



UGI Utilities, Inc.
460 North Gulph Road
King of Prussia, PA 19406

Post Office Box 858
Valley Forge, PA 19482-0858

(610) 337-1000 Telephone
(610) 992-3258 Fax

December 19, 2011

VIA EXPRESS MAIL

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

RECEIVED

DEC 19 2011

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: Petition of UGI Utilities, Inc. – Electric Division for Approval of its Energy Efficiency and Conservation Plan; Docket No. M-2010-2210316

Dear Secretary Chiavetta:

Enclosed please find the original plus three (3) copies of the black-lined, revised Energy Efficiency & Conservation Plan of UGI Utilities, Inc. – Electric Division, in accordance with the Commission's Final Opinion & Order entered on October 19, 2011 in the above-captioned proceeding. Copies of this filing have been served per the attached Certificate of Service.

Should you have any questions concerning this filing, please feel free to contact me at (610) 992-3750. Thank you for your attention to this matter.

Respectfully yours,

Melanie J. Elatieh (Attorney ID No. 209323)
UGI Corporation
460 North Gulph Road
King of Prussia, PA 19406
Tel.: (610) 768-3628
E-mail: elatiehm@ugicorp.com

Counsel for UGI Utilities, Inc. – Electric Division

Enclosure

Cc: Service List (as indicated)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

UGI Utilities, Inc. -- Electric Division

Energy Efficiency and Conservation Plan

Docket No. M-2010--2210316

RECEIVED

DEC 19 2011

**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

November 9, 2010 December 19, 2011

UGI Electric Exhibit 1

TABLE OF CONTENTS

SECTION 1: PLAN OVERVIEW	1
SECTION 2: PROGRAM DESCRIPTIONS	9
A. RESIDENTIAL SECTOR PROGRAMS	9
1. Appliance Rebate Program.....	9
2. School Energy Education Program.....	1616 16
3. Compact Fluorescent Lighting Campaign.....	2323 23
4. Appliance Recycling Program	2929 29
B. COMMERCIAL AND INDUSTRIAL SECTOR PROGRAMS	3535 35
1. Appliance Rebate Program.....	3535 35
2. Commercial and Industrial Custom Incentive Program	4242 42
3. HVAC Tune-up Program	5150 50
C. HOME ENERGY EFFICIENCY INCENTIVES	5857 57
1. Fuel Switching.....	5857 57
D. COMMERCIAL AND INDUSTRIAL EFFICIENCY INCENTIVES	6867 64
1. Combined Heat and Power.....	6867 64
SECTION 3: COST EFFECTIVENESS OF PLAN	7574 70
SECTION 4: PROGRAM MANAGEMENT	7675 71
1. Description of types of services to be provided by UGI Electric, as well as consultants and Conservation Service Providers	7675 71
2. Risk Management Strategies	7675 71
3. Human Resource and Contractor Resource Staffing Issues.....	7776 72
SECTION 5: QUALITY ASSURANCE, EVALUATION,	7978 74
SECTION 6: ENERGY EFFICIENCY AND CONSERVATION RIDER AND	8180 76
A. Energy Efficiency and Conservation Rider	8180 76
B. Conservation Development Rider	8281 77

Formatted: Strikethrough

Formatted: Font: Times New Roman Bold, Strikethrough

APPENDICES

Appendix A: *Pro Forma* Tariff Sheets

Appendix B: Key Assumptions Regarding Measure-Level Savings

SECTION 1: PLAN OVERVIEW

UGI Utilities, Inc. – Electric Division (“UGI Electric” or the “Company”) has constructed an Energy Efficiency and Conservation Plan (“EE&C Plan” or “Plan”) in accordance with the Pennsylvania Public Utility Commission’s (“Commission”) Secretarial Letter of December 23, 2009 at Docket No. M-2009-2142851 (“Secretarial Letter”). The EE&C Plan includes a portfolio of energy efficiency, conservation, and consumption reduction measures, programs, and education initiatives. The portfolio includes the following programs:

1. Appliance Rebate Program (Residential Sector/Low Income Customers)¹
2. School Energy Education Program (Residential Sector/Low Income Customers)
3. Compact Fluorescent Lighting Campaign (Residential Sector/Low Income Customers)
4. Appliance Recycling Program (Residential Sector/Low Income Customers)
5. Home Energy Efficiency Incentives – Fuel Switching (Residential Sector/Low Income Customers)
6. Appliance Rebate Program (Commercial and Industrial Sector/Governmental Customers)
7. Commercial and Industrial Custom Incentive Program (Commercial and Industrial Sector/Governmental Customers)
8. HVAC Tune-up Program (Commercial and Industrial Sector/Governmental Customers)
9. Combined Heat and Power (Commercial and Industrial Sector/Governmental Customers)

These nine programs are designed to meet the goals and guidelines established in the Commission’s Secretarial Letter. All of the programs are voluntary, at the customer’s choice. The programs offer UGI Electric’s customers a wide range of energy efficiency and conservation measures to decrease electric consumption and, in turn, customers’ electric costs.

In designing its EE&C Plan, UGI Electric followed the guidelines set forth within the Commission’s Secretarial Letter with regard to energy reduction and other plan parameters. In particular, UGI Electric’s EE&C Plan:

¹ It should be noted that all Residential Sector programs also apply to governmental entities and the following non-profit entities: firehouses, ambulance providers, and senior centers.

- includes programs and individual measures designed to achieve UGI Electric's targeted electricity consumption reduction levels of ~~5%~~ 3% energy savings by ~~2015~~ 2014, or approximately ~~52,700~~ 40,868 MWh;
- includes programs and individual measures that are anticipated to produce peak load reductions of approximately 1% annually, although the Company did not design the programs and measures with the specific purpose of achieving any peak load reduction targets;
- is designed to expend approximately 2% of annual revenues for the annual period ending May 31, 2008, which equates to a total program cost of approximately ~~\$8.6~~ 7.5 million;
- within the ~~\$8.6~~ 7.5 million budget, proposes a residential class cost recovery cap of ~~\$5.4~~ 4.7 million, plus or minus \$0.5 million, and a non-residential cost recovery cap of ~~\$3.2~~ 2.8 million, plus or minus \$0.5 million, over the three year Plan;
- provides incentives to achieve energy consumption reductions for low-income customers;
- offers energy efficiency and conservation programs to all customer classes;
- is a cost-effective plan based on Total Resource Cost ("TRC") Test criterion;
- properly allocates the cost of individual measures to the customer class(es) that receive(s) the benefit of those measures;
- anticipates the use of internal UGI Electric Staff and Conservation Service Providers ("CSPs"), as necessary, to implement the programs, monitor their progress, and verify the Plan results;
- includes procedures to measure, evaluate, and verify performance of the programs and the Plan as a whole;
- details a process for an annual evaluation of the Plan results; and
- includes a 1307 mechanism, the Energy Efficiency and Conservation Rider ("EEC Rider"), for recovery of all applicable Plan costs ~~and a Conservation Development Rider ("CD Rider") for recovery of revenues lost as a result of implementation of the EE&C Plan.~~

Formatted: Strikethrough
Formatted: Strikethrough
Formatted: Strikethrough

Formatted: Strikethrough

Formatted: Strikethrough
Formatted: Strikethrough
Formatted: Strikethrough

Formatted: Strikethrough

The EE&C Plan contains a variety of programs that are key components to achieving the desired energy consumption reductions and resulting peak demand savings. In choosing

the portfolio of programs, UGI Electric considered the Commission-approved efficiency programs utilized by other Pennsylvania electric distribution companies (“EDC”), as well as other available cost-effective energy efficiency and conservation measures, considering UGI Electric’s size and particular service territory.

The EE&C Plan is the product of significant input from stakeholders, internal UGI Electric Staff, and UGI Electric’s expert EE&C advisor, Paul Raab. UGI Electric has attempted to incorporate reasonable ideas, insights, program features, and implementation details voiced by stakeholders to the extent possible and feasible.

UGI Electric utilized the expertise of in-house strategic development Staff combined with the energy efficiency expertise of a consultant who has worked in the energy efficiency and conservation field for many years. Cognizant of the guidelines in the Commission’s Secretarial Letter and the related requirements of Act 129, UGI Electric and its consultant, Mr. Paul Raab, used an approximate 2% of annual revenues² expenditure guideline. UGI Electric also adopted a ~~5%~~ 2% total energy consumption reduction target in constructing a portfolio of measures and programs targeting all customer classes on the UGI Electric system. For each customer segment, a set of programs was developed in order to provide a range of program options with the goal of meeting the identified energy consumption reduction target.

Formatted: Strikethrough

The process for development of the Plan consisted of five basic elements:

1. establishing a set of guiding principles;
2. assessing energy efficiency and conservation resource potentials;
3. developing and balancing the portfolio;
4. providing opportunities for stakeholders to participate and contribute to Plan development; and
5. refining the Plan consistent with the objectives set forth in the Commission’s Secretarial Letter and Act 129, generally.

Because UGI Electric is committed to a long-term investment in energy efficiency, the following guiding principles aided the development of UGI Electric’s Plan content:

1. Customer Service – The Plan was developed in a way that is easy to understand to enable customers to take energy efficiency actions that will save money and support the environment.
2. Proven Solutions and Sustainable Savings – The Plan focuses on proven, cost-effective energy efficiency measures as part of an extensive path to long-term and sustainable energy efficiency.

² UGI Electric utilized annual-revenues for the twelve-month period ended May 31, 2008.

3. Flexibility – The Plan provides customers flexibility by offering a wide variety of programs in which they can participate. To support customers' actions, the Plan provides numerous measures, customer education initiatives, energy efficiency information, financial incentives, and services. For the Company, the Plan provides flexibility by allowing UGI Electric to consider the results of the programs and determine whether any adjustments are necessary in order to achieve the desired energy savings on a whole and/or maintain Plan cost-effectiveness, provided however, the Company will not, without Commission approval, add new programs, deviate significantly from the approved program parameters, or exceed the total approved budget for the plan or the expenditure caps for each customer class

A summary of the plans and anticipated savings by class is set forth below.

	Program Name	Program Market	Program Summary	Program Years Operated	Program Life MWh Savings	Demand Savings MW	% of Portfolio MWh Savings
Residential Portfolio Programs	Appliance Recycling	All customers	Free pickup, recycling and disposal	2011-2014 2012-2015	5,521	0.6	13.5% 10.5%
	Appliance Rebate	All customers	Rebates for energy efficient appliances	2011-2014 2012-2015	1,260	0.7	3.1% 2.4%
	CFL	All customers / Low Income	Up-stream incentives on Energy Star CFL	2011-2014 2012-2015	7,264 16,531	0.8 1.9	17.7% 31.4%
	School Energy Education Program	All customers / Low Income	Energy education of customers	2011-2014 2012-2015	8,469 8,451	1.0	20.7% 16.0%
	Water Heater Fuel Switching	All customers / Low Income	Incentive for cost effective fuel switching appliance	2011-2014 2012-2015	8,044 8,483	0.9 1.0	19.7% 16.1%
	Solar Thermal Water Heater Fuel Switching	All customers / Low Income	Incentive for cost effective fuel switching appliance	2012-2015	190	0.0	0.4%
	Dryer Fuel Switching	All customers	Incentive for cost effective fuel switching appliance	2011-2014 2012-2015	323 387	0.0	0.8% 0.7%
	Space Heater Fuel Switching	All customers	Incentive for cost effective fuel switching appliance	2011-2014 2012-2015	968 1,162	1.6 1.9	2.4% 2.2%
Total					31,839 41,984	6.7 7.2	77.0% 79.7%

	Program Name	Program Market	Program Summary	Program Years Operated	Program Life MWh Savings	Demand Savings MW	% of Portfolio MWh Savings
Commercial and Industrial Portfolio Programs	C&I Appliance Rebate	All customers	Rebates for energy efficient equipment	2011-2014 2012-2015	808	0.13	2.0% 1.5%
	C&I CHP	All customers	Incentives for installing a Combined Heat and Power system	2011-2014 2012-2015	2,930 3,654	0.29 0.52	6.0% 6.9%
	C&I HVAC Tune-up	All customers	Incentives for tune-up and retrofit of HVAC equipment	2011-2014 2012-2015	1,120	—	2.7% 2.1%
	C&I Custom	All customers	Incentives for custom energy efficiency measures	2011-2014 2012-2015	5,072	0.58	12.4% 9.6%
	C&I Solar Thermal Water Heating	All customers	Incentives for custom energy efficiency measures	2012-2015	63	0.01	0.1%
Total					9,029 10,716	1.00 1.24	22.1% 20.3%

A summary of the program budget is reflected below.

Budget and Parity Analysis Summary

Customer Class	Total Budget	% of Total EEC Budget	% of Total Customer Revenue	Difference
Residential	\$4,833,196	56%	64%	8%
	\$3,385,542	45%		19%
C&I	\$2,668,538	31%	36%	6%
	\$3,032,628	40%		-4%
Additional Staff, Program Setup and Development	\$1,101,000	13%	-----	-----
		15%		
Total	\$8,602,734	-----	-----	-----
	\$7,519,169			

Program Efficiency Analysis Summary

Customer Class	TRC NPV Benefits	TRC NPV Cost	TRC Net Benefits	TRC Benefit/Cost Ratio
Residential	\$22,686,061	\$9,086,047	\$13,600,014	2.50
	\$28,053,005	\$10,975,794	\$17,077,211	2.56
C&I	\$7,262,830	\$4,870,468	\$2,392,371	1.49
	\$9,159,095	\$6,169,374	\$2,989,721	1.48
Additional Staff, Program Setup and Development	\$0	\$1,044,594	(\$1,044,594)	"NA"
Total	\$29,947,900	\$14,716,479	\$15,232,421	2.04
	\$37,212,100	\$18,189,763	\$19,022,338	2.05

The chosen programs are detailed in Section 2 (Program Descriptions) of this Plan. The Plan is All of the Programs are cost-effective under the TRC test, as demonstrated in Section 3 of the Plan (Cost Effectiveness).

Formatted: Strikethrough

Assuming Commission approval, all programs are expected to begin implementation approximately 90 days after approval in February 2012. If implemented by that date, the first annual report would be provided approximately 15 months after later during April/May of 2013, with subsequent reports being provided on an annual basis thereafter. The following timeline illustrates UGI Electric's anticipated implementation schedule.

Formatted: Strikethrough

Formatted: Strikethrough

Program Timeline	2011				2012				2013				2014				2015																	
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2															
	November	December	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May			
Appliance Rebate			x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x				
Appliance Recycling			x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x				
CFL			x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x				
School Energy Education			x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x				
Water Heater, Dryer, and Space Heater Fuel Switching		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x				
Appliance Rebate			x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x				
CHP		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x				
Custom		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x				
HVAC Tune-up			x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x				
PUC Annual Report																																		

Key	
x	Program In-Progress
o	PUC Annual Report

UGI Electric understands that customer engagement is critical to the success of the Plan. UGI Electric also understands that certain barriers exist to customer participation, not the least of which is the current economic situation. With these risks in mind, UGI Electric developed a number of customer programs that provide tangible customer benefits. Ongoing customer support throughout the Plan process will be a crucial function performed by UGI Electric Staff and the CSPs that UGI Electric engages to promote and implement the Plan. Finally, coordination with trade allies and other market participants through outreach, training, and education to raise customer awareness of UGI Electric's available programs stands to minimize the risks associated with Plan implementation. A more complete description of UGI Electric's implementation and management strategy is provided in Section 4 of this EE&C Plan.

UGI Electric anticipates employing tracking, reporting, and analyses of program progress that will enable ongoing monitoring, management, analysis, and reporting with regard to Plan activities. UGI Electric will focus on anticipation, prevention, and detection of problems or errors with regard to Plan implementation so as to minimize impediments to Plan success. UGI Electric anticipates working closely with its CSPs to ensure that qualified individuals are performing the required actions to carry out the Plan. In addition, UGI Electric will comply with the Commission's requirement in its Secretarial Letter to submit an annual report regarding Plan results. Finally, UGI Electric has developed its Plan with the idea that updates or revisions to the Plan can be achieved on an ongoing basis to address customer participation levels and to achieve Plan success. A more detailed description of UGI Electric's reporting and tracking systems and quality assurance, evaluation, measurements, and verification is provided in Section 5.

In conformance with the Commission's Secretarial Letter, UGI Electric has utilized an approximate 2% cost level for Plan design. For UGI Electric, this equates to an approximate ~~\$7.5 \$8.6~~ million total Plan cost for the life of the Plan. In its Act 129 Implementation Order, the Commission found that EDCs should be permitted to recover the incremental costs incurred to design, create, and obtain Commission approval of a plan.³ Thus, the total Plan cost of ~~\$7.5 \$8.6~~ million also includes the costs that UGI Electric incurred or will incur to design, create, and obtain approval of the EE&C Plan.

Formatted: Strikethrough

Formatted: Strikethrough

Consistent with the Implementation Order, UGI Electric has designed the Plan to provide that EE&C measures are paid for by the same customer class that receives the energy efficiency and conservation benefits of those measures by assigning the costs related to each measure to those classes that will receive the benefits. The cost recovery mechanism, the EEC Rider, is described in more detail in Section 6 of the Plan. UGI Electric has included *pro forma* tariff pages to implement the EEC Rider as Appendix A to this Plan. Consistent with other EDC Act 129 plans, UGI Electric has designed the EEC Rider to apply to all default service and choice customers.

Plan costs are likely to vary year-to-year, and UGI Electric proposes to recover those costs on a year-to-year basis by way of a 1307 recovery mechanism designed to track actual

³ January 16, 2009 Implementation Order of the Pennsylvania Public Utility Commission, Docket No. M-2008-2069887 at 33 (Implementation Order).

yearly expenditures by class. Even though UGI Electric anticipates costs to ramp up for many of its programs, it does not expect a great difference between the expenditures incurred in Year One of the Plan versus Year Three of the Plan. Accordingly, distribution of cost recovery is anticipated to be relatively even over the course of the Plan.

UGI Electric proposes to reconcile the revenues collected under its cost recovery mechanism on an annual basis. In addition, UGI Electric proposes to conduct a final reconciliation of total revenue collected to total Plan expenditures (up to the budget caps) at the conclusion of the three-year Plan period and to recover any resulting over/under collections during the following year. The annual reconciliation and end of Plan reconciliation will be subject to Commission review and potential audit, as the Commission deems necessary.

~~UGI Electric also proposes a CD Rider to track and recover revenue losses derived from deemed savings. This rider is described in Section 6 of the EE&C Plan and the associated *pro forma* tariff sheets are contained in Appendix A to this Plan. The basis for the CD Rider is detailed in UGI Statement No. 3, the Direct Testimony of Mr. McAllister, and associated Exhibits.~~

Formatted: Strikethrough

SECTION 2: PROGRAM DESCRIPTIONS

A. RESIDENTIAL SECTOR PROGRAMS⁴

**1. Appliance Rebate Program
(Residential Sector/Low Income Customers)**

Objectives

The objectives of the Residential Appliance Rebate Program include:

1. Provide customers with opportunities to reduce their energy costs and increase their energy efficiency
2. Encourage customers to install high-efficiency HVAC, lighting equipment, and electric appliances
3. Encourage the use of high-efficiency/ENERGY STAR-rated equipment
4. Promote strategies that encourage and support market transformation for high-efficiency appliances and equipment
5. Achieve approximately 6,944 installed measures through ~~2015-2014~~, with a total reduction of approximately 1,260 MWh

Formatted: Strikethrough

Target Market

UGI Electric's Residential Appliance Rebate Program will be available to all residential customers, including low income customers and new residential construction using a consistent implementation strategy, incentive mechanism, and administrative process.

The table below outlines eligibility parameters for the residential sector.

Customer Eligibility Parameters	
Customer type	Residential
Building Type	Single family, multifamily, mobile home
Building Vintage	Existing and new construction
Building ownership	Owner or tenant with owner approval

Program Description

The program promotes the purchase and installation of a wide range of high-efficiency equipment. The Residential Appliance Rebate Program provides customers and potential customers with financial incentives to offset the higher purchase costs of energy-efficient equipment and offers information on the features and benefits of energy-efficient equipment.

