in the public interest and a reasonable settlement of the issues raised in this proceeding.

Respectfully submitted,

Sarah C. Stoner

Cody T. Murphey, Esq.
Eckert Seamans Cherin & Mellott, LLC
919 E. Main St., Suite 1300
Richmond, Virginia 23219
Tel (804) 788-7764
Fax (804) 698-2950
cmurphey@eckertseamans.com
(admitted *pro hac vice*)

Deanne M. O'Dell, Esquire
Attorney ID No.: 81064
Sarah C. Stoner, Esquire
Attorney ID No.: 313793
Eckert Seamans Cherin & Mellott, LLC
213 Market St., 8th Floor
Harrisburg, PA 17101
Tel (717) 237-6000
Fax (717) 237-6019
dodell@eckertseamans.com
sstoner@eckertseamans.com

Dated: July 19, 2021

Counsel for RESA and NRG Energy, Inc.

⁷ RESA and NRG Statement No. 2 (REVISED) at 17-18, 20-21.