⁴ It should be noted that all Residential Sector programs also apply to governmental entities and the following non-profit entities: firehouses, ambulance providers, and senior centers.

Targeted equipment includes electric heating, cooling, lighting, water heating, appliance, and other measures (ENERGY STAR–labeled equipment is specified where available).

Implementation Strategy

UGI Electric will select a qualified CSP (“Rebate CSP”) through a Request for Proposal (“RFP”) to provide customer intake, eligibility verification, rebate processing, and tracking. Customers will be required to submit a program application with documentation of the equipment purchase and installation(s) for verification and rebate processing. UGI Electric will provide overall strategic direction and program management for the program and promotional, education, trade ally support, and other administrative functions.

Key steps in program participation

1. Customers may be directed to the program through UGI Electric’s customer education activities, the Company website, equipment dealers or by contacting an equipment installation contractor/trade ally for a service call.
2. Customers will generally work with the equipment/appliance retailer or installation contractor to fill out program applications and ensure the required documentation is submitted to the program CSP for processing.
3. The CSP will review documentation to verify the applicant is a UGI Electric customer and the installed equipment meets the minimum efficiency standard.
4. Customers installing eligible high-efficiency equipment will schedule the work directly with their equipment dealer or installation contractor.
5. The CSP shall process rebate checks for qualified equipment.

Risks and Risk Management Strategy

The table below presents key market risks to an effective Residential Appliance Rebate Program as well as the strategies the program will use to address each risk.

Risks and Risk Management Strategies	
Market Risks	Management Strategies
Higher first cost of energy-efficient equipment	Offer rebates to offset higher incremental cost.
Changing technology may impact lifecycle cost	Educate customers on the long-term energy cost-saving benefits of higher efficiency equipment.
Economic environment may limit customer’s ability to purchase energy-efficient equipment and appliances	Market program and general efficiency awareness to customers
Customers needing emergency replacement may not know about the program	Add new programs or measures and/or increase eligible equipment efficiency levels as technology improves
Customers choose to buy less-efficient equipment	Provide web-based information with downloadable forms and brochures.
	Promote general efficiency awareness to customers and trade allies

Anticipated Costs to Participating Customers

Customer incremental costs (*i.e.*, the cost differential between standard and high-efficiency measures) will vary depending on the type of equipment purchased and the efficiency level of eligible equipment selected by the customer. In general, rebates are designed to cover a portion of the customer incremental cost.

Ramp-up and Education Strategy

This program relies on both customer education and point-of-sale dealer and installer information for promotion. UGI Electric will work with merchants to promote the program. This education strategy may include:

1. Promote program in UGI Electric's customer bill insert
2. Communicate and provide access to program information on the Company's website
3. Educate using appropriate media forms and communication channels
4. Outreach to and coordinated advertising with trade allies
5. Publish and distribute program brochure

Eligible Measures and Incentive Strategy

The program provides a financial incentive in the form of a rebate on a per-unit basis to customers installing qualifying equipment and technologies. Rebates will be a fixed amount per device, paid by check to customers who complete a rebate application, submit the required documentation of the equipment purchase to UGI Electric's CSP, and receive CSP approval.

The table below shows UGI Electric's proposed list of eligible equipment, incentive levels, and efficiency qualifications. The following table shows the list of equipment deemed appropriate for the residential sector. Residential customers may claim a rebate for each listed measure.⁵

Eligible Measures		
Measure	Eligibility Rating	Incentive
Central Air Conditioner	SEER 14.5	\$150
Central Air Conditioner	SEER 15 and above	\$225
Room AC (1 st unit)	ENERGY STAR	\$25
Room AC (2nd unit)	ENERGY STAR	\$25

⁵ There is an exception for the window air conditioner recycling measure, which allows for a second unit to be recycled and the associated rebate claimed.

Programmable Thermostat	ENERGY STAR	\$50
Air-Source Heat Pump	SEER 14.5	\$250
Air-Source Heat Pump	SEER 15	\$325
Air-Source Heat Pump	SEER 16	\$400
Heat Pump Hot Water Heater	ENERGY STAR, EF \geq 2.0, or COP \geq 2.0	\$300
Dishwasher	ENERGY STAR	\$30
Clothes Washer	ENERGY STAR	\$75
Refrigerator	ENERGY STAR	\$50
Dehumidifier	ENERGY STAR	\$10
Light Fixture	ENERGY STAR	\$10

SEER = Seasonal Energy-Efficiency Ratio

At this time, UGI Electric does not anticipate changes to its eligible measures or incentives during the Plan period. However, UGI Electric will perform an annual review of its programs and may adjust measures, rebate levels, performance criteria, and/or eligibility ratings in the future as market conditions change. UGI Electric will review actual results from this program and determine whether any adjustments are needed to achieve the desired energy savings on a whole and/or maintain Plan cost effectiveness, provided however, the Company will not, without Commission approval, add new programs, deviate significantly from the approved program parameters, or exceed the total approved budget for the plan.

Implementation Schedule and Milestones

Planning and implementation tasks and schedule for the Appliance Rebate Program follow. Some tasks will be led by UGI Electric; other tasks will be led by the program CSP, with oversight from UGI Electric.

Program Schedules and Milestones

Schedule	Milestones
Weeks 1 to 2	Finalize detailed work scopes, selection criteria and quality assurance protocols for CSP
Weeks 2 to 5	Issue RFP for CSP
-----	Execute program implementation contract with selected CSP
Week 6	Secure CSP
Weeks 6 to 10	Conduct outreach to merchants
Weeks 6 to 9	Develop tracking procedures
Weeks 6 to 12	Program training
Weeks 6 to 12	Finalize customer education material and program applications
	Launch Program

Evaluation, Measurement, and Verification (“EM&V”)

UGI will strive to continuously improve the success of its Plan in order to enhance quality control, evaluate, measure and verify procedures to track program activities, monitor performance and progress toward targets, and take corrective action when warranted.

Quality control (“QC”) will be integral to the delivery of all programs in UGI Electric’s EE&C Plan. QC measures will be deployed at various stages of program design and implementation to ensure the highest industry standards of operational efficiency. These measures will include, but not be limited to, the following:

- Ongoing tracking of program activities and costs through dedicated UGI Electric employees and various CSPs
- Applying rigorous screening and qualifying protocols in engaging CSPs
- Checking 3% of rebate claims processed by the CSP to verify participant action

QC processes will strive to:

- Prevent errors from beginning to end in any given program process
- Detect and correct errors as early as possible

- Eliminate the causes of errors as well as the errors themselves
- Establish a correction plan based on best practices and lessons learned

The program CSP, or UGI Electric Staff if no CSP involvement is indicated, will track all of the data necessary to verify all program activities and outcomes. For the Appliance Rebate Program, this data will include:

- Participant information: account number, rate class, copy of most recent electric bill, and contact information
- Measure information: make and model number of new appliance, type and quantity of measures installed, and efficiency rating
- Expenditures, savings, and peak load impacts
- New construction information: developer contact information, builder contact information, and confirmation of new account activation (most recent bill)

The CSP shall provide periodic reports to UGI Electric for measurement and verification.

UGI Electric will conduct a self-review on an annual basis and report to the Commission within three months after the end of each program year. The self-review steps will include:

- Compile all records and compare it against the target for the year
- Adjust program measures based on effectiveness of the various measures
- Adjust education channels, messages, and trade ally groups, based on effectiveness
- Adjust budgets for various measures accordingly based on consumer demand

Administrative Requirements

A member of UGI Electric Staff will oversee this program, supported by other internal Staff. Anticipated administrative requirements and participant roles for the program follow.

1. We will have an internal UGI Electric Staff that will have overall program implementation responsibility.
2. The CSP will process applications, provide rebates, and provide information for the preparation of reports.
3. UGI Electric Staff will create an education program using appropriate media forms and communication channels to generate awareness for the program

Estimated Participation

Participation levels were developed based on estimated participation levels of other EDCs and adjusted to reflect UGI Electric's smaller customer base.

Projected Participation

Measure	Year 1	Year 2	Year 3	Total
Central Air Conditioners	60	120	150	330
Room Air Conditioners	385	768	960	2,113
Programmable Thermostats	97	192	241	530
Air-Source Heat Pumps	40	79	100	219
Dishwasher	71	143	177	391
Energy Star Refrigerator	217	434	542	1,193
Energy Star Dehumidifier	22	43	54	119
ENERGY STAR Light Fixtures	336	706	1,007	2,049
Total	1,228	2,485	3,231	6,944

Program Budget, Costs and Cost-Effectiveness

Over the three-year planning horizon, the program is expected to achieve electricity consumption savings of approximately 1,260 MWh. The annual budget allocation, cumulative MWh savings through ~~2015 2014~~, and overall program cost-effectiveness for the residential customer sector are shown in the table below.⁶ Key assumptions used in calculating the measure-level savings are shown in Appendix B.

Formatted: Strikethrough

Benefits/Cost Component	Year 1	Year 2	Year 3	Total
Savings (MWh)	222	449	589	1,260
Capacity Savings (MW)	0.134	0.265	0.336	0.735
Total Resource Cost	\$ 172,452	\$ 276,524	\$ 325,432	\$ 774,407
Direct Participant Costs	\$ 100,452	\$ 204,524	\$ 253,432	\$ 558,407
Direct Utility Costs	\$ 129,535	\$ 186,951	\$ 217,320	\$ 533,806
Customer Incentives	\$ 57,535	\$ 114,951	\$ 145,320	\$ 317,806
CSP Labor	\$ 24,000	\$ 24,000	\$ 24,000	\$ 72,000
CSP Materials and Supplies	\$ 24,000	\$ 24,000	\$ 24,000	\$ 72,000
Communications	\$ 24,000	\$ 24,000	\$ 24,000	\$ 72,000
[Note: Total Resource Cost equals Direct Participant Costs plus Overhead (CSP Labor, CSP Materials and Supplies, and Communications)]				

TRC Test	Year 1	Year 2	Year 3	Total
TRC NPV Benefits	\$ 308,323	\$ 669,467	\$ 811,903	\$ 1,789,693
TRC NPV Costs	\$ 172,452	\$ 264,227	\$ 297,133	\$ 733,812
TRC Net Benefits	\$ 135,871	\$ 405,240	\$ 514,770	\$ 1,055,881
TRC Benefit/Cost Ratio	1.79	2.53	2.73	2.44

Other Information

Customers who install or commit to installing qualifying equipment under this program on or after the first of the month following Commission approval of this Plan will qualify for rebates. Installations must be made during the life of the Plan.

⁶ These costs do not include an allocated portion of UGI Electric's \$367,000 annual administrative costs to design, create, and implement the Plan. If an allocation of those costs was included here, it would not result in a TRC Benefit/Cost Ratio that was less than 1.0 for the Program as a whole over the three-year timeframe.

2. **School Energy Education Program**
(Residential Sector/Low Income Customers)

Objectives

The objectives of the Residential School Energy Education Program include:

1. Provide customers with opportunities to reduce their energy costs and increase their energy efficiency
2. Encourage customers to weatherize their homes by providing an energy efficiency toolkit
3. Educate students on various energy types, energy generation and consumption, home energy use, and ways to increase energy efficiency in a home
4. Leverage UGI Electric's School Energy Education Program by giving away the School Energy Education Toolkit to 4th through 7th graders in UGI Electric's service territory
5. Obtain participation of approximately 4,500 customers through ~~2015-2014~~, with a total reduction of approximately 8,469 MWh

Formatted: Strikethrough

Target Market

This program targets residential customers with students in 4th through 7th grade. Participants must have electric service. The table below outlines eligibility parameters.

Customer Eligibility Parameters

Customer type	Residential
Building Type	Any dwelling unit
Building Vintage	Existing
Building ownership	Owner or tenant with owner approval

Program Description

The Residential School Energy Education Program is designed to educate 4th through 7th grade students on various energy types, energy consumption and generation, home energy use, and ways to save energy in a home.

Think! Energy is typically delivered through school presentations. Teachers and schools are recruited throughout UGI Electric's service territory. In consultation with the state department of education, presentations are scheduled to avoid testing schedules, vacation periods and other school activities.

Students and teachers at one grade level attend a one-hour presentation on energy literacy and energy efficiency. Under the direction of two National Energy Foundation ("NEF") professional instructors, students learn how to "Think!" about energy, then "Talk" with others about what they have learned, and ultimately "Take Action!" in their own homes to

use energy more efficiently. A custom-designed PowerPoint presentation guides the discussion, and hands-on learning activities are employed to build understanding among students.

The culmination of the school presentation is the distribution of take-home energy efficiency kits. After the completion of the school presentation, teachers ensure that each student who has returned a signed parent permission/participation slip takes home a kit. As part of a homework assignment, students then install devices with a parent and record installation and other home energy usage and behavior information on a "Household Report Card" Scantron form. Teachers, incentivized by a performance-based \$100 mini-grant, collect Household Report Cards and return to NEF by a predetermined deadline. NEF analyzes and summarizes installation and usage information and reports to the sponsoring utility.

Implementation Outline

The implementation strategy for the program includes the following key components:

- Program content aligned with grade-appropriate academic standards as defined by the state department of education
- Determining school eligibility and targeting schools for participation
- Recruiting teachers and conducting additional education activities
- Creating a website interface and registration portal
- Registering teachers online and scheduling presentations
- Preparing curriculum and presentation materials
- Developing energy efficiency kits
- Assembling and shipping "Take Action!" energy efficiency kits
- Working with utility sponsor to invite local media representatives
- Conducting school presentations
- Awarding incentives
- Gathering and analyzing program data using the Household Report Card
- Reporting estimated energy savings
- Program evaluation and final reporting

UGI Electric will leverage existing energy efficiency education programs and the Reading is Fundamental program by providing a free energy efficiency toolkit to all 4th through 7th graders in UGI Electric's service territory. The toolkits will include:

- Two (2) 13W compact fluorescent light bulbs
- Oxygenics[®] high efficiency showerhead (2.0 gallons per minute)
- Shower timer

- Kitchen aerator (1.5 gallons per minute)
- Electroluminescent Limelite night light
- Refrigerator thermometer
- Flow rate test bag
- Digital water temperature thermometer
- Fun facts slide chart
- Think! Energy light switch stickers

UGI Electric will educate middle school students on various energy types, ways to generate electricity, the source fuel used in the generation process, and on home energy consumption.

Implementation Strategy

UGI Electric will select NEF to oversee the School Energy Education program.

UGI Electric’s Staff and NEF will manage the program, and will handle acquiring the materials, mailing, record keeping, and reporting.

Risks and Risk Management Strategy

The table below presents key market risks to an effective Residential School Energy Education Program, as well as the strategies the program will use to address each risk.

Risks and Risk Management Strategies	
Market Risks	Management Strategies
Cost of energy efficiency education and kit	Educate students and households on home energy consumption and ways to save energy. Offer free energy efficiency toolkits to students
Economic environment may limit customer’s ability to purchase energy efficient toolkit	
Lack of program awareness among customers	Partner with middle schools and leverage RIF to offer energy education classes from 4 th through 7 th grade

Anticipated Costs to Participating Customers

UGI Electric anticipates that this program will cost customers zero dollars.

Ramp-up and Education Strategy

This program relies on both getting the schools involved and generating awareness at the local level.

1. Promote program in UGI Electric’s customer bill insert and in the middle schools
2. Communicate and provide access to program information on the Company’s website
3. Present program information at community events

Eligible Measures and Incentive Strategy

The energy efficiency toolkit will be free to 4th through 7th grade students within UGI Electric’s service territory.

Eligible Measures

Measure	Eligibility Rating	Incentive
<ul style="list-style-type: none"> • Two (2) 13W compact fluorescent light bulbs • Oxygenics[®] high efficiency showerhead (2.0 gpm) • Shower timer • Kitchen aerator (1.5 gpm) • Electroluminescent Limelite night light • Refrigerator thermometer • Flow rate test bag • Digital water temperature thermometer • Fun facts slide chart • Think! Energy light switch stickers 	<p>Measure must save electricity. CFLs ENERGY STAR. aerator 1.5 gallons per minute</p>	<p>Free to 4th through 7th grade students within UGI Electric service territory</p>

At this time, UGI Electric does not anticipate changes to its eligible measures or incentives during the Plan period. However, UGI Electric will perform an annual review of its programs and may adjust measures, rebate levels, performance criteria and/or eligibility ratings in the future as market conditions change. UGI Electric will review actual results from this program and determine whether any adjustments are needed to achieve the desired energy savings on a whole and/or maintain Plan cost effectiveness, provided however, the Company will not, without Commission approval, add new programs, deviate significantly from the approved program parameters, or exceed the total approved budget for the plan.

Implementation Schedule and Milestones

Planning and implementation tasks and schedule for the Residential School Energy Education Program follow. Some tasks will be led by UGI Electric, while other tasks will be led by NEF, with oversight from UGI Electric.

Program Schedule and Milestones

Schedule	Milestones
Weeks 1 to 2	Negotiate contract with NEF as Residential School Energy Education Program CSP
Week 3	Execute contract with NEF
Weeks 4 to 11	Partner with local schools
Weeks 4 to 12	Program training
Weeks 4 to 8	Finalize customer education material and program applications.
	Launch Program

Evaluation, Measurement and Verification

UGI will strive to continuously improve the success of its Plan in order to enhance quality control, evaluate, measure and verify procedures to track program activities, monitor performance and progress toward targets, and take corrective action when warranted.

Quality control will be integral to the delivery of all programs in UGI Electric's EE&C Plan. QC measures will be deployed at various stages of program design and implementation to ensure the highest industry standards of operational efficiency.

NEF will track all of the data necessary to verify all program activities and outcomes. For the School Energy Education Program, this data will include:

- Participant information: contact information
- School information: site (facility) location and teacher involved
- Expenditures, savings, and peak load impacts

QC processes will strive to:

- Prevent errors from beginning to end in any given program process
- Detect and correct errors as early as possible
- Eliminate the causes of errors as well as the errors themselves
- Establish a correction plan based on best practices and lessons learned

NEF shall provide periodic reports to UGI Electric for measurement and verification.

UGI Electric will conduct a self-review on an annual basis and report to the Commission within three months after the end of each program year. The self-review steps will include:

- Compile all records and compare it against the target for the year
- Adjust program measures based on effectiveness of the various measures
- Adjust education channels, messages, and trade ally groups, based on effectiveness
- Adjust budgets of various measures accordingly based on consumer demand

Administrative Requirements

UGI Electric Staff will oversee this program supported by NEF. Anticipated administrative requirements and participant roles for the program follow:

1. The UGI Electric Staff will oversee all program operations
2. UGI Electric Staff and NEF will track all program activities

Estimated Participation

Participation levels were developed based on estimated participation levels of other EDCs and adjusted to reflect UGI Electric’s smaller customer base.

Projected Participation

Measure	Year 1	Year 2	Year 3	Total
School Energy Education Toolkit	1,500	1,500	1,500	4,500
Total	1,500	1,500	1,500	4,500

Program Budget, Costs and Cost-Effectiveness

Over the three-year planning horizon, the program is expected to achieve electricity consumption savings of approximately 8,469 MWh. The annual budget allocation, cumulative MWh savings, and overall program cost-effectiveness for the residential customer sector are shown in the table below.⁷ Key assumptions used in calculating the measure-level savings are shown in Appendix B.

⁷ These costs do not include an allocated portion of UGI Electric’s \$367,000 annual administrative costs to design, create, and implement the Plan. If an allocation of those costs was included here, it would not result in a TRC Benefit/Cost Ratio that was less than 1.0 for the Program as a whole over the three-year timeframe.

Benefits/Cost Component	Year 1	Year 2	Year 3	Total
Savings (MWh)	2,823 2,817	2,823 2,817	2,823 2,817	8,469 8,451
Capacity Savings (MW)	0.323	0.323	0.323	0.988
Total Resource Cost	\$ 100,000	\$ 100,000	\$ 100,000	\$ 300,000
Direct Participant Costs	\$ 90,000	\$ 90,000	\$ 90,000	\$ 270,000
Direct Utility Costs	\$ 100,000	\$ 100,000	\$ 100,000	\$ 300,000
Customer Incentives	\$ 90,000	\$ 90,000	\$ 90,000	\$ 270,000
CSP Labor	\$ -	\$ -	\$ -	\$ -
CSP Materials and Supplies	\$ -	\$ -	\$ -	\$ -
Communications	\$ 10,000	\$ 10,000	\$ 10,000	\$ 30,000
[Note: Total Resource Cost equals Direct Participant Costs plus Overhead (CSP Labor, CSP Materials and Supplies, and Communications)]				

TRC Test	Year 1	Year 2	Year 3	Total
TRC NPV Benefits	\$ 598,468	\$ 608,699	\$ 612,374	\$ 1,819,541
	\$ -94,000	\$ -89,820	\$ -85,826	\$ -269,646
TRC NPV Costs	\$ 100,000	\$ 95,553	\$ 91,304	\$ 286,858
	\$ -504,468	\$ -518,878	\$ -526,548	\$ -1,549,895
TRC Net Benefits	\$ 498,468	\$ 513,145	\$ 521,070	\$ 1,532,683
	6.37	6.78	7.14	6.76
TRC Benefit/Cost Ratio	5.98	6.37	6.71	6.34

**3. Compact Fluorescent Lighting Campaign
(Residential Sector/Low Income Customers)**

Objectives

The objectives of the Compact Fluorescent Lighting (“CFL”) Campaign include:

1. Provide a mechanism for customers to easily obtain discounted ENERGY STAR–qualified CFLs
2. Develop and execute strategies aimed at transforming the market for ENERGY STAR–qualified CFLs with the goal of increasing the number of qualified products purchased and installed in UGI Electric’s service territory
3. Increase consumer awareness and understanding of the energy-efficiency of CFLs
4. Promote consumer awareness and understanding of the ENERGY STAR label
5. Distribute approximately ~~424,000~~ ~~186,000~~ CFLs through ~~2015~~ ~~2014~~, with a total reduction of approximately ~~16,531~~ ~~7,254~~ MWh

Formatted: Strikethrough
Formatted: Strikethrough
Formatted: Strikethrough

Target Market

This program will be available to all UGI Electric customers. For the purposes of the Plan, the program does not allocate budget or attribute savings or impacts to the Large Commercial and Industrial Sector.

Program Description

This program encourages customers to purchase new ENERGY STAR-rated CFL bulbs. The program has two components:

1. A retail upstream lighting incentive that will significantly reduce the customer’s cost of ENERGY STAR CFL bulbs
2. CFL distribution to UGI Electric’s Customer Assistance Program (“CAP”) participants. UGI will send a package of CFLs to CAP participants each year at no cost to the customer, utilizing the same CSP as the retail upstream lighting incentive

Implementation Strategy

A CFL CSP will manage an upstream CFL Campaign, including negotiating bulk pricing, recruitment, and coordination with retail stores, education and outreach to retailers, and tracking and providing program reports. The selected CSP will target a broad range of retailers, including big box and chain stores as well as smaller local and independent stores throughout UGI Electric’s territory. Also, the selected CSP will deliver free CFLs to low income residential customers in UGI Electric’s CAP program. UGI Staff will provide overall strategic direction and program management for the program and, supported by a CSP’s promotional, education, trade ally support, and other administrative functions, including:

1. Customers may purchase discounted CFLs at a participating retailer, where CFL discounts are applied at the register; customers may become aware of the program through the CFL CSP, UGI Electric, or retailer education and promotional activities

2. Retailer provides documentation of CFL sales results to CFL CSP
3. CFL CSP tracks results and reports periodically to UGI Electric
4. CFL CSP will provide free CFLs to UGI Electric CAP customers

Risks and Risk Management Strategy

The table below presents key market risks to an effective CFL Campaign, as well as the strategies the program will use to address each risk.

Risks and Risk Management Strategies	
Market Risks	Management Strategies
Cost of energy efficient bulbs	Provide upstream incentive and distributions
Lack of customer awareness	Robust education strategies, including point-of-sale promotions and discounts CSP outreach to retailers to solicit participation
Willingness of retailer to stock CFLs	
Other retail CFL promotions may be more attractive	
Negative media attention associated with CFL mercury content and CFL disposal	Ongoing retailer communications, training, outreach, and education Provide customer education and outreach on the proper handling and disposal of CFLs and mercury content
CFL performance	
Proper disposal of CFLs containing mercury	Provide locations for customers to dispose of mercury CFLs, which will be required as part of the CSP contract

Anticipated Costs to Participating Customers

The average customer cost of a standard CFL under this program is expected to be \$1.50 (after the incentive).

Ramp-up Strategy

UGI Electric will utilize CFL CSP(s) to deliver this program. In its contractual agreements with the competitively-selected CFL CSP, UGI Electric expects to detail achievable CFL distribution goals. The CFL CSP will be expected to develop and execute an education and delivery plan that achieves the goals.

Education Strategy

Education for this program will be led by the CFL CSP with support from UGI Electric Staff. The education strategy may include:

1. Promote program in UGI Electric’s customer bill insert
2. Communicate and provide access to program information on the Company’s website
3. Educate customers using appropriate media forms and communication channels

4. In-store educational display
5. Coordinate education opportunities with trade allies
6. Publish and distribute program brochure

Eligible Measures and Incentive Strategy

The CFL CSP will negotiate bulk pricing and manage the delivery of upstream incentives to participating CFL manufacturers, which are expected to cover approximately 50% of the retail cost of CFLs and 100% of the cost of distribution of bulbs.

At this time, UGI Electric does not anticipate changes to its eligible measures or incentives during the Plan period. However, UGI Electric will perform an annual review of its programs and may adjust measures, rebate levels, performance criteria, and/or eligibility ratings in the future as market conditions change. UGI Electric will review actual results from this program and determine whether any adjustments are needed to achieve the desired energy savings on a whole and/or maintain Plan cost effectiveness, provided however, the Company may not, without Commission approval, add new programs, deviate significantly from the approved program parameters, or exceed the total approved budget for the plan.

Implementation Schedule and Milestones

Planning and implementation tasks and schedule for the CFL Campaign follow. Some tasks will be led by UGI Electric; other tasks will be led by the program CSP, with oversight from UGI Electric.

Program Schedule and Milestones

Schedule	Milestones
Weeks 1 to 2	Finalize RFP, including scope of work, selection criteria, and quality assurance protocols for CFL CSP
Weeks 2 to 4	Issue RFP for CFL CSP
-----	Execute implementation contract with selected CSP
Weeks 5 to 7	Recruit participating retailers
Week 8	Select and execute contract with manufacturers
Weeks 8 to 12	Finalize customer education materials
Weeks 8 to 12	Develop tracking and allocation procedures
Weeks 5 to 8	Determine reporting data requirements for program evaluation
	Launch Program

Evaluation, Measurement, and Verification

UGI will strive to continuously improve the success of its Plan in order to enhance quality control, evaluate, measure, and verify procedures to track program activities, monitor performance and progress toward targets, and take corrective action when warranted.

Quality control will be integral to the delivery of all programs in UGI Electric's EE&C Plan. QC measures will be deployed at various stages of program design and implementation to ensure the highest industry standards of operational efficiency. These measures will include, but not be limited to, the following:

- Ongoing tracking of program activities and costs through dedicated UGI Electric employees and various CSPs
- Applying rigorous screening and qualifying protocols in engaging CSPs

QC processes will strive to:

- Prevent errors from beginning to end in any given program process
- Detect and correct errors as early as possible
- Eliminate the causes of errors as well as the errors themselves
- Establish a correction plan based on best practices and lessons learned

The program CSP, or UGI Electric Staff if no CSP involvement is indicated, will track all of the data necessary to verify all program activities and outcomes. For the Residential CFL program, this data will include:

- Expenditures, savings, and peak load impacts
- Retailer information: retail location, contact information, type, and quantity of products sold
- For the CFL distribution: contact information

CSP shall provide periodic reports to UGI for measurement and verification.

UGI Electric will conduct a self-review on an annual basis and report to the Commission within three months after the end of each program year. The self-review steps will include:

- Compile all records and compare it against the target for the year
- Adjust program measures based on effectiveness of the various measures
- Adjust education channels, messages, and trade ally groups, based on effectiveness
- Adjust budgets of various measures accordingly based on consumer demand

UGI Electric expects impact evaluation of this program will rely mainly on estimates of savings established in the Technical Reference Manual ("TRM") and information on measure installations, including but not limited to:

1. Number of CFLs distributed
2. Reporting shall be electronic, with periodic reports supplied to UGI Electric from the CSP

Administrative Requirements

UGI Electric Staff will oversee this program and the CSP. External Staffing requirements will be a function of the selected CSP work scope, proposed program management structure, and internal needs. Anticipated administrative requirements and participant roles for the program follow.

1. UGI Electric Staff will oversee all program operations and program CSP, and will work with trade allies, other Pennsylvania utilities, if appropriate, and stakeholders
2. The CFL CSP will track all program activities and report to UGI Electric

Estimated Participation

Program participation rates were developed using customer count information and trends for similar, successful programs. The overall budget is driven by the goal of attaining the cumulative targeted savings and satisfying the TRC test. The anticipated number of CFLs purchased by and given away to residential customers is shown below.

Measure	Year 1	Year 2	Year 3	Total
CFLs Purchased	<u>139,287</u> 60,000	<u>139,287</u> 60,000	<u>139,287</u> 60,000	<u>417,860</u> 180,000
CFLs Distributed (CAP customers only)	2,000	2,000	2,000	6,000
Total	<u>141,287</u> 62,000	<u>141,287</u> 62,000	<u>141,287</u> 62,000	<u>423,860</u> 186,000

- Formatted: Strikethrough
- Formatted: Strikethrough
- Formatted: Strikethrough
- Formatted: Strikethrough
- Formatted: Font: Times New Roman Bold, Strikethrough
- Formatted: Font: Times New Roman Bold, Strikethrough
- Formatted: Font: Times New Roman Bold, Strikethrough
- Formatted: Strikethrough
- Formatted: Strikethrough

Program Budget, Costs, and Cost-effectiveness

Over the three-year planning horizon, the program is expected to achieve electricity consumption savings of approximately 16,531 ~~7,254~~ MWh. The annual budget allocation, cumulative MWh savings through 2015 ~~2014~~, and overall program cost-effectiveness for the residential customer sector are shown in the table below.⁸ Key assumptions used in calculating measure-level savings are shown in Appendix B.

⁸ These costs do not include an allocated portion of UGI Electric's \$367,000 annual administrative costs to design, create, and implement the Plan. If an allocation of those costs was included here, it would not result in a TRC Benefit/Cost Ratio that was less than 1.0 for the Program as a whole over the three-year timeframe.

Benefits/Cost Component	Year 1	Year 2	Year 3	Total
Savings (MWh)	2,418	2,418	2,418	7,264
	5,510	5,510	5,510	16,531
Capacity Savings (MW)	0.276	0.276	0.276	0.828
	0.629	0.629	0.629	1.887
Total Resource Cost	\$ 202,200	\$ 202,200	\$ 202,200	\$ 606,600
	\$ 462,988	\$ 462,988	\$ 462,988	\$ 1,388,965
Direct Participant Costs	\$ 124,000	\$ 124,000	\$ 124,000	\$ 372,000
	\$ 282,573	\$ 282,573	\$ 282,573	\$ 847,719
Direct Utility Costs	\$ 164,380	\$ 164,380	\$ 164,380	\$ 493,140
	\$ 376,804	\$ 376,804	\$ 376,804	\$ 1,130,411
Customer Incentives	\$ 86,180	\$ 86,180	\$ 86,180	\$ 258,540
	\$ 196,388	\$ 196,388	\$ 196,388	\$ 589,165
CSP Labor	\$ 51,160	\$ 51,160	\$ 51,160	\$ 153,450
	\$ 116,561	\$ 116,561	\$ 116,561	\$ 349,684
CSP Materials and Supplies	\$ 17,050	\$ 17,050	\$ 17,050	\$ 51,160
	\$ 38,854	\$ 38,854	\$ 38,854	\$ 116,561
Communications	\$ 10,000	\$ 10,000	\$ 10,000	\$ 30,000
	\$ 25,000	\$ 25,000	\$ 25,000	\$ 75,000

[Note: Total Resource Cost equals Direct Participant Costs plus Overhead (CSP Labor, CSP Materials and Supplies, and Communications)]

TRC Test	Year 1	Year 2	Year 3	Total
TRC NPV Benefits	\$ 1,007,199	\$ 1,036,886	\$ 1,066,803	\$ 3,110,888
	\$ 2,295,228	\$ 2,362,880	\$ 2,431,055	\$ 7,089,162
TRC NPV Costs	\$ 202,200	\$ 193,209	\$ 184,617	\$ 580,026
	\$ 462,989	\$ 442,401	\$ 422,729	\$ 1,328,119
TRC Net Benefits	\$ 804,999	\$ 843,678	\$ 882,186	\$ 2,530,862
	\$ 1,832,239	\$ 1,920,478	\$ 2,008,326	\$ 5,761,043
TRC Benefit/Cost Ratio	4.98	5.37	5.78	6.36
	4.96	5.34	5.75	6.34

**4. Appliance Recycling Program
(Residential Sector/Low Income Customers)**

Objectives

The objectives of the Appliance Recycling Program include:

1. Encourage customers to dispose of their existing, inefficient appliances when they purchase new ones or eliminate a second unit that may not be needed
2. Reduce the use of secondary, inefficient appliances
3. Ensure appliances are disposed of in an environmentally responsible manner
4. Decommissioning to ensure appliances are not resold in a secondary market
5. Recycle approximately 3,195 refrigerators and freezers through ~~2015-2014~~, with a total reduction of approximately 5,521 MWh

Formatted: Strikethrough

Target Market

The program primarily targets residential customers, but it is available to all UGI Electric customers with a working, residential-grade refrigerator or freezer. Refrigerators must be at least 10 cubic feet in size. For the purposes of this Plan, the Appliance Recycling Program allocates budget attributes savings and impacts only to the residential sector.

Customer Eligibility Parameters

Customer type	All
Building Type	All
Building Vintage	All
Building ownership	Owner or tenant

Program Description

A customer incentive will be offered for customers who turn in eligible appliances. The program provides free pick-up and disposal of old, inefficient refrigerators and freezers. Units must be plugged in and functioning when picked up.

All units are disposed of in an environmentally responsible manner. This involves removing hazardous materials such as chlorinated fluorocarbons from the refrigerant and foam insulation, preparing refrigerant for reclamation, and recycling other materials such as metal and plastic.

Implementation Strategy

An Appliance Recycling CSP will provide turnkey services to manage and administer the program, including:

1. Education
2. Call center services, including customer intake and scheduling
3. Processing applications and rebates
4. Tracking program data
5. Providing customer and transaction information to UGI Electric

UGI Electric's Staff will provide overall strategic direction and program management for the program. Key steps in program participation may include the following:

1. CSP schedules and executes appliance collection contract
2. CSP verifies customer and appliance eligibility
3. CSP picks up and transports appliances to recycling facility
4. CSP recycles applicable components and appropriately disposes of remaining components
5. CSP tracks customer data, appliances, and outcomes throughout process
6. CSP processes rebate payment and delivers to customers

No changes in the implementation strategy are expected in different program years.

Risks and Risk Management Strategy

The table below presents the key market risks to an effective Appliance Recycling Program, as well as the strategies the program will use to address each risk.

Market Risks and Management Strategies	
Market Risks	Management Strategies
Time required for customer to be available for pick up	CSP responsible to work with customer to ensure the pick up is as convenient as possible \$35 incentive to compensate for time invested
Need to fill out rebate forms	Provide simple rebate forms
Lack of program awareness among customers	Appliance Recycling CSP helps customers fill out forms
Customers do not see benefit of harvesting qualified appliance(s)	Education strategy will leverage ENERGY STAR brand Consumer education and outreach \$35 incentive to enhance benefit to customer

Anticipated Costs to Participating Customers

There are no costs incurred by customers in this program.

Ramp-up Strategy

UGI Electric will utilize a turn-key Appliance Recycling CSP to deliver this program. In its contractual agreements with the competitively-selected Appliance Recycling CSP, UGI Electric will provide specific but achievable appliance recycling goals that ramp up by program year and will be reviewed periodically. The Appliance Recycling CSP will be expected to develop and execute a delivery plan that achieves the goals.

Education Strategy

Customer education for this program will be conducted by the selected Appliance Recycling CSP with support from UGI Electric. The education strategy may include:

1. Promote program in UGI Electric customer bill insert
2. Communicate and provide access to program information on the Company’s website
3. Promote program using appropriate media forms and communication channels
4. Use existing ENERGY STAR refrigerator harvesting materials as a resource; include program on ENERGY STAR “Find a Fridge or Freezer Recycling Program” web page

Eligible Measures and Incentive Strategy

There are two distinct incentives associated with the program:

1. Free pick-up and disposal of refrigerator or freezer
2. Appliance rebate

There is a limit of two rebates for refrigerators and freezers per customer address. Appliance eligibility parameters and rebates are shown in the table below.

Eligible Measures		
Measure	Eligibility Rating	Incentive
Refrigerator	Working unit; ≥ 10 CU FT.	\$35
Freezer	Working Unit	\$35

At this time, UGI Electric does not anticipate changes to its eligible measures or incentives during the Plan period. However, UGI Electric will perform an annual review of its programs and may adjust measures, rebate levels, performance criteria, and/or eligibility ratings in the future as market conditions change. UGI Electric will review actual results from this program and determine whether any adjustments are needed to achieve the desired

energy savings on a whole and/or maintain Plan cost effectiveness, provided however, the Company will not, without Commission approval, add new programs, deviate significantly from the approved program parameters, or exceed the total approved budget for the plan.

Implementation Schedule and Milestones

Planning and implementation tasks and schedule for the Appliance Recycling Program follow. Some tasks will be led by UGI Electric; other tasks will be led by the program CSP, with oversight from UGI Electric.

Program Schedule and Milestones	
Schedule	Milestones
Weeks 1 to 2	Finalize RFP, including scope of work, selection criteria, and quality assurance protocols for Appliance Recycling CSP
Weeks 2 to 4	Issue RFP for Appliance Recycling CSP
Week 5	Execute Implementation contract with selected CSP
Weeks 6 to 9	Determine reporting data requirements for program evaluation
Weeks 8 to 12	Develop customer information and education materials
Weeks 8 to 12	Develop customer information website
	Launch Program

Evaluation, Measurement, and Verification

UGI Electric will strive to continuously improve the success of its Plan in order to enhance quality control, evaluate, measure, and verify procedures to track program activities, monitor performance and progress toward targets, and take corrective action when warranted.

Quality control will be integral to the delivery of all programs in UGI Electric’s EE&C Plan. QC measures will be deployed at various stages of program design and implementation to ensure the highest industry standards of operational efficiency. These measures will include, but not be limited to, the following:

- Ongoing tracking of program activities and costs through dedicated UGI Electric employees and CSP
- Applying rigorous screening and qualifying protocols in engaging the CSP
- Checking 3% of recycled appliances to verify participant action

QC processes will strive to:

- Prevent errors from beginning to end in any given program process
- Detect and correct errors as early as possible
- Eliminate the causes of errors as well as the errors themselves
- Establish a correction plan based on best practices and lessons learned

The program CSP, or UGI Electric Staff if no CSP involvement is indicated, will track all of the data necessary to verify all program activities and outcomes. For the Residential Appliance Recycling Program, this data will include:

- Participant information: account number, rate class, copy of most recent electric bill, EE&C customer segment, and contact information
- Measure information: make and model number of old appliance, type, size, and quantity
- Expenditures, savings, and peak load impacts

The CSP shall provide periodic reports to UGI for measurement and verification.

UGI Electric will conduct a self-review on an annual basis and report to the Commission within three months after the end of each program year. The self-review steps will include:

- Compile all records and compare it against the target for the year
- Adjust program measures based on effectiveness of the various measures
- Adjust education channels, messages, and trade ally groups, based on effectiveness
- Adjust budgets of various measures accordingly, based on consumer demand

UGI Electric expects impact evaluation of this program will rely on estimates of savings established in the TRM.

Administrative Requirements

UGI Electric Staff will oversee this program. External staffing requirements will be a function of the selected CSP's work scope, proposed program management structure, and internal needs. Anticipated administrative requirements and participant roles for the program follow.

1. UGI Electric Staff will oversee all program operations and program CSP, and will work with trade allies, other Pennsylvania utilities, and stakeholders
2. The Appliance Recycling CSP will track all program activities and report to UGI Electric

Estimated Participation

Program participation levels were developed based on estimated participation levels of other EDCs adjusted to reflect UGI Electric’s smaller customer base. The resulting quantity of appliances recycled is shown below.

Projected Participation

Measure	Year 1	Year 2	Year 3	Total
Refrigerators and Freezers	355	1,420	1,420	3,195
Total	355	1,420	1,420	3,195

Program Budget, Costs, and Cost-effectiveness

Over the three-year planning horizon, the program is expected to achieve electricity consumption savings of approximately 5,521 MWh. The annual budget allocation, cumulative MWh savings through ~~2015~~ 2014, and overall program cost-effectiveness for the residential customer sector are shown in the table below.⁹ Key assumptions used in calculating measure-level savings are shown in Appendix B.

Formatted: Strikethrough

Benefits/Cost Component	Year 1	Year 2	Year 3	Total
Savings (MWh)	613	2,454	2,454	5,521
Capacity Savings (MW)	0.070	0.280	0.280	0.629
Total Resource Cost	\$ 133,250	\$ 293,000	\$ 293,000	\$ 719,250
Direct Participant Costs	\$ 53,250	\$ 213,000	\$ 213,000	\$ 479,250
Direct Utility Costs	\$ 133,250	\$ 293,000	\$ 293,000	\$ 719,250
Customer Incentives	\$ 53,250	\$ 213,000	\$ 213,000	\$ 479,250
CSP Labor	\$ 48,000	\$ 48,000	\$ 48,000	\$ 144,000
CSP Materials and Supplies	\$ 12,000	\$ 12,000	\$ 12,000	\$ 36,000
Communications	\$ 20,000	\$ 20,000	\$ 20,000	\$ 60,000
[Note: Total Resource Cost equals Direct Participant Costs plus Overhead (CSP Labor, CSP Materials and Supplies, and Communications)]				

TRC Test	Year 1	Year 2	Year 3	Total
TRC NPV Benefits	\$ 371,816	\$ 1,518,784	\$ 1,549,166	\$ 3,439,766
TRC NPV Costs	\$ 133,250	\$ 279,971	\$ 267,522	\$ 680,743
TRC Net Benefits	\$ 238,566	\$ 1,238,813	\$ 1,281,644	\$ 2,759,023
TRC Benefit/Cost Ratio	2.79	5.42	5.79	5.05

⁹ These costs do not include an allocated portion of UGI Electric’s \$367,000 annual administrative costs to design, create, and implement the Plan. If an allocation of those costs was included here, it would not result in a TRC Benefit/Cost Ratio that was less than 1.0 for the Program as a whole over the three-year timeframe.

B. COMMERCIAL AND INDUSTRIAL SECTOR PROGRAMS

**1. Appliance Rebate Program
(Commercial and Industrial Sector/Governmental Customers)**

Objectives

The objectives of the Appliance Rebate Program include:

1. Provide customers with opportunities to reduce their energy costs and increase their energy efficiency
2. Encourage customers to install high-efficiency energy devices and equipment
3. Encourage the use of high-efficiency/ENERGY STAR-rated equipment
4. Promote strategies that encourage and support market transformation for high-efficiency devices and equipment
5. Achieve approximately 4,146 installed measures through ~~2015-2014~~, with a total reduction of 808 MWh

Formatted: Strikethrough

Target Market

UGI Electric's Appliance Rebate Program will be available to commercial and industrial ("C&I") customers, which includes governmental customers. The Plan divides the program into individual market sectors, with target customers, participation, budgets, savings, and other appropriate details broken out for each sector. However, UGI Electric expects to use a consistent implementation strategy, incentive mechanism, and administrative process to deliver the program across the C&I sector. The table below outlines eligibility targets for the C&I sector.

Customer Eligibility Parameters

Customer type	Commercial and Industrial
Building Type	Commercial, Industrial
Building Vintage	Existing and new construction
Building ownership	Owner or tenant with owner approval

Program Description

The program promotes the purchase and installation of a wide range of high-efficiency equipment. The C&I Appliance Rebate Program provides customers and potential customers with financial incentives to offset the higher purchase costs of energy-efficient equipment and offers information on the features and benefits of energy-efficient equipment. Targeted equipment includes electric heating, cooling, lighting, water heating, appliance, and other measures (ENERGY STAR-labeled equipment is specified where available). (See Eligible Measures and Incentive Strategy)

Implementation Strategy

UGI Electric will select a qualified CSP through a Request for Proposal (“RFP”) to provide customer intake, eligibility verification, rebate processing, and tracking. Customers will be required to submit a program application with documentation of the equipment purchase and installation(s) for verification and rebate processing. UGI Electric will provide overall strategic direction and program management for the program and promotional, education, trade ally support, and other administrative functions.

Key steps in program participation include:

1. Customers may be directed to the program through UGI Electric’s customer education activities, the Company website, equipment dealers, or by contacting an equipment installation contractor/trade ally for a service call
2. Customers will generally work with the equipment/appliance retailer or installation contractor to fill out program applications and ensure the required documentation is submitted to the program CSP for processing
3. The CSP will review documentation to verify the applicant is a UGI Electric customer and the installed equipment meets the minimum efficiency standard
4. Customers installing eligible high-efficiency equipment will schedule the work directly with their equipment dealer or installation contractor
5. The CSP shall process rebate checks for qualified equipment

Risks and Risk Management Strategy

The table below presents key market risks to an effective C&I Appliance Rebate Program as well as the strategies the program will use to address each risk.

Risks and Risk Management Strategies	
Market Risks	Management Strategies
Higher first cost of energy-efficient equipment	Offer rebates to offset higher incremental cost Educate customers on the long-term energy cost-saving benefits of higher-efficiency equipment
Changing technology may impact life cycle cost	Market program and general efficiency awareness to customers
Economic environment may limit customer’s ability to purchase energy-efficient equipment and appliances	Add new programs or measures and/or increase eligible equipment efficiency levels as technology improves
Customers needing emergency replacement may not know about the program	Provide web-based information with downloadable forms and brochures Promote general efficiency awareness to customers and trade allies
Customers choose to buy less efficient equipment	

Anticipated Costs to Participating Customers

Customer incremental costs (*i.e.*, the cost differential between standard and high-efficiency measures) will vary, depending on the type of equipment purchased and the efficiency level of eligible equipment selected by the customer. In general, rebates are designed to cover a portion of the customer incremental cost.

Education Strategy

In addition to the education strategy and tactics discussed in Section 2.A.1., under the Residential Appliance Rebate Program, UGI Electric may use the following education strategies to promote this program to its C&I customers:

1. Targeted education to business trade associations, building owner/manager associations, economic development organizations, customer advocacy groups, and trade allies such as architects, engineers, real estate developers, energy services companies, HVAC companies, and other equipment dealers and installers
2. Targeted education to specific C&I customers

Implementation Schedule and Milestones

Planning and implementation tasks and a schedule for the C&I Appliance Rebate Program follow. Some tasks will be led by UGI Electric; other tasks will be led by the program CSP, with oversight from UGI Electric.

Program Schedule and Milestones

Schedule	Milestones
Weeks 1 to 2	Finalize detailed work scopes, selection criteria, and quality assurance protocols for CSP
Weeks 2 to 5	Issue RFP for CSP
-----	Execute program implementation contract with selected CSP
Week 6	Secure CSP
Weeks 6 to 10	Conduct outreach to merchants
Weeks 7 to 9	Develop tracking procedures
Weeks 9 to 12	Program training
Weeks 9 to 12	Finalize customer education material and program applications
	Launch Program

Evaluation, Measurement, and Verification

UGI will strive to continuously improve the success of its Plan in order to enhance quality control, evaluate, measure, and verify procedures to track program activities, monitor performance and progress toward targets, and take corrective action when warranted.

Quality control will be integral to the delivery of all programs in UGI Electric's EE&C Plan. QC measures will be deployed at various stages of program design and implementation to ensure the highest industry standards of operational efficiency. These measures will include, but not be limited to, the following:

- Ongoing tracking of program activities and costs through dedicated UGI Electric employees and various CSPs
- Applying rigorous screening and qualifying protocols in engaging CSPs
- Checking 3% of rebate claims to verify participant action

QC processes will strive to:

- Prevent errors from beginning to end in any given program process
- Detect and correct errors as early as possible
- Eliminate the causes of errors as well as the errors themselves
- Establish a correction plan based on best practices and lessons learned

The program CSP, or UGI Electric Staff if no CSP involvement is indicated, will track all of the data necessary to verify all program activities and outcomes. For the C&I Appliance Rebate program, this data will include:

- Participant information: account number, rate class, copy of most recent electric bill, EE&C customer segment, and contact information
- Measure information: make and model number of new appliance and efficiency rating
- Expenditures, savings, and peak load impacts
- New construction information: developer contact information, builder contact information, and confirmation of new account activation (most recent bill)

CSP shall provide periodic reports to UGI for measurement and verification

UGI Electric will conduct a self-review on an annual basis and report to the Commission within three months after the end of each program year. The self-review steps will include:

- Compile all records and compare it against the target for the year
- Adjust program measures based on effectiveness of the various measures
- Adjust education channels, messages, and trade ally groups, based on effectiveness

- Adjust budgets of various measures accordingly, based on consumer demand

Administrative Requirements

A member of UGI Electric Staff will oversee this program, supported by other internal Staff. Anticipated administrative requirements and participant roles for the program are:

1. We will have an internal UGI Electric Staff that will have overall program implementation responsibility
2. The CSP will process applications, provide rebates, and provide information for the preparation of reports
3. UGI Electric Staff will create an education program using appropriate media forms and communication channels to generate awareness for the program

Eligible Measures and Incentive Strategy

The program provides financial incentive in the form of a prescriptive rebate on a per-unit basis to customers installing qualifying equipment and technologies. Rebates will be a fixed amount per device, paid by check to customers who complete a rebate application and submit documentation of the equipment purchase to UGI Electric's CSP.

The table below shows UGI Electric's proposed list of eligible equipment, incentive levels, and efficiency qualifications.

Measure	Eligibility Rating	Incentive
Programmable Thermostat	ENERGY STAR	\$55/unit
Anti-Sweat Heater Controls	Variable Temperature Controls (Humidistat)	\$34/case door
Ice Maker	High-Efficiency	\$115/unit
Faucet Aerators	1.5 gallons per minute	\$0.50/unit
Steam Cookers	ENERGY STAR	\$40/unit
ENERGY STAR Office Equipment	ENERGY STAR	30% of incremental measure cost up to \$50
Residential-size Refrigerator	ENERGY STAR	\$50

Qualifying Energy Star Office Equipment
ES Computer
ES Copiers
ES Fax
ES Monitor
ES Printers
ES Scanners
ES Vending Machines
ES Water Cooler
ES Res-Sized Refrigerators

At this time, UGI Electric does not anticipate changes to its eligible measures or incentives during the Plan period. However, UGI Electric will perform an annual review of its programs and may adjust measures, rebate levels, performance criteria, and/or eligibility ratings in the future as market conditions change. UGI Electric will review actual results from this program and determine whether any adjustments are needed to achieve the desired energy savings on a whole and/or maintain Plan cost effectiveness, provided however, the Company will not, without Commission approval, add new programs, deviate significantly from the approved program parameters, or exceed the total approved budget for the plan.

Estimated Participation

Estimated Participation for each measure is shown below.

Projected Participation				
Measure	Year 1	Year 2	Year 3	Total
Thermostat – Programmable	150	150	150	450
Anti-Sweat Heater Controls	8	8	8	24
Ice Maker	3	3	3	9
Faucet Aerators	801	801	801	2,403
Steam Cookers	3	3	3	9
Energy Star Office Equipment	387	387	387	1,161
Residential Size Refrigerator	30	30	30	90
Total	1,382	1,382	1,382	4,146

Program Budget, Costs, and Cost-Effectiveness

Over the three-year planning horizon, the program is expected to achieve electricity consumption savings of approximately 808 MWh. The annual budget allocation, cumulative MWh savings through ~~2015-2014~~, and overall program cost-effectiveness for the C&I customer sector are shown in the table below.¹⁰ Key assumptions used in calculating measure-level savings are shown in Appendix B.

Formatted: Strikethrough

¹⁰ These costs do not include an allocated portion of UGI Electric’s \$367,000 annual administrative costs to design, create, and implement the Plan. If an allocation of those costs was included here, it would not result in a TRC Benefit/Cost Ratio that was less than 1.0 for the Program as a whole over the three-year timeframe.

Benefits/Cost Component	Year 1	Year 2	Year 3	Total
Savings (MWh)	269	269	269	808
Capacity Savings (MW)	0.042	0.042	0.042	0.127
Total Resource Cost	\$ 127,462	\$ 127,462	\$ 127,462	\$ 382,386
Direct Participant Costs	\$ 63,962	\$ 63,962	\$ 63,962	\$ 191,886
Direct Utility Costs	\$ 93,738	\$ 93,738	\$ 93,738	\$ 281,213
Customer Incentives	\$ 30,238	\$ 30,238	\$ 30,238	\$ 90,713
CSP Labor	\$ 16,000	\$ 16,000	\$ 16,000	\$ 48,000
CSP Materials and Supplies	\$ 16,000	\$ 16,000	\$ 16,000	\$ 48,000
Communications	\$ 31,500	\$ 31,500	\$ 31,500	\$ 94,500
[Note: Total Resource Cost equals Direct Participant Costs plus Overhead (CSP Labor, CSP Materials and Supplies, and Communications)]				

TRC Test	Year 1	Year 2	Year 3	Total
TRC NPV Benefits	\$ 251,892	\$ 252,963	\$ 253,811	\$ 758,666
TRC NPV Costs	\$ 137,462	\$ 131,349	\$ 125,509	\$ 394,320
TRC Net Benefits	\$ 114,430	\$ 121,614	\$ 128,302	\$ 364,346
TRC Benefit/Cost Ratio	1.83	1.93	2.02	1.92

2. **Commercial and Industrial Custom Incentive Program**
(Commercial and Industrial Sector/Governmental Customers)

Objectives

The objectives of the Commercial and Industrial (“C&I”) Custom Incentive Program include:

1. Encourage the installation of high-efficiency equipment not included in UGI Electric’s other C&I EE&C Programs by ~~C&I~~ customers in new and existing facilities
2. Encourage the installation of residential sized solar thermal water heaters where appropriate in lieu of electric water heating
- ~~2-3.~~ Encourage equipment repairs and optimization and operational or process changes that reduce electricity consumption and peak demand
- ~~3-4.~~ Encourage a “whole facility” approach to energy-efficiency
- ~~4-5.~~ Increase customer awareness of the features and benefits of electric energy efficient equipment
- ~~5-6.~~ Increase the market penetration of high-efficiency equipment
- ~~6-7.~~ Support emerging technologies and non-typical efficiency solutions in cost-effective applications
- ~~7-8.~~ Encourage advanced energy efficiency strategies required for certification by national market transformation programs such as Leadership in Energy and Environmental Design (LEED), architecture 2030, ENERGY STAR Buildings, or Energy Policy Act of 2005 tax credits
- ~~8-9.~~ Obtain approximately ~~1,479~~ ~~1,449~~ participants through ~~2015~~ ~~2014~~, with a total reduction of approximately ~~5,135~~ ~~5,072~~ MWh

Formatted: Expanded by 0.1 pt

Formatted: Bullets and Numbering

Formatted: Strikethrough

Formatted: Strikethrough

Formatted: Strikethrough

Target Market

UGI Electric’s C&I Custom Incentive Program targets all new and existing commercial and industrial facilities. The program will be available for any type of new or replacement energy-efficient equipment not eligible for a prescriptive rebate through UGI Electric’s other ~~EE&C~~ Programs. The program also covers retro-commissioning, repairs, optimization, and operational or process changes. All measures, packages of measures, and process changes must be cost-effective, as substantiated through a technical analysis. Additionally, customers installing residential sized solar thermal water heaters in lieu of an electric water heater would be eligible for an equipment rebate.

The Plan includes the C&I sector, which includes governmental customers. UGI Electric expects to use a consistent implementation strategy, incentive mechanism, and administrative process to deliver the program across these market sectors. The table below outlines eligibility parameters for the C&I sector.

Customer Eligibility Parameters

Customer type	Commercial and Industrial
Building Type	Commercial and Industrial
Building Vintage	Existing and new construction
Building ownership	Owner or tenant with owner approval

Program Description

This Custom Incentive Program provides a delivery channel and financial incentives to customers installing a variety of custom measures suited to their particular business needs. To qualify for financial incentives, eligible customers will be required to provide documentation that their proposed efficiency upgrades pass UGI Electric's cost-effectiveness threshold and technical criteria.

UGI Electric will encourage customers building new facilities to pursue advanced building performance certification such as LEED or ENERGY STAR Buildings.

Implementation Strategy

UGI Electric's Staff will work with customers to identify, evaluate and approve custom projects. UGI will establish an outreach campaign to potential trade allies to promote the program.

Since the C&I Custom program is fluid by nature, UGI Electric will heavily promote the custom program through a variety of channels such as newspaper, radio, and magazine advertising. In addition, UGI Electric's local staff will reach out to C&I customers to inform them about the program and the savings it could provide.

UGI Electric plans to retain CSP(s) on an as-needed basis who are C&I energy efficiency experts to help evaluate and analyze proposed projects. As required, the CSP will study the customer's proposal and will provide an unbiased third-party opinion on the feasibility, energy efficiency and savings, and the TRC project values. Retaining a third-party CSP will ensure that the project meets TRM and Quality Control standards.

UGI Electric's Staff will provide overall strategic direction and program management for the program and perform evaluation and other administrative functions. The project development process for the Custom Incentive Program is more fluid than other programs and may not follow a precise work path. The following workflow is an example of a typical scenario through which an equipment-based custom efficiency project may proceed:

1. Customers may be directed to the program through education efforts, or other UGI Electric EE&C programs

2. A trade ally (e.g., energy services firms, engineering firms, providers of energy efficiency products and services, etc.) works with the customer to evaluate their facility's energy efficiency opportunities and develop potential project ideas
3. A professional engineering firm or other qualified contractor, under contract to the customer, performs a detailed technical study of potential projects and evaluates their cost-effectiveness
4. UGI Electric and/or CSP evaluate the customer's technical study report to qualify projects, which involves confirming project incremental cost, potential energy and capacity savings data, and evaluating cost-effectiveness
5. Customers will schedule installation of eligible high-efficiency equipment upgrades, operational or process changes, or other eligible measures directly with an installation contractor
6. Verifying equipment installation, operational, or process changes or other eligible work for all participants, which will be a part of the measurement and verification process
7. Processing rebates for qualified equipment or extensive building efficiency projects

Program Schedules and Milestones

Schedule	Milestones
Weeks 1 to 4	Execute and sign RPF with a professional engineering firm with energy efficiency evaluation expertise
Weeks 1 to 4	Finalize outreach to merchants and trade allies
Weeks 1 to 4	Finalize tracking procedures
Weeks 1 to 4	Program training
Weeks 1 to 4	Finalize customer education material and program applications and website.
	Launch Program

Risk and Risk Management Strategy

The table below presents key market risks to an effective Custom Incentive Program, as well as the strategies the program will use to address each risk.

Market Risks and Management Strategies

Market Risks	Management Strategies
Higher first cost of energy efficient equipment	Offer customized incentives on equipment and consider technical study offered by customer to offset higher costs
Not a high priority; limited access to discretionary cash/credit	
Lack of program awareness and "emergency replacement" scenario among target customers	Education strategy focused on decision makers and facility operators Education of equipment dealers, distributors, and installers or other trade allies
Procurement policies that specify low first cost instead of life cycle cost	
Tenant/landlord issues	

Customer incremental costs (*i.e.*, the cost differential between standard and high-efficiency measures) will vary depending on the type of equipment or project installed or other work performed. All rebates, exclusive of solar thermal water heaters, Rebates are designed to return up to 80% of the TRC value of the proposed project up to the remaining budget amount. UGI Electric reserves the right to limit the rebate amount to \$100,000 to any individual customer. Rebates for solar thermal water heaters will be \$138 per application.

Ramp-up and Education Strategy

This Incentive Program is expected to be an attractive option for C&I customers with more complex buildings and building equipment (*e.g.*, data centers and industrial process facilities) and for larger customers.

UGI Electric's Staff will create an education strategy, which may include:

1. Communicate and provide access to program information on the Company's website
2. Coordinate education opportunities with trade allies
3. Target education to high-potential market sectors

Eligible Measures and Incentive Strategy

The table below shows UGI Electric's proposed incentive levels. As noted above, UGI Electric reserves the right to limit the rebate amount to \$100,000 to any individual customer.

Eligible Equipment Measures

Measure	Eligibility Rating	Incentive (Up to Remaining Budget Amount)
Solar Thermal Water Heater	Switching from Electric	\$138
Traffic Signals	TRC >1	Up to 80% of

		TRC value
Street Lighting	TRC >1	Up to 80% of TRC value
Outdoor Lighting	TRC >1	Up to 80% of TRC value
Custom Industrial Processes	TRC >1	Up to 80% of TRC value
Building Retrofits	TRC >1	Up to 80% of TRC value
Cooling Tower-Decrease Approach Temperature	TRC >1	Up to 80% of TRC value
Cooling Tower-Two-Speed Fan Motor	TRC >1	Up to 80% of TRC value
Water-Cooled Chiller, Screw Chiller	TRC >1	Up to 80% of TRC value
Water-Cooled Chiller, Screw Chiller	TRC >1	Up to 80% of TRC value
Heat Pump – Air Source	TRC >1	Up to 80% of TRC value
Heat Pump – Air Source	TRC >1	Up to 80% of TRC value
Motors	TRC >1	Up to 80% of TRC value
Commercial Reach-In Refrigerator	TRC >1	Up to 80% of TRC value
Compressor VSD Retrofit	TRC >1	Up to 80% of TRC value
Floating Head Pressure Control	TRC >1	Up to 80% of TRC value
Strip Curtains for Walk-Ins	TRC >1	Up to 80% of TRC value
Occupancy Sensors	TRC >1	Up to 80% of TRC value
Time Clocks and Timers	TRC >1	Up to 80% of TRC value
ASD/VSD	TRC >1	Up to 80% of TRC value
Ceiling Insulation	TRC >1	Up to 80% of TRC value
Wall Insulation	TRC >1	Up to 80% of TRC value
Other Custom Applications	TRC >1	Up to 80% of TRC value

At this time, UGI Electric does not anticipate changes to its eligible measures or incentives during the Plan period. However, UGI Electric will perform an annual review of its

programs and may adjust measures, rebate levels, performance criteria, and/or eligibility ratings in the future as market conditions change. UGI Electric will review actual results from this program and determine whether any adjustments are needed to achieve the desired energy savings on a whole and/or maintain Plan cost effectiveness, provided however, the Company will not, without Commission approval, add new programs, deviate significantly from the approved program parameters, or exceed the total approved budget for the plan.

Implementation Schedule and Milestones

Given the nature of the C&I Custom Incentive Programs, planning and implementation tasks and schedule for the C&I Custom Incentive Program will be determined as needed.

Evaluation, Measurement, and Verification

UGI will strive to continuously improve the success of its Plan in order to enhance quality control, evaluate, measure and verify procedures to track program activities, monitor performance and progress toward targets, and take corrective action when warranted.

Quality control will be integral to the delivery of all programs in UGI Electric's EE&C Plan. QC measures will be deployed at various stages of program design and implementation to ensure the highest industry standards of operational efficiency. These measures will include, but not be limited to, the following:

- Ongoing tracking of program activities and costs through dedicated UGI Electric employees and various CSPs
- Applying rigorous screening and qualifying protocols in engaging CSPs
- Checking a significant percentage of custom projects to verify participant action

QC processes will strive to:

- Prevent errors from beginning to end in any given program process
- Detect and correct errors as early as possible
- Eliminate the causes of errors as well as the errors themselves
- Establish a correction plan based on best practices and lessons learned

The program CSP, or UGI Electric Staff if no CSP involvement is indicated, will track all of the data necessary to verify all program activities and outcomes. For the C&I Custom program, this data may include:

- Participant information: account number, rate class, copy of most recent electric bill, EE&C customer segment, and contact information
- Project information: site (facility) location, project specifications, total project cost, project application date, project approval date, and project completion date
- Measure information: make and model number of new appliance, type and quantity of measures installed, efficiency rating, and service rendered

- Expenditures, savings, and peak load impacts
- Trade ally information, if available: contact information, dates of program involvement, and installation standards used
- New construction information: developer contact information, builder contact information, and confirmation of new account activation (most recent bill)

UGI Electric will track the energy usage for custom measures and compare it to historical trends, adjusted for weather and other relevant factors. Customers must provide detailed engineering studies with proposed measures efficiency rating, the TRM values for various proposed measures, and the costs associated with each component. UGI Electric will make a decision based on the cost-effectiveness of the total proposal and the TRM values. Customer information will be collected for verification and auditing.

UGI Electric anticipates self-review on an annual basis and reports to the Commission within three months after the end of each program year. The self-review steps will include:

- Compile all records and compare them against the target for the year
- Conduct on-site inspections of a significant amount of custom measure installations to verify accuracy and prevent fraud
- Adjust program measures based on effectiveness of the various measures
- Adjust education channels, messages, and trade ally groups, based on effectiveness
- Adjust budgets of various measures accordingly, based on consumer demand

Administrative Requirements

UGI Electric Staff will oversee this program.

Estimated Participation

Participation levels were estimated based on estimated participation levels of other EDCs and adjusted to reflect UGI Electric’s smaller customer base.

Projected Participation

Measure	Year 1	Year 2	Year 3	Total
Custom Measure	493,483	493,483	493,483	1,479,449

Formatted: Strikethrough
Formatted: Strikethrough
Formatted: Strikethrough
Formatted: Strikethrough
Formatted: Strikethrough

Program Budget, Costs, and Cost-Effectiveness

Over the three-year planning horizon, the program is expected to achieve electricity consumption savings of approximately ~~5,135~~ ~~5,072~~ MWh. The annual budget allocation, cumulative MWh savings, and overall program cost-effectiveness for the commercial and industrial customer sectors are shown in the table below.¹¹ Key assumptions used in calculating measure-level savings are shown in Appendix B.

¹¹ These costs do not include an allocated portion of UGI Electric’s \$367,000 annual administrative costs to design, create, and implement the Plan. If an allocation of those costs was included here, it would not result in a TRC Benefit/Cost Ratio that was less than 1.0 for the Program as a whole over the three-year timeframe.

Non-Solar Thermal Water Heating Measures

Benefits/Cost Component	Year 1	Year 2	Year 3	Total
Savings (MWh)	1,691	1,691	1,691	5,072
Capacity Savings (MW)	0.193	0.193	0.193	0.6
Total Resource Cost	\$ 910,005	\$ 910,005	\$ 910,005	\$ 2,730,015
Direct Participant Costs	\$ 805,005	\$ 805,005	\$ 805,005	\$ 2,415,015
Direct Utility Costs	\$ 515,000	\$ 515,000	\$ 515,000	\$ 1,545,000
Customer Incentives	\$ 410,000	\$ 410,000	\$ 410,000	\$ 1,230,000
CSP Labor	\$ 30,000	\$ 30,000	\$ 30,000	\$ 90,000
CSP Materials and Supplies	\$ 25,000	\$ 25,000	\$ 25,000	\$ 75,000
Communications	\$ 50,000	\$ 50,000	\$ 50,000	\$ 150,000
[Note: Total Resource Cost equals Direct Participant Costs plus Overhead (CSP Labor, CSP Materials and Supplies, and Communications)]				

TRC Test	Year 1	Year 2	Year 3	Total
TRC NPV Benefits	\$ 1,251,882	\$ 1,267,441	\$ 1,278,967	\$ 3,798,290
TRC NPV Costs	\$ 900,016	\$ 859,995	\$ 821,753	\$ 2,581,764
TRC Net Benefits	\$ 351,865	\$ 407,446	\$ 457,214	\$ 1,216,526
TRC Benefit/Cost Ratio	1.39	1.47	1.56	1.47

Solar Thermal Water Heating Measures

Benefits/Cost Component	Year 1	Year 2	Year 3	Total
Savings (MWh)	21	21	21	63
Capacity Savings (MW)	0.004	0.004	0.004	0.011
Total Resource Cost	\$ 48,500	\$ 48,500	\$ 48,500	\$ 145,500
Direct Participant Costs	\$ 48,000	\$ 48,000	\$ 48,000	\$ 144,000
Direct Utility Costs	\$ 1,880	\$ 1,880	\$ 1,880	\$ 5,640
Customer Incentives	\$ 1,380	\$ 1,380	\$ 1,380	\$ 4,140
CSP Labor	\$ -	\$ -	\$ -	\$ -
CSP Materials and Supplies	\$ -	\$ -	\$ -	\$ -
Communications	\$ 500	\$ 500	\$ 500	\$ 1,500
[Note: Total Resource Cost equals Direct Participant Costs plus Overhead (CSP Labor, CSP Materials and Supplies, and Communications)]				

Solar Thermal Water Heater Fuel Switching TRC Test	Year 1	Year 2	Year 3	Total
TRC NPV Benefits	\$ 21,550	\$ 21,657	\$ 21,703	\$ 64,910
TRC NPV Costs	\$ 48,500	\$ 46,343	\$ 44,283	\$ 139,126
TRC Net Benefits	\$ (26,950)	\$ (24,686)	\$ (22,579)	\$ (74,216)
TRC Benefit/Cost Ratio	0.44	0.47	0.49	0.47
[Note: TRC NPV Benefits includes electricity savings from fuel switching.]				

Other Information

Customers that install qualifying equipment under this program during the life of the Plan will qualify for rebates. Customers who submit qualified and approved projects to UGI Electric will receive a budget commitment for their proposal. Receipt of the funds is contingent on project completion during the life of the Plan.

3. **HVAC Tune-up Program**
(Commercial and Industrial Sector/Governmental Customers)

Objectives

The objectives of the Commercial HVAC Tune-up Program include:

1. Optimize HVAC unit performance
2. Assist commercial customers in lowering their energy bills and operating costs
3. Obtain participation by approximately 704 customers through ~~2015-2014~~, with a total reduction of approximately 1,120 MWh

Formatted: Strikethrough

Target Market

UGI Electric's HVAC Tune-up Program targets existing buildings with packaged commercial HVAC systems. The program will offer incentives paid to HVAC contractors who perform qualifying measures.

The Plan applies to the C&I sector, which includes governmental customers. The table below outlines eligibility targets.

Customer type	Commercial and Industrial
Building Type	Commercial and Industrial
Building Vintage	Existing buildings
Building ownership	Owner or tenant with owner approval

Program Description

The HVAC Tune-Up Program is designed to increase the operating performance of electric HVAC systems in commercial buildings. The program offers financial incentives to HVAC contractors to diagnose performance inefficiencies and make energy-saving retrofits. The efficiency opportunities can be broken into three main areas:

1. Refrigeration components
2. Air distribution system
3. Controls

Implementation Strategy

UGI Electric will competitively select an HVAC Tune-up CSP to manage and administer the program, including contractor recruitment, contractor training, providing ongoing contractor field support, education, processing applications and rebates, tracking program data, and reporting to UGI Electric. HVAC Contractors will provide technical assessments and install

energy efficiency improvements on customers' HVAC systems. UGI Electric energy efficiency Staff will provide overall strategic direction and program management for the program and, supported by the CSP, education, trade ally support, evaluation, and other administrative functions. Key steps in program participation include:

1. Trained contractors will use diagnostic tools to assess HVAC unit performance, tune-up systems, and install energy efficiency equipment to improve performance
2. Contractors will complete necessary program paperwork to apply for an incentive, and the CSP will record all applications, while the program will process and issue an incentive check to the contractor for qualifying applications
3. The CSP will provide monthly reports to UGI Electric that outline program accomplishments, challenges, contractor and customer feedback, projected saving forecasts, and other program information, and will also document problems and urgent issues as they arise

A quality assurance plan will be developed to ensure that contractors are performing program services properly and that the program is realizing energy savings. At this time, UGI Electric does not anticipate changes to its eligible measures or incentives during the Plan period. However, UGI Electric will perform an annual review of its programs and may adjust measures, rebate levels, performance criteria, and/or eligibility ratings in the future as market conditions change. UGI Electric will review actual results from this program and determine whether any adjustments are needed to achieve the desired energy savings on a whole and/or maintain Plan cost effectiveness, provided however, the Company will not, without Commission approval, add new programs, deviate significantly from the approved program parameters, or exceed the total approved budget for the plan.

Risk and Risk Management Strategy

The table below presents key market risks to an effective C&I HVAC Program, as well as the strategies the program will use to address each risk.

Market Risks and Management Strategies

Market Risks	Management Strategies
HVAC contractors have limited time and/or resources to implement program components	Provide financial incentives to contractors to compensate their time and encourage participation Contractor education Education plan encouraging contractor participation
Limited number of qualified contractors	
Customer/contractor may have uncertainties regarding savings and payback	Specific education and information to customers to ensure awareness of UGI Electric incentives
Customers think they receive the service as part of an existing maintenance agreement	
Landlord/tenant issues	
Economic environment may limit customers' ability to upgrade equipment and technology	
Customer not aware of incentives to contractors	

Anticipated Costs to Participating Customers

In general, measure rebates are designed to cover approximately 50% of the customer incremental cost. Estimated customer post-incentive costs by measure are outlined in the table below:

Measure	Post-Incentive Cost
Basic diagnostic testing (no economizer)	\$25
Basic diagnostic testing (economizer is present)	\$50
Refrigerant Charge/Airflow (single compressor)	\$125
Refrigerant Charge/Airflow (multiple compressors)	\$175
Thermostat Modification	\$25
Economizer Adjustment	\$150
Thermostat Replacement	\$100
Economizer Control Package	\$100

Ramp-up Strategy

UGI Electric will utilize an HVAC Tune-up CSP to deliver this program. The delivery process will require the CSP to work with participating contractors to help them identify opportunities and sell program services to their existing maintenance and new customers. In its contractual agreements with the HVAC Tune-up CSP, UGI Electric expects to outline specific but achievable participation goals that ramp up by program year. The HVAC Tune-up CSP will be expected to develop and execute an education and delivery plan that achieves the goals.

Education Strategy

This program relies on customer education, CSP, and trade ally promotion. The selected HVAC Tune-up CSP will work with UGI Electric's staff to create an education strategy for this program, which may include:

1. Communicate and provide access to program information on the Company's website
2. Educate using appropriate media forms and communication channels
3. Coordinate promotional opportunities with trade allies
4. Targeted education to specific sectors identified as having a high level of unrealized energy-efficiency potential, such as office buildings and data centers

Eligible Measures and Incentive Strategy

The program provides a financial incentive in the form of a prescriptive rebate for specific diagnostic tests and installation of qualifying equipment and technologies associated with commercial packaged HVAC systems. Rebates will be a fixed amount per measure, paid by check to HVAC contractors who complete an application and submit documentation to UGI Electric's HVAC CSP. The table below shows UGI Electric's proposed incentive levels.

Eligible Equipment Measures	
Measure	Incentive
Basic diagnostic testing (no economizer)	\$25
Basic diagnostic testing (economizer is present)	\$50
Refrigerant Charge/Airflow (single compressor)	\$125
Refrigerant Charge/Airflow (multiple compressors)	\$175
Thermostat Modification	\$25
Economizer Adjustment	\$150
Thermostat Replacement	\$100
Economizer Control Package	\$100

At this time, UGI Electric does not anticipate changes to its eligible measures or incentives during the Plan period. However, UGI Electric will perform an annual review of its programs and may adjust measures, rebate levels, performance criteria, and/or eligibility ratings in the future as market conditions change. UGI Electric will review actual results from this program and determine whether any adjustments are needed to achieve the desired energy savings on a whole and/or maintain Plan cost effectiveness, provided however, the Company will not, without Commission approval, add new programs, deviate significantly from the approved program parameters, or exceed the total approved budget for the plan.

Implementation Schedules and Milestones

Planning and implementation tasks and schedule for the HVAC Tune-up Program follow. Some tasks will be led by UGI Electric; other tasks will be led by the CSP, with oversight from UGI Electric.

Program Schedule and Milestones

Schedule	Milestones
Weeks 1 to 2	Finalize RFP, including scope of work, selection criteria, and quality assurance protocols for program CSP
Weeks 2 to 4	Issue RFP for program CSP
-----	Execute program implementation contract with selected program CSP
Weeks 5 to 7	Provide outreach to trade allies and other interested stakeholders
Weeks 7 to 12	Train internal Staff and trade allies
Weeks 10 to 14	Develop customer education materials
Weeks 7 to 14	Develop program forms, tracking database, and incentive process
Weeks 7 to 14	Develop tracking and allocation procedures
Week 7 to 14	Establish communication and reporting schedule
Weeks 15 to 16	Finalize education approach details
Week 7 to 10	Determine data requirements for program evaluation
	Launch Program

Evaluation, Measurement, and Verification

UGI Electric will strive to continuously improve the success of its Plan in order to enhance quality control, evaluate, measure, and verify procedures to track program activities, monitor performance and progress toward targets, and take corrective action when warranted.

Quality control will be integral to the delivery of all programs in UGI Electric's EE&C Plan. QC measures will be deployed at various stages of program design and implementation to ensure the highest industry standards of operational efficiency. These measures will include, but not be limited to the following:

- Ongoing tracking of program activities and costs through dedicated UGI Electric employees and various CSPs
- Applying rigorous screening and qualifying protocols in engaging CSPs
- CSP or UGI Electric shall check 3% of rebate claims to verify participant action

QC processes will strive to:

- Prevent errors from beginning to end in any given program process
- Detect and correct errors as early as possible
- Eliminate the causes of errors as well as the errors themselves
- Establish a correction plan based on best practices and lessons learned

The program CSP will track all of the data necessary to verify all program activities and outcomes. For the C&I HVAC Tune-Up program, this data will include:

- Participant information: account number, rate class, copy of most recent electric bill, EE&C customer segment, and contact information
- Measure information: type and quantity of measures installed, efficiency rating, and service rendered
- Expenditures, savings, and peak load impacts
- Trade ally information: contact information, dates of program involvement, and installation standards used

CSP shall provide periodic reports to UGI for measurement and verification. CSP shall have automated capability in analyzing measure savings and will verify that contractor performed the measure listed.

UGI Electric anticipates self-review on an annual basis and reports to the Commission within three months after the end of each program year. The self-review steps will include:

- Compile all records and compare it against the target for the year
- Adjust program measures based on effectiveness of the various measures
- Adjust education channels, messages, and trade ally groups, based on effectiveness
- Adjust budgets of various measures accordingly, based on consumer demand

Administrative Requirements

UGI Electric Staff will oversee this program. External Staffing requirements will be a function of the selected CSP's work scope, proposed program management structure, and internal needs. Anticipated administrative requirements and participant roles for the program follow:

1. UGI Electric Staff will oversee the program operations
2. UGI Electric Staff will handle customer calls and direct customers to the program
3. The HVAC Tune-up CSP will administer the program, recruit, liaise with and train contractors, track project and customer data, review and verify program applications, process rebates, and report to UGI Electric

4. Trade allies (HVAC installers) perform tune-up work

Estimated Participation

Participation levels were estimated by examining the estimates of other EDCs proposing similar programs. The resulting number of installations for each measure is shown below.

Projected Participation

Measure	Year 1	Year 2	Year 3	Total
Basic Package	22	112	155	289
Refrigerant/Airflow (Single Compressor)	5	27	39	71
Refrigerant/Airflow (Multiple Compressors)	0	2	2	4
Thermostat Modification	12	61	85	158
Economizer Adjustment	5	20	27	52
Thermostat Replacement	7	32	44	83
Economizer Control Package	3	19	25	47
Total	54	273	377	704

Program Budget, Costs, and Cost-Effectiveness

Over the three-year planning horizon, the program is expected to achieve electricity consumption savings of approximately 1,120 MWh. The annual budget allocation, cumulative MWh savings, and overall program cost-effectiveness for the C&I customer sector are shown in the table below.¹² Key assumptions used in calculating measure-level savings are shown in Appendix B.

Benefits/Cost Component	Year 1	Year 2	Year 3	Total
Savings (MWh)	88	434	598	1,120
Capacity Savings (MW)	-	-	-	-
Total Resource Cost	\$ 90,557	\$ 117,222	\$ 129,623	\$ 337,402
Direct Participant Costs	\$ 6,557	\$ 33,222	\$ 45,623	\$ 85,402
Direct Utility Costs	\$ 87,875	\$ 103,550	\$ 110,900	\$ 302,325
Customer Incentives	\$ 3,875	\$ 19,550	\$ 26,900	\$ 50,325
CSP Labor	\$ 28,000	\$ 28,000	\$ 28,000	\$ 84,000
CSP Materials and Supplies	\$ 28,000	\$ 28,000	\$ 28,000	\$ 84,000
Communications	\$ 28,000	\$ 28,000	\$ 28,000	\$ 84,000
[Note: Total Resource Cost equals Direct Participant Costs plus Overhead (CSP Labor, CSP Materials and Supplies, and Communications)]				

TRC Test	Year 1	Year 2	Year 3	Total
TRC NPV Benefits	\$ 33,739	\$ 162,558	\$ 219,911	\$ 416,209
TRC NPV Costs	\$ 90,560	\$ 112,003	\$ 118,353	\$ 320,916
TRC Net Benefits	\$ (56,821)	\$ 50,555	\$ 101,558	\$ 95,293
TRC Benefit/Cost Ratio	0.37	1.45	1.86	1.30

¹² These costs do not include an allocated portion of UGI Electric's \$367,000 annual administrative costs to design, create, and implement the Plan. If an allocation of those costs was included here, it would not result in a TRC Benefit/Cost Ratio that was less than 1.0 for the Program as a whole over the three-year timeframe.

C. **HOME ENERGY EFFICIENCY INCENTIVES**

1. **Fuel Switching**
(Residential Sector/Low Income Customers)

Objectives

The Residential Fuel Switching program has several objectives:

1. Make significant contribution to UGI Electric’s energy savings goals
2. Encourage a “full fuel cycle” approach to energy efficiency
3. Obtain participation of approximately ~~2,406~~ ~~2,130~~ customers through ~~2015~~ ~~2014~~, with a total reduction of approximately ~~10,222~~ ~~9,335~~ MWh

Formatted: Strikethrough
Formatted: Strikethrough
Formatted: Strikethrough

Program Description

UGI Electric will encourage energy efficiency on a total fuel cycle basis by promoting the use of natural gas and ~~propane~~ solar thermal appliances, where such appliances are more cost-effective under the TRC test than electric counterparts.

Solar thermal water heaters and ~~N~~natural gas appliances such as furnaces, water heaters, and clothes dryers use less energy and emit less carbon than electric appliance equivalents on a total fuel cycle basis. In addition, natural gas appliances and solar thermal water heaters have an annual operating cost advantage over their electric counterparts.

Fuel Switching Program Components

- Water heating fuel switching (natural gas and solar thermal)
- Space heating fuel switching
- Clothes dryer fuel switching

Target Market

UGI Electric’s Fuel Switching Program will be available to all residential customers, including new residential construction, using a consistent implementation strategy, incentive mechanism, and administrative process.

To be as cost-effective as possible, the program will target customers seeking to replace older, inefficient equipment. ~~To make the program affordable for customers, the proposed water heating and dryer incentives equal 100% of the anticipated incremental cost the customer incurs in making the fuel switch. For the space heating measure, the incentive equals 75% of the anticipated incremental cost. These incentive levels make the program particularly more affordable for low income customers.~~ The table below outlines eligibility parameters for the residential sector.

Formatted: Strikethrough

Customer Eligibility Parameters

Customer type	Residential/Low Income
Building Type	Single family, multi-family
Building Vintage	Existing and new construction
Building ownership	Owner or tenant with owner approval

Implementation Strategy

UGI Electric will conduct customer intake, eligibility verification, rebate processing, and tracking. Customers will be required to submit a program application with documentation of the equipment purchase and installation(s) for verification and rebate processing. UGI Electric will provide overall strategic direction and program management, as well as promotional, education, trade ally support, and other administrative functions.

Key steps in program participation include:

1. Customers may be directed to the program through UGI Electric's education activities, the Company website, equipment dealers, or by contacting an equipment installation contractor/trade ally for a service call
2. Customers will generally work with the equipment/appliance retailer or installation contractor to fill out program applications and ensure the required documentation is submitted to UGI Electric for processing
3. UGI Electric will review documentation to verify the applicant is a UGI Electric customer and the installed equipment meets the minimum efficiency standard
4. UGI Electric will review documentation to verify the applicant installed natural gas appliances and removed the old electric one
5. Customers installing eligible high-efficiency equipment will schedule the work directly with their equipment dealer or installation contractor
6. UGI Electric will process rebate checks for qualified equipment

Risks and Risk Management Strategy

The table below presents key market risks to an effective Fuel Switching Program as well as the strategies the program will use to address each risk.

Risks and Risk Management Strategies

Market Risks	Management Strategies
Higher first cost of energy-efficient equipment	Offer rebates to offset higher incremental cost. Educate customers on the long-term energy cost-saving benefits of higher-efficiency equipment
Changing technology may impact life cycle cost	Market program and general efficiency awareness to customers
Economic environment may limit customer's ability to purchase energy-efficient equipment and appliances	Add new programs or measures and/or increase eligible equipment efficiency levels as technology improves
Customers needing emergency replacement may not know about the program	Provide web-based information with downloadable forms and brochures Promote general efficiency awareness to customers and trade allies
Customers choose to buy less efficient equipment.	Maintain communications and obtain input from trade allies

Anticipated Costs to Participating Customers

In general, rebates are designed to cover ~~30%~~ ~~100%~~ of the customer incremental cost for water heating-heaters and dryers and ~~22%~~ ~~75%~~ of the customer incremental cost for space heating.

Formatted: Strikethrough
Formatted: Strikethrough

Ramp-up and Education Strategy

This program relies on both customer education and point-of-sale dealer and installer information for promotion. UGI Electric will work with merchants to promote the program. This education strategy may include:

1. Promote program in UGI Electric's customer bill insert
2. Communicate and provide access to program information on the Company's website
3. Educate using appropriate media forms and communication channels
4. Outreach to and coordinated advertising with trade allies
5. Publish and distribute program brochure

Eligible Measures and Incentive Strategy

The program provides a financial incentive in the form of a rebate on a per-unit basis to customers installing qualifying equipment and technologies. Rebates will be a fixed amount per device, paid by check to customers who complete a rebate application and submit documentation of the equipment purchase to UGI Electric.

The table below shows UGI Electric's proposed list of eligible equipment, incentive levels, and efficiency qualifications appropriate for the residential sector. Residential customers may claim a rebate for each listed measure.

Programs	Incentives	Eligible Appliances
Water Heater Fuel Switching (Natural Gas)	\$ 900 \$ 270	All natural gas water heaters
Water Heater Fuel Switching (Solar Thermal)	\$ 138	All solar thermal water heaters
Dryer Fuel Switching	\$ 830 \$ 250	All natural gas dryers
Space Heating Fuel Switching	\$ 4,860 \$ 1,455	All natural gas furnaces

At this time, UGI Electric does not anticipate changes to its eligible measures or incentives during the Plan period. However, UGI Electric will perform an annual review of its programs and may adjust measures, rebate levels, performance criteria, and/or eligibility ratings in the future as market conditions change. UGI Electric will review actual results from this program and determine whether any adjustments are needed to achieve the desired energy savings on a whole and/or maintain Plan cost effectiveness, provided however, the Company will not, without Commission approval, add new programs, deviate significantly from the approved program parameters, or exceed the total approved budget for the plan.

Implementation Schedule and Milestones

Planning and implementation tasks and schedule for the Appliance Rebate Program follow. All tasks will be led by UGI Electric Staff.

Program Schedules and Milestones

Schedule	Milestones
Weeks 1 to 4	Develop program customer education website
Weeks 1 to 4	Finalize outreach to merchants and trade allies
Weeks 1 to 4	Finalize tracking procedures
Weeks 1 to 4	Program training
Weeks 1 to 4	Finalize education and customer education material and program applications
	Launch Program

Evaluation, Measurement, and Verification

UGI Electric will strive to continuously improve the success of its Plan in order to enhance quality control, evaluate, measure and verify procedures to track program activities, monitor performance and progress toward targets, and take corrective action when warranted.

Quality control will be integral to the delivery of all programs in UGI Electric's EE&C Plan. QC measures will be deployed at various stages of program design and implementation to ensure the highest industry standards of operational efficiency. These measures will include, but not be limited to, the following:

- Ongoing tracking of program activities and costs through dedicated UGI Electric Staff
- Checking a significant percentage of rebate claims to verify participant action

QC processes will strive to:

- Prevent errors from beginning to end in any given program process
- Detect and correct errors as early as possible
- Eliminate the causes of errors as well as the errors themselves
- Establish a correction plan based on best practices and lessons learned

UGI Electric Staff will track all of the data necessary to verify program activities and outcomes. For the Residential Fuel Switching program, this data will include:

- Participant information: account number, rate class, copy of most recent electric bill, copy of most recent natural gas bill, EE&C customer segment, and contact information
- Measure information: make and model number of new appliance
- Expenditures, savings, and peak load impacts
- New construction information: developer contact information, builder contact information, and confirmation of new account activation (most recent bill)

UGI Electric will conduct a self-review on an annual basis and submit a report to the Commission within three months after the end of each program year. The self-review steps will include:

- Compile all records and compare it against the target for the year
- Spot check significant sample of installations to verify fuel switch and prevent fraud
- Adjust program measures based on effectiveness of the various measures
- Adjust education channels, messages, and trade ally groups, based on effectiveness
- Adjust budgets of various measures accordingly, based on consumer demand

Administrative Requirements

UGI Electric Staff will oversee this program, internal education, and administrative Staff, and key account managers.

Estimated Participation

Participation levels were developed by balancing competing concerns. The levels were set low enough so as to be achievable, but no so high as to become too costly relative to UGI Electric's other program budgets.

Projected Participation

Measure	Year 1	Year 2	Year 3	Total
Water Heater Fuel Switching (Natural Gas)	550	550	550	1,650
	580	580	580	1,740
Total	550	550	550	1,650
	580	580	580	1,740

Measure	Year 1	Year 2	Year 3	Total
Water Heater Fuel Switching (Solar Thermal)	30	30	30	90
Total	30	30	30	90

Formatted: Font: Italic
 Formatted: Font: Bold, Italic
 Formatted: Font: Italic

Measure	Year 1	Year 2	Year 3	Total
Dryer Fuel Switching	100	100	100	300
	120	120	120	360
Total	100	100	100	300
	120	120	120	360

Measure	Year 1	Year 2	Year 3	Total
Space Heating Fuel Switching	60	60	60	180
	72	72	72	216
Total	60	60	60	180
	72	72	72	216

Program Budget, Costs and Cost-Effectiveness

Over the three-year planning horizon, the program is expected to achieve electricity consumption savings of approximately 10,222 ~~9,335~~ MWh. The annual budget allocation, cumulative MWh savings through 2015 ~~2014~~, and overall program cost-effectiveness for the residential customer sector are shown in the table below.¹³ Key assumptions used in calculating the measure-level savings are shown in Appendix B.

¹³ These costs do not include an allocated portion of UGI Electric's \$367,000 annual administrative costs to design, create, and implement the Plan. If an allocation of those costs was included here, it would not result in a TRC Benefit/Cost Ratio that was less than 1.0 for the Program as a whole over the three-year timeframe.

Water Heater Fuel Switching Benefits/Cost Component	Year 1	Year 2	Year 3	Total
Savings (MWh)	2,684	2,684	2,684	8,044
Capacity Savings (MW)	0.306	0.306	0.306	0.918
	0.323	0.323	0.323	0.968
Total Resource Cost	\$ 515,000 \$ 542,000	\$ 515,000 \$ 542,000	\$ 515,000 \$ 542,000	\$ 1,545,000 \$ 1,626,000
Direct Participant Costs	\$ 495,000 \$ 522,000	\$ 495,000 \$ 522,000	\$ 495,000 \$ 522,000	\$ 1,485,000 \$ 1,566,000
Direct Utility Costs	\$ 515,000 \$ 176,600	\$ 515,000 \$ 176,600	\$ 515,000 \$ 176,600	\$ 1,545,000 \$ 529,800
Customer Incentives	\$ 156,600	\$ 156,600	\$ 156,600	\$ 469,800
CSP Labor	\$ -	\$ -	\$ -	\$ -
CSP Materials and Supplies	\$ -	\$ -	\$ -	\$ -
Communications	\$ 20,000	\$ 20,000	\$ 20,000	\$ 60,000
[Note: Total Resource Cost equals Direct Participant Costs plus Overhead (CSP Labor, CSP Materials and Supplies, and Communications)]				

Water Heater Fuel Switching TRC Test	Year 1	Year 2	Year 3	Total
TRC NPV Benefits	\$ 3,181,038	\$3,168,079	\$ 3,149,058	\$ 9,498,174
TRC NPV Costs	\$ 1,544,619	1,518,355	\$ 1,491,142	\$ 4,554,116
TRC Net Benefits	\$ 1,636,419	1,649,724	\$ 1,657,916	\$ 4,944,059
TRC Benefit/Cost Ratio	2.06	2.09	2.11	2.08 2.09
[Note: TRC NPV Benefits includes electricity savings from fuel switching. TRC NPV Costs include the additional natural gas cost.]				

Dryer Fuel Switching Benefits/Cost Component	Year 1	Year 2	Year 3	Total
Savings (MWh)	408	408	408	324
	129	129	129	387
Capacity Savings (MW)	0.012	0.012	0.012	0.036
	0.015	0.015	0.015	0.044
Total Resource Cost	\$ 103,000	\$ 103,000	\$ 103,000	\$ 309,000
	\$ 119,600	\$ 119,600	\$ 119,600	\$ 358,800
Direct Participant Costs	\$ 83,000	\$ 83,000	\$ 83,000	\$ 249,000
	\$ 99,600	\$ 99,600	\$ 99,600	\$ 298,800
Direct Utility Costs	\$ 103,000	\$ 103,000	\$ 103,000	\$ 309,000
	\$ 50,000	\$ 50,000	\$ 50,000	\$ 150,000
Customer Incentives	\$ 83,000	\$ 83,000	\$ 83,000	\$ 249,000
	\$ 30,000	\$ 30,000	\$ 30,000	\$ 90,000
CSP Labor	\$ -	\$ -	\$ -	\$ -
CSP Materials and Supplies	\$ -	\$ -	\$ -	\$ -
Communications	\$ 20,000	\$ 20,000	\$ 20,000	\$ 60,000

[Note: Total Resource Cost equals Direct Participant Costs plus Overhead (CSP Labor, CSP Materials and Supplies, and Communications)]

Dryer Fuel Switching TRC Test	Year 1	Year 2	Year 3	Total
TRC NPV Benefits	\$ 178,032	\$ 175,175	\$ 172,237	\$ 525,424
	\$ 213,639	\$ 210,210	\$ 206,684	\$ 630,533
TRC NPV Costs	\$ 154,624	\$ 149,933	\$ 145,355	\$ 449,912
	\$ 181,549	\$ 176,097	\$ 170,774	\$ 528,420
TRC Net Benefits	\$ 23,408	\$ 25,243	\$ 26,882	\$ 75,533
	\$ 32,090	\$ 34,113	\$ 35,911	\$ 102,114
TRC Benefit/Cost Ratio	1.16	1.17	1.18	1.17
	1.18	1.19	1.21	1.19

[Note:
TRC NPV Benefits includes electricity savings from fuel switching.
TRC NPV Costs include the additional natural gas cost.

Space Heating Fuel Switching Benefits/Cost Component	Year 1	Year 2	Year 3	Total
Savings (MWh)	323	323	323	969
	387	387	387	1,162
Capacity Savings (MW)	0.625	0.625	0.625	1.875
	0.630	0.630	0.630	1.891
Total Resource Cost	\$ 450,000	\$ 450,000	\$ 450,000	\$ 1,350,000
	\$ 639,200	\$ 639,200	\$ 639,200	\$ 1,917,600
Direct Participant Costs	\$ 430,000	\$ 430,000	\$ 430,000	\$ 1,290,000
	\$ 619,200	\$ 619,200	\$ 619,200	\$ 1,857,600
Direct Utility Costs	\$ 311,000	\$ 311,000	\$ 311,000	\$ 933,000
	\$ 124,760	\$ 124,760	\$ 124,760	\$ 374,280
Customer Incentives	\$ 291,000	\$ 291,000	\$ 291,000	\$ 873,000
	\$ 104,760	\$ 104,760	\$ 104,760	\$ 314,280
CSP Labor	\$ -	\$ -	\$ -	\$ -
CSP Materials and Supplies	\$ -	\$ -	\$ -	\$ -
Communications	\$ 20,000	\$ 20,000	\$ 20,000	\$ 60,000

[Note: Total Resource Cost equals Direct Participant Costs plus Overhead (CSP Labor, CSP Materials and Supplies, and Communications)]

Space Heating Fuel Switching TRC Test	Year 1	Year 2	Year 3	Total
	\$ 989,409	\$ 998,860	\$ 1,004,569	\$ 2,992,838
TRC NPV Benefits	\$ 1,187,291	\$ 1,198,632	\$ 1,205,483	\$ 3,591,406
TRC NPV Costs	\$ 706,926	\$ 682,938	\$ 659,519	\$ 2,049,383
	\$ 844,311	\$ 815,703	\$ 787,770	\$ 2,447,785
TRC Net Benefits	\$ 282,483	\$ 315,922	\$ 345,051	\$ 943,456
	\$ 342,980	\$ 382,929	\$ 417,713	\$ 1,143,621
TRC Benefit/Cost Ratio	1.40	1.46	1.52	1.46
	1.41	1.47	1.53	1.47

[Note:
TRC NPV Benefits includes electricity savings from fuel switching.
TRC NPV Costs include the additional natural gas cost.]

Solar Thermal Water Heater Fuel Switching Benefits/Cost Component	Year 1	Year 2	Year 3	Total
Savings (MWh)	63	63	63	190
Capacity Savings (MW)	0.011	0.011	0.011	0.034
Total Resource Cost	\$ 145,000	\$145,000	\$ 145,000	\$ 435,000
Direct Participant Costs	\$ 144,000	\$144,000	\$ 144,000	\$ 432,000
Direct Utility Costs	\$ 5,140	\$ 5,140	\$ 5,140	\$ 15,420
Customer Incentives	\$ 4,140	\$ 4,140	\$ 4,140	\$ 12,420
CSP Labor	\$ -	\$ -	\$ -	\$ -
CSP Materials and Supplies	\$ -	\$ -	\$ -	\$ -
Communications	\$ 1,000	\$ 1,000	\$ 1,000	\$ 3,000
[Note: Total Resource Cost equals Direct Participant Costs plus Overhead (CSP Labor, CSP Materials and Supplies, and Communications)]				

Solar Thermal Water Heater Fuel Switching TRC Test	Year 1	Year 2	Year 3	Total
TRC NPV Benefits	\$ 64,650	\$ 64,972	\$ 65,110	\$ 194,731
TRC NPV Costs	\$ 145,000	\$138,552	\$ 132,391	\$ 415,943
TRC Net Benefits	\$ (80,350)	\$(73,581)	\$ (67,282)	\$ (221,212)
TRC Benefit/Cost Ratio	0.45	0.47	0.49	0.47
Note: TRC NPV Benefits includes electricity savings from fuel switching.				

D. COMMERCIAL AND INDUSTRIAL EFFICIENCY INCENTIVES

I. Combined Heat and Power **(Commercial and Industrial Sector/Governmental Customers)**

Objectives

The Combined Heat and Power program has several objectives:

1. Increase energy efficiency by using Combined Heat and Power (“CHP”) for electricity generation and use of waste heat
2. Make significant contribution to UGI Electric’s energy savings goals
3. Encourage optimization and operational or process changes that reduce electricity consumption and peak demand
4. Encourage a “whole facility” approach to energy efficiency
5. Increase customer awareness of the features and benefits of electric distributed generation systems
6. Support emerging technologies and non-typical efficiency solutions in cost-effective applications
7. Obtain participation by approximately 95 customers through 2015 2014, with a total reduction of approximately 3,654 2,030 MWh

Program Description

UGI Electric will encourage energy efficiency on a total fuel cycle basis by promoting the use of natural gas distributed electricity generation where the direct end use of natural gas is more efficient and cost-effective under the TRC test.

Program Components

- C&I combined heat and power

Target Market

UGI Electric’s C&I CHP Program will target all new and existing commercial and industrial facilities. All measures, packages of measures, and process changes must be cost-effective as substantiated through a technical analysis.

The Plan includes the C&I market sectors, which includes governmental customers. UGI Electric expects to use a consistent implementation strategy, incentive mechanism, and administrative process to deliver the program across these market sectors. The table below outlines eligibility parameters for the C&I sector.

Customer Eligibility Parameters

Customer type	Commercial and Industrial
Building Type	Commercial and industrial
Building Vintage	Existing and new construction
Building ownership	Owner or tenant with owner approval

Program Description

This CHP Program provides a delivery channel and financial incentives to customers installing a distributed electricity generation system. To qualify for financial incentives, eligible customers will be required to provide documentation that their proposed CHP system passes UGI Electric's cost-effectiveness threshold and technical criteria.

Incentives of \$1,500 per kW of CHP system will be offered up to \$90,000 per customer.

Implementation Strategy

UGI Electric's Staff will work with customers to identify, evaluate, and approve custom projects. UGI will reach out to potential trade allies to promote the program.

UGI Electric's Staff will provide overall strategic direction and program management for the program and perform evaluation and other administrative functions. The project development process for the CHP Program is more fluid than other programs and may not follow a precise work path. The following workflow is an example of a typical scenario through which an equipment-based custom efficiency project may proceed:

1. Customers may be directed to the program through education efforts or other UGI Electric EE&C programs
2. A trade ally (e.g., energy services firms, engineering firms, providers of energy-efficiency products and services, etc.) works with the customer to evaluate their facility's energy efficiency opportunities and develop potential project ideas
3. A professional engineering firm or other qualified contractor, under contract to the customer, performs a detailed technical study of potential projects and evaluates their cost-effectiveness
4. UGI evaluates the customer's technical study report to qualify projects. This involves confirming project incremental cost and potential energy and capacity savings data and evaluating cost-effectiveness
5. Customers will schedule installation of CHP equipment with an installation contractor
6. Verifying equipment installation, operational, or process changes or other eligible work for all participants, which will be a part of the measurement and verification process

7. Processing rebates for qualified equipment

No changes in the implementation strategy are expected in different program years.

Risk and-Risk Management Strategy

The table below presents key market risks to an effective CHP program, as well as the strategies the program will use to address each risk.

Market Risks and Management Strategies	
Market Risks	Management Strategies
Higher first cost of CHP system	Offer customized incentives on CHP equipment and technical study to offset higher costs
Not a high priority; limited access to discretionary cash/credit	
Lack of program awareness and "emergency replacement" scenario among target customers	Education strategy focused on decision makers and facility operators. Education to high energy users who can use the waste heat produced by the CHP system
Low awareness	
Procurement policies that specify low first cost instead of life cycle cost	
Tenant/landlord issues	

Ramp-up and Education Strategy

This program is expected to be an attractive option for C&I customers, which includes governmental customers, with high energy usage that have a use for the heat generated by the CHP system (e.g., colleges and retirement homes).

UGI Electric's Staff will create an education strategy, which may include:

1. Communicate and provide access to program information on the Company's website
2. Coordinate advertising opportunities with trade allies
3. Targeted education to high-potential market sectors

Eligible Measures and Incentive Strategy

Measure	Incentive
Combined Heat & Power	\$1,500 per kW of CHP system up to \$90,000 per customer

At this time, UGI Electric does not anticipate changes to its eligible measures or incentives during the Plan period. However, UGI Electric will perform an annual review of its

programs and may adjust measures, rebate levels, performance criteria, and/or eligibility ratings in the future as market conditions change. UGI Electric will review actual results from this program and determine whether any adjustments are needed to achieve the desired energy savings on a whole and/or maintain Plan cost effectiveness, provided however, the Company will not, without Commission approval, add new programs, deviate significantly from the approved program parameters, or exceed the total approved budget for the plan.

Implementation Schedule and Milestones

Given the nature of the C&I CHP Program, planning and implementation tasks and schedule for the Program may differ from the plan below.

Program Schedules and Milestones	
Schedule	Milestones
Weeks 1 to 4	Develop program customer education website
Weeks 1 to 4	Finalize outreach to merchants
Weeks 1 to 4	Finalize tracking procedures
Weeks 1 to 4	Program training
Weeks 1 to 4	Finalize customer education material and program applications
	Launch Program

Evaluation, Measurement, and Verification

UGI Electric will strive to continuously improve the success of its Plan in order to enhance quality control, evaluate, measure and verify procedures to track program activities, monitor performance and progress toward targets, and take corrective action when warranted.

Quality control will be integral to the delivery of all programs in UGI Electric’s EE&C Plan. QC measures will be deployed at various stages of program design and implementation to ensure the highest industry standards of operational efficiency. These measures will include, but not be limited to, the following:

- Ongoing tracking of program activities and costs through dedicated UGI Electric Staff
- Checking 100% of installations to verify participant action

QC processes will strive to:

- Prevent errors from beginning to end in any given program process
- Detect and correct errors as early as possible
- Eliminate the causes of errors as well as the errors themselves
- Establish a correction plan based on best practices and lessons learned

UGI Electric Staff will track all of the data necessary to verify all program activities and outcomes. For the C&I CHP Program, this data will include:

- Participant information: account number, rate class, copy of most recent electric bill, copy of most recent natural gas bill, EE&C customer segment, and contact information
- Project information: site (facility) location, project specifications, total project cost, project application date, project approval date, and project completion date
- Expenditures, savings, and peak load impacts
- New construction information: developer contact information, builder contact information, and confirmation of new account activation (most recent bill)

UGI Electric anticipates self-review on an annual basis and reports to the Commission within three months after the end of each program year. The self-review steps will include:

- Compile all records and compare it against the target for the year
- Check significant sample of installations to verify installation of CHP systems and prevent fraud and adjust program measures, based on effectiveness of the various measures
- Adjust education channels, messages, and trade ally groups, based on effectiveness
- Adjust budgets of various measures accordingly, based on consumer demand

Administrative Requirements

UGI Electric Staff will oversee this program, internal education, administrative staff, and key account managers.

Estimated Participation

Participation levels were developed by balancing competing concerns. The levels were set low enough so as to be achievable, but no so high as to become too costly relative to UGI Electric's other program budgets.

Projected Participation				
Measure	Year 1	Year 2	Year 3	Total
Combined Heat & Power	24	32	42	95
Total	24	32	42	95

Program Budget, Costs, and Cost-Effectiveness

Over the three-year planning horizon, the program is expected to achieve electricity consumption savings of approximately 3,654 ~~2,030~~ MWh. The annual budget allocation, cumulative MWh savings, and overall program cost-effectiveness for the commercial and industrial customer sectors are shown in the table below.¹⁴ Key assumptions used in calculating measure-level savings are shown in Appendix B.

Benefits/Cost Component	Year 1	Year 2	Year 3	Total
Savings (MWh)	406	842	842	2,090
	812	1,218	1,624	3,654
Capacity Savings (MW)	0.058	0.116	0.116	0.290
	0.116	0.174	0.232	0.522
Total Resource Cost	\$ 190,000 \$ 350,000	\$ 350,000 \$ 510,000	\$ 350,000 \$ 670,000	\$ 890,000 \$ 1,530,000
Direct Participant Costs	\$ 160,000 \$ 320,000	\$ 320,000 \$ 480,000	\$ 320,000 \$ 640,000	\$ 800,000 \$ 1,440,000
Direct Utility Costs	\$ 120,000 \$ 210,000	\$ 240,000 \$ 300,000	\$ 240,000 \$ 390,000	\$ 540,000 \$ 900,000
Customer Incentives	\$ 90,000 \$ 180,000	\$ 180,000 \$ 270,000	\$ 180,000 \$ 360,000	\$ 450,000 \$ 810,000
CSP Labor	\$ -	\$ -	\$ -	\$ -
CSP Materials and Supplies	\$ -	\$ -	\$ -	\$ -
Communications	\$ 30,000	\$ 30,000	\$ 30,000	\$ 90,000
[Note: Total Resource Cost equals Direct Participant Costs plus Overhead (CSP Labor, CSP Materials and Supplies, and Communications)]				

TRC Test	Year 1	Year 2	Year 3	Total
TRC NPV Benefits	\$ 458,622 \$ 917,243	\$ 916,654 \$1,374,981	\$ 914,398 \$ 1,828,796	\$ 2,289,674 \$ 4,121,020
TRC NPV Costs	\$ 336,374 \$ 642,748	\$ 626,554 \$ 925,499	\$ 610,540 \$ 1,193,688	\$ 1,573,468 \$ 2,761,934
TRC Net Benefits	\$ 122,247 \$ 274,495	\$ 290,100 \$ 449,482	\$ 303,859 \$ 635,109	\$ 716,206 \$ 1,359,086
TRC Benefit/Cost Ratio	1.36 1.43	1.46 1.49	1.50 1.53	1.46 1.49
[Note: TRC NPV Benefits includes electricity savings from fuel switching. TRC NPV Costs include the additional natural gas cost.]				

¹⁴ These costs do not include an allocated portion of UGI Electric's \$367,000 annual administrative costs to design, create, and implement the Plan. If an allocation of those costs was included here, it would not result in a TRC Benefit/Cost Ratio that was less than 1.0 for the Program as a whole over the three-year timeframe.

**SECTION 3: COST EFFECTIVENESS OF PLAN
AND PROGRAM SUMMARY CHARTS**

In accordance with the Commission's Secretarial Letter, UGI Electric designed its Plan to offer programs that meet the TRC test. The Plan as a whole, and all of the individual programs in the Plan, are cost-effective according to the TRC guidelines established by the Commission.

UGI Electric's analysis indicates a TRC benefit-to-cost ratio of nearly 2.05 ~~2.04~~ for the proposed portfolio. The Program Efficiency Analysis Summary is provided in the table, below. The analysis reveals that for the complement of Residential Programs, the TRC Benefit/Cost Ratio is 2.565. The TRC Benefit/Cost Ratio for the Commercial and Industrial Programs is 1.489. The total Plan TRC Benefit/Cost Ratio is 2.05 ~~2.04~~. This benefit-to-cost ratio is far in excess of the 1.0 minimum TRC test parameter applied to the larger EDCs EE&C Plans in the Act 129 proceedings.

The table below provides a summary of the program savings and costs and benefits for the entire portfolio of programs. It also provides the overall portfolio budget broken out by sector and program. The same table provides a summary of the program efficiency analysis.

Budget and Parity Analysis Summary

Customer Class	Total Budget	% of Total EEC Budget	% of Total Customer Revenue	Difference
Residential	\$4,833,196	56%	64%	8%
	\$3,385,542	45%		19%
C&I	\$2,668,538	31%	36%	5%
	\$3,032,628	40%		-4%
Additional Staff, Program Setup and Development	\$1,101,000	13%	-----	-----
		15%		-----
Total	\$8,602,734	-----	-----	-----
	\$7,519,169	-----	-----	-----

Program Efficiency Analysis Summary

Customer Class	TRC NPV Benefits	TRC NPV Cost	TRC Net Benefits	TRC Benefit/Cost Ratio
Residential	\$22,685,061	\$9,085,047	\$13,600,014	2.50
	\$28,053,005	\$10,975,794	\$17,077,211	2.56
C&I	\$7,262,839	\$4,870,468	\$2,392,371	1.49
	\$9,159,095	\$6,169,374	\$2,989,721	1.48
Additional Staff, Program Setup and Development	\$0	\$759,964	(\$759,964)	"NA"
		\$1,044,594	(\$1,044,594)	
Total	\$20,947,900	\$14,715,479	\$15,232,421	2.04
	\$37,212,100	\$18,189,763	\$19,022,338	2.05

SECTION 4: PROGRAM MANAGEMENT AND IMPLEMENTATION STRATEGIES

A. SUMMARY OF UGI ELECTRIC'S ANTICIPATED MANAGEMENT AND IMPLEMENTATION STRATEGIES

1. Description of types of services to be provided by UGI Electric, as well as consultants and Conservation Service Providers

UGI Electric's implementation strategy will rely on the use of internal UGI Electric Staff and CSPs, along with market participants and other entities engaged in energy efficiency to promote, deliver, and support the effective implementation of its energy efficiency and conservation programs. Given its small size, UGI Electric anticipates utilizing its own Staff for many functions. UGI Electric will also utilize approximately seven (7) CSPs to deliver services in support of its programs.

Market participants and trade allies will be integral to the deployment of UGI Electric's EE&C Plan. Those entities will be relied upon to engage customers, promote the programs, evaluate the projects, furnish and install energy-efficient equipment, and provide energy efficiency services outlined in the EE&C Plan. The primary objective being energy consumption reduction, UGI Electric will balance cost, value, choice, and energy and capacity savings in order to achieve the goals of its EE&C Plan.

The respective roles of the CSPs, trade allies, and market partners are identified in the respective program descriptions in Section 2 of the Plan.

2. Risk Management Strategies

UGI Electric is aware of the risk factors associated with potential performance of its EE&C Plan. It carefully considered factors such as the uncertainty of customer participation and willingness to undertake conservation measures in the current economic climate. The three general categories of risk include: technical, financial, and market.

UGI Electric recognizes that technical risks regarding certain measures may arise from defects in materials or workmanship, improper installation, or equipment failure once implemented. UGI Electric intends to employ quality assurance measures and evaluation and valuation processes as part of its EE&C Plan. The EM&V process will aid in identifying technical problems and risks and in pinpointing improvements that may be considered in the annual review process.

Financial risks associated with Plan implementation include the level of Plan costs, including measure and installation costs or administrative costs. UGI Electric anticipates that ongoing monitoring of program activities and expenditures as well as interim adjustments based on current data will aid in mitigating financial risk. The EM&V process will inform the need to adjust or eliminate measures or entire programs as experiences are gained with

the implementation of the EE&C Plan. UGI Electric anticipates identifying such changes in its annual report to the Commission.

Finally, market risks do exist with regard to implementation of the EE&C Plan, including the ability to have the program reach its intended target markets, the program's ability to achieve the projected market penetration, and behavioral risks such as free-ridership. Obviously, uncertainties regarding consumers' willingness to participate in UGI Electric's EE&C Plan will impact the success of the entire Plan. As with other risks identified above, the Company's close monitoring of its EE&C Plan will assist it in detecting and correcting barriers to participation and the need to refocus education efforts to gain greater customer participation, if necessary. UGI Electric anticipates that adjustments may be made to outreach and program education strategies, including adjusting the incentive levels identified presently in the EE&C Plan, changing its portfolio of measures, or reworking the EE&C Plan as a whole.

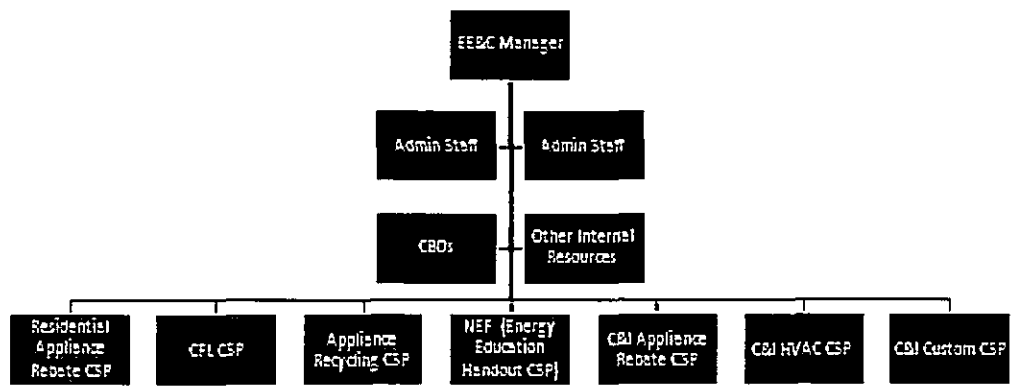
UGI Electric views the EM&V portion of its Plan as crucial to inform potential Plan adjustments given the risks identified above. The annual review process will be a significant aspect of the EE&C Plan that will drive program changes, as necessary.

3. Human Resource and Contractor Resource Staffing Issues

UGI Electric anticipates, in large part, utilizing its internal Staff to accomplish its EE&C Plan. UGI Electric also anticipates utilizing CSPs, trade allies, and market partners to augment its existing internal Staff and to provide specific technical expertise not presently found within UGI Electric's corporate complement. UGI Electric has laid the groundwork to establish relationships with contractors in its service territory and CSPs in order to fully implement the array of programs identified in its EE&C Plan. In addition to utilizing the outside service providers, UGI Electric anticipates adding three Staff persons to support the delivery and evaluation of its EE&C Plans. UGI Electric has developed a Staffing plan, outlined below, delineating resources needed to implement the plan and carry it through to completion. The implementation strategy with regard to each program is detailed in the program descriptions contained in Section 2 of the Plan.

UGI Electric will utilize an RFP program to find and employ appropriate CSPs. UGI Electric has appropriately incorporated internal administrative costs into its EE&C Plan budget. Implementation schedules with regard to each program are identified with particularity in the program descriptions section of the Plan. See Section 2 of the Plan.

Administrative costs for UGI Electric's Plan constitute approximately 11% of the total Plan budget. These costs are in line with other EDCs' comparable claimed administrative costs. These costs were developed based on UGI Electric's best estimate and available information regarding employment of the energy efficiency programs contained in its Plan.



SECTION 5: QUALITY ASSURANCE, EVALUATION, MEASUREMENTS, AND VERIFICATION AND REPORTING

Particular quality assurance and evaluation, measurements, and verification processes for each program are detailed in the program descriptions in Section 2 of the Plan. Quality Control will be integral to the design and delivery of all programs in UGI Electric's EE&C Plan. QC measures will be deployed at various stages of program implementation to ensure the highest standards of operational efficiency. These measures will include, but not be limited to the following:

- Ongoing tracking of program activities and costs through dedicated UGI Electric employees and various CSPs
- Applying rigorous screening and qualifying protocols to engaging CSPs
- Conducting measure verification to prevent and/or identify fraud

These QC processes will strive to:

- Prevent errors from beginning to end in any given program process
- Detect and correct errors as early as possible
- Eliminate the causes of errors as well as the errors themselves
- Establish a correct plan based on best practices and lessons learned

The program CSP, or UGI Electric Staff if no CSP involvement is indicated, will track all of the data necessary to audit and verify all program activities outcomes. For each program in the Plan, this data may include, but not be limited to, the following:¹⁵

- Participant information: account number, rate class, copy of most recent electric bill, copy of most recent natural gas bill, if applicable, EE&C customer segment, and contact information
- Project information: site (facility) location, project specifications, total project cost, project application date, project approval date, and project completion date
- Program information: program code, program type (rebate, custom, point of sale, etc.), CSP involved, incentive type, and amount
- Measure information: make and model number of new appliance, type and quantity of measures installed, efficiency rating, and service rendered
- Expenditures, savings, and peak load impacts
- Trade ally information: contact information, dates of program involvement, and installation standards used

¹⁵ Note that not all data will be relevant to all programs.

- Retailer information: retail location, contact information, and type and quantity of products sold
- New construction information: developer contact information, builder contact information, and confirmation of new account activation (most recent bill)

CSPs shall provide periodic reports to UGI for measurement and verification.

UGI Electric will conduct a self-review on an annual basis and report to the Commission within three months after the end of each program year.

**SECTION 6: ENERGY EFFICIENCY AND CONSERVATION RIDER AND
CONSERVATION DEVELOPMENT RIDER MECHANISMS**

UGI Electric utilized an annual budget of approximately \$2.506 ~~867~~ million, which equates to a total of approximately \$7.5 ~~8-6~~ million over the three years of the Plan. The budget includes the annual spending limits for the programs, as well as the Company's annual administrative costs of \$367,000 to implement and administer the Plan each year. UGI Electric proposes to limit its annual spending on EE&C measures to 2% of its jurisdictional revenues for the twelve months ending May 31, 2008, which was approximately \$125.3 million with gross receipts tax.

UGI Electric proposes to utilize its separate rate mechanisms to recover the budgeted costs for development and implementation of the Plan ~~and for the recovery of lost revenues~~ as discussed more fully in Mr. McAllister's Direct Testimony. Plan cost recovery will be accomplished utilizing the Energy Efficiency and Conservation Rider. ~~The lost revenues will be recovered under the proposed Conservation Development Rider.~~

UGI Electric does not propose a limit on annual expenditures for its EE&C programs because it anticipates that nearly half of the programs may require some "ramp up" time. Thus, spending in the first year of the Plan may be less than the projected budget, while spending in the subsequent years may be greater. However, the total spending over the three years of the Plan is not projected to exceed the Company's budget of \$7.5 ~~8-6~~ million. Moreover, within the \$7.5 ~~8-6~~ million budget, UGI Electric proposes a residential class cost recovery cap of \$4.8 ~~5-4~~ million, plus or minus \$0.5 million, and a non-residential cost recovery cap of \$2.7 ~~3-2~~ million, plus or minus \$0.5 million, over the life of the Plan.

A. Energy Efficiency and Conservation Rider

Act 129 authorized larger EDCs to recover the costs of their EE&C plans through a reconcilable adjustment clause under Section 1307 of the Public Utility Code. In its Implementation Order, the Commission reemphasized this requirement and directed that such cost recovery mechanism be applicable to default service and choice customers. Consequently, UGI Electric proposes to recover the costs of its EE&C Plan through a reconcilable EEC Rider that will be established under Section 1307 of the Public Utility Code. UGI Electric's Plan will benefit both shopping and non-shopping customers, therefore the Company proposes that the EEC Rider be applicable to both default service and choice customers. The EEC Rider shall be reflected in the distribution charges for each customer class rather than appear as a separate line item on customers' bills. *Pro forma* tariff pages to implement the EEC Rider are appended to the Plan as Appendix A. The tariff language provides a description of the cost recovery method, the formula for calculating the charge, and the charges specific to each rate class.

The costs that will be recovered by the EEC Rider consist of all the costs of creating, designing, and implementing the EE&C programs included in the Plan, which include, but are not limited to: (1) additional labor costs incurred to manage and administer the programs

on an ongoing basis; (2) the cost to measure and verify program results; and (3) the cost of incentives offered to customers to participate in the programs.

UGI Electric proposes to recover the expenditures incurred under the Plan on a year-to-year basis. As a result, the EEC Rider was designed to track actual yearly expenditures. Even though the Company anticipates expenditures to "ramp up" for nearly half of its programs, it does not project a great difference between the expenditures in the first year of the Plan and the expenditures in the last year of the Plan. Therefore, distribution of cost recovery is anticipated to be relatively even over the course of the Plan and no significant impact on customers should be realized thereby.

UGI Electric proposes to calculate separately the applicable EE&C costs for each of the major customer classes on its system, including: (1) residential, and (2) small non-residential, and (3) large non-residential including ~~commercial and industrial ("C&I")~~, which ~~includes governmental customers~~.

Act 129 and the Secretarial Letter require that EE&C programs be supported by the same customer classes that will receive the direct energy and conservation benefits of those programs. Accordingly, under UGI Electric's Plan, the cost of EE&C programs that target specific customer classes are directly assigned to those classes for purposes of developing the recovery charges.

The Company proposes to adjust the EE&C Rider for actual program expenses and revenues each year and the Company will submit a filing to reconcile previous revenues and expenses and propose a new rider effective for the subsequent year based on the projected budget and sales for that planning year, as well as to account for over and under collections incurred for the previous year. UGI Electric proposes that the recovery period will begin with bills sent to customers beginning with the effective date of the first quarterly default service rate filing following Commission approval of the Plan and will continue through bills sent to customers for a total of four years. UGI Electric is proposing a three-year period for its Plan. However, because Year Three of the Plan may result in over or under collections of expenses, UGI Electric proposes that the cost recovery mechanism will continue through the fourth year so that the Company may recover any under-collections or refund any over-collections incurred during Year Three of the Plan. In the event a small amount remains on the books at the end of Year Four reconciliation, the Company plans to roll this amount into a subsequent default service filing. UGI Electric reserves the right to make an interim filing, to become effective on one day's notice, to adjust the EEC Rider if it becomes evident that the over or under recovery is significantly deviating from expected activity.

B. ~~Conservation Development Rider~~

~~UGI Electric projects that it will lose revenues associated with reduced energy consumption as a result of implementation of its Plan and proposes to recover the lost revenue associated with the Plan. UGI Electric projected lost revenues for residential customers by taking the projected amount of kWh savings and multiplying it by the average residential distribution rate under UGI Electric's Tariff - Pa. PUC No. 5. The projected savings were determined by looking at the projected expenditures for EEC programs and~~

~~measures and the resulting “deemed” savings under the Commission’s TRM. Similarly, the projected lost revenues for C&I customers were determined at the projected expenditures for relevant EE&C programs and measures and the resulting “deemed” savings under the Commission’s TRM. UGI Electric is proposing to recover the lost revenues associated with implementation of the Plan through a reconcilable charge applicable to all default service and choice customers. This CD Rider will be imposed on all customers under Section 1307 of the Public Utility Code. UGI Electric proposes that the CD Rider be reflected in the distribution charges for each customer class rather than appear as a separate line item on the customers’ bills. The *pro forma* tariff pages that would implement this lost revenue recovery mechanism are attached hereto as Appendix A to the Plan. The tariff language provides a description of the rider, the formula for calculating same, and any charges specific to each customer class.~~

~~UGI Electric proposes to recover the lost revenues incurred on a year-to-year basis. As a result, the CD Rider was designed to track revenue losses derived from deemed savings. The Company proposes to calculate the applicable lost revenues for each of the major customer classes on its system, including (1) residential and (2) non-residential customers, which also includes the government sector.~~

~~UGI Electric’s overall approach for determining which customer class is responsible to pay for the lost revenues associated with the Plan used projected annual kWh savings based upon estimated participation levels of other EDCs, as adjusted to reflect UGI Electric’s smaller customer base. The lost revenues associated with the class-specific projected kWh savings were then directly assigned to that class for purposes of developing the CD Rider as shown on UGI Electric Exhibit 4.~~

~~UGI Electric proposes to recover the lost revenues through a reconcilable rate so that the Company is not rewarded to fail. Distribution base rates are non-reconcilable, which provides the Company the proper incentive to operate efficiently and keep costs from rising. However, unlike base rates, a non-reconcilable rate under the EE&C Plan would improperly encourage the Company to spend less on EE&C programs and measures than the amount of planned expenditures. This would be an unfavorable result, and consequently UGI Electric proposes to reconcile any under or over collections of lost revenues on an annual basis. UGI Electric reserves the right to make an interim filing, to become effective on one day’s notice, to adjust the CD Rider if it becomes evident that the over or under recovery is significantly deviating from expected activity.~~

~~UGI Electric proposes to adjust the CD Rider for actual lost revenues each year. On a parallel track with the EEC Rider, UGI Electric proposes to submit a filing on or about the first month after the first Plan year to reconcile previous period Plan losses and propose a new CD Rider commencing with the first month of the next Plan year, based on the projected revenue losses for the planning year and the over and under collection of revenue losses incurred the previous year. The recovery will continue until the effective date of the compliance filing following UGI Electric’s next base rate filing.~~

Appendix A

RECEIVED

DEC 19 2011

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

(Black-lined, Revised per Commission's October 19, 2011 Order)

UGI UTILITIES, INC.
ELECTRIC DIVISION

Pro Forma (EECP)
Electric – Pa. PUC No. 5

UGI UTILITIES, INC.
ELECTRIC DIVISION
ELECTRIC SERVICE TARIFF

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:

BY: Paul J. Szykman
Vice President – Rates
2525 North 12th Street, Suite 360
Post Office Box 12677
Reading, Pennsylvania 19612-2677

RECEIVED

DEC 19 2011

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

NOTICE

THIS TARIFF MAKES INCREASES/CHANGES TO EXISTING RATES (PAGE 2)

(Black-lined, Revised per Commission's October 19, 2011 Order)

UGI UTILITIES, INC.
ELECTRIC DIVISION

Pro Forma (EECP)
Electric – Pa. PUC No. 5
Page No. 2

LIST OF CHANGES MADE BY THIS TARIFF

Energy Efficiency and Conservation Rider – Pages 4, 43Q – 43T, 44, 46, 49, 51A, 53, 53C, 54, 58, 61, 64, 66, 71, 75, 78, 81A, 83, 83C, 84, 85 and 87.

Changes made to implement the Energy Efficiency and Conservation Rider.

~~Conservation Development Rider – Pages 4, 43Q – 43T, 44, 46, 49, 51A, 53, 53C, 54, 58, 61, 64, 66, 71, 75, 78, 81A, 83, 83C, 84, 85 and 87.~~

~~Changes made to implement the Conservation Development Rider.~~

Issued:

Effective:

TABLE OF CONTENTS

	Page Number
Tariff Title and Description of Territory (Front Cover)	1
List of Changes Made by this Tariff	2-3
Table of Contents	4-5
Rules and Regulations:	
1. General	6
2. Application and Contract for Service	7
3. Guarantee of Payment	8
4. Customer's Installation	9
5. Service and Supply System Extensions	10-12
6. Meter Installation	13
7. Meter Errors and Tests	14
8. Maintenance of Service by Company	15
9. Customer's Use of Service	16-17
10. Defects in Customer's Installation	18
11. Right-of-Way and Access to Premises	19
12. Tampering with Company's Property	20
13. Payment Terms	21
14. Disconnection by Company	22
15. Discontinuance of Service by Customer	23
16. Administration of Rates	24
17. State Tax Surcharge	25
18. Net Metering	26, 26A-26B
19. Underground Electric Service in New Residential Developments	27-29
20. Emergency Load Control	30
21. Emergency Energy Conservation	31
22. Effective Insulation Requirements	32
23. Supplemental Use of Renewable Energy Sources	33
24. Power Factor Charge	34
25. Customer Co-Generation	35-39
26. Pole Removal and Relocation Charges	40
27. Customer Change of Electric Generation Supplier	41-42
28. Schedule of Miscellaneous Fees and Charges	43
29. Provider of Last Resort Service	43A-43E
30. Education Charge Rider.....	43F-43G
31. Customer Assistance Program (CAP) Charge Rider	43H
32. This Page Intentionally Left Blank.....	43I
33. Customer Change of Electric Generation Supplier on or After January 1, 2010	43J-43K
34. Default Generation Supply Service.....	43L-43O
35. Alternative Energy Cost Charge (AECC)	43P
36. Energy Efficiency and Conservation Rider	43Q-43R (C)
37. Conservation Development Rider	43S-43T (C)
Rate Schedule R - Residence Service	44
Rate Schedule RRS – Residential Renewable Service	44A-44B
Rate Schedule RWT - Residential Service Water/Space Heating	45-46
Rate Schedule RTU - Residential Time-of-Use Service	47-49
Rate Schedule RRTU – Residential Renewable Time-of-Use Service	49A-49C
Rate Schedule OL - Outdoor Lighting Service.....	50-51A

(C) Indicates Change

Issued:

Effective:

RULES AND REGULATIONS (continued)

36. ENERGY EFFICIENCY AND CONSERVATION RIDER (C)(I)

36-a General. The Company shall recover costs related to the Company's Energy Efficiency and Conservation Plan ("EECP") for 2011-2014 through an Energy Efficiency and Conservation Rider ("EEC Rider"). The rates under the EEC Rider shall be computed separately for each of the following two customer classes:

1. Residential customers served under Rate Schedules R, RWT, RTU, GS-5 and the residential portion of Rate Schedules CWH, OL, SOL, MHOL, or successor rate schedules.
2. Non-Residential customers served under Rate Schedules CWH, OL, SOL, MHOL and all other Company rate schedules not listed above.

Residential EEC Rider Rate

Non-Residential EEC Rider Rate

-0.334¢ / kWh

-0.236¢ / kWh

¢ / kWh (Rates LP & IH)

¢ / kWh (All other Rates)

The EEC Rider shall apply to all customers whether they are receiving generation service from the Company or not, and shall be subject to the Tax Adjustment Surcharge.

36-b Calculation. The EEC Rider shall be determined as follows:

1. Costs to be recovered shall include Company incurred costs to implement its Commission approved EECP during each plan year, including all costs incurred to develop and administer the Company's EECP. The costs of each EECP program shall be directly assigned to the applicable customer class. Costs which can not be directly assigned to a particular residential or non-residential customer class shall be allocated based on sales.
2. The Residential EEC Rider rate shall be calculated in accordance with the formula below and shall be rounded to the third decimal:

$$\text{Residential EEC Rider Rate} = ((Cr / Sr) - (Er / Sr)) / (1-T) \text{ where}$$

Cr = Projected Annual Residential EECP Costs.

Sr = Projected Annual Residential Class Sales.

Er = Net over or under collection of the Residential EEC Rider resulting from the difference between the EEC Rider revenues received and the EECP costs incurred. The over or under collection shall be calculated annually and include the actual over or under collection where actual data is known for the reconciliation period and an estimate for those revenues and costs still unknown for the reconciliation period. The difference between the actual net over or under collection related to the estimate shall be included in the net over or under collection in the following year.

T = Total Pennsylvania gross receipts tax rate as reflected in the Company's base rates, expressed in decimal form.

(C) Indicates Change
(I) Indicates Increase

RULES AND REGULATIONS (continued)

36. ENERGY EFFICIENCY AND CONSERVATION RIDER

(C)(I)

3. The Non-Residential EEC Rider rate rates shall be calculated in accordance with the formula below and shall be rounded to the third decimal:

$$\text{Non-Residential EEC Rider Rate} = ((C_n / S_n) - (E_n / S_n)) / (1-T) \text{ where}$$

C_n = Projected Annual Non-Residential EECP Costs.

S_n = Projected Annual Non-Residential Class Sales.

E_n = Net over or under collection of the Non-Residential EEC Rider resulting from the difference between the EEC Rider revenues received and the EECP costs incurred. The over or under collection shall be calculated annually and include the actual over or under collection where actual data is known for the reconciliation period and an estimate for those revenues and costs still unknown for the reconciliation period. The difference between the actual net over or under collection related to the estimate shall be included in the net over or under collection in the following year.

T = Total Pennsylvania gross receipts tax rate as reflected in the Company's base rates, expressed in decimal form.

The Non-Residential EEC Rider rate shall be calculated and reconciled separately for Rates LP & IH from all other Non - Residential Rates.

4. The Residential and Non-Residential rates under the EEC Rider shall become effective coincident with the effective date of the first quarterly default service rate filing following Commission approval of the EECP. The Residential and Non-residential rates under the EEC Rider shall be updated and reconciled annually thereafter and filed with the Commission effective on one day's notice. The Company reserves the right to make an interim filing to adjust the rates under the EEC Rider to be effective on sixty (60) one-days notice.
5. Any over or under collection at the end of the third plan year shall be recovered or refunded during the following year. Any remaining over or under collection after the fourth year shall be recovered or refunded through the default service rate by class.

(C) Indicates Change
(I) Indicates Increase

Issued:

Effective:

RULES AND REGULATIONS (continued)

37. CONSERVATION DEVELOPMENT RIDER

(C)(I)

~~37-a General. The Company shall recover lost distribution revenue associated with the reduction in energy consumption as a result of the conservation programs established in the Company's Energy Efficiency and Conservation Plan ("EECP") for 2011-2014. Such lost revenues shall be recovered through a Conservation Development Rider ("CD Rider"). The rates under the CD Rider shall be computed separately for each of the following two customer classes:~~

- ~~1. Residential customers served under Rate Schedules R, RWT, RTU, GS-5 and the residential portion of Rate Schedules CWH, OL, SOL, MHOL, or successor rate schedules.~~
- ~~2. Non-Residential customers served under Rate Schedules CWH, OL, SOL, MHOL and all other Company rate schedules not listed above.~~

<u>Residential CD Rider Rate</u>	<u>Non-Residential CD Rider Rate</u>
----------------------------------	--------------------------------------

0.050 ¢ / kWh	0.015 ¢ / kWh
--------------------------	--------------------------

~~The CD Rider shall apply to all customers whether they are receiving generation service from the Company or not, and shall be subject to the Tax Adjustment Surcharge.~~

~~37-b Calculation. The CD Rider shall be determined as follows:~~

- ~~1. Lost revenues to be recovered shall include distribution revenue the Company would have earned on the sales that were otherwise reduced as a result of the EECP programs. The lost revenues associated with each EECP program shall be directly assigned to the applicable customer class.~~
- ~~2. The Residential CD Rider rate shall be calculated in accordance with the formula below and shall be rounded to the third decimal:~~

$$\text{Residential CD Rider Rate} = ((R_r / S_r) - (E_r / S_r)) / (1 - T) \text{ where}$$

~~R_r = Projected Annual Residential Lost Revenues.~~

~~S_r = Projected Annual Residential Class Sales.~~

~~E_r = Net over or under collection of the Residential CD Rider resulting from the difference between the CD Rider revenues received and the revenues lost due to the EECP programs. The over or under collection shall be calculated annually and include the actual over or under collection where actual data is known for the reconciliation period and an estimate for those revenues still unknown for the reconciliation period. The actual net over or under collection related to the estimate shall be included in the net over or under collection in the following year.~~

~~T = Total Pennsylvania gross receipts tax rate as reflected in the Company's base rates, expressed in decimal form.~~

(C) Indicates Change
(I) Indicates Increase

Issued:

Effective:

RULES AND REGULATIONS (continued)

37. CONSERVATION DEVELOPMENT RIDER

(C)(I)

3. ~~The Non-Residential CD Rider rate shall be calculated in accordance with the formula below and shall be rounded to the third decimal:~~

~~Non-Residential CD Rider Rate = $((R_n / S_n) - (E_n / S_n)) / (1 - T)$ where~~

~~R_n = Projected Annual Non-Residential Lost Revenues.~~

~~S_n = Projected Annual Non-Residential Class Sales.~~

~~E_n = Net over or under collection of the Non-Residential CD Rider resulting from the difference between the CD Rider revenues received and the revenues lost due to the EECP programs. The over or under collection shall be calculated annually and include the actual over or under collection where actual data is known for the reconciliation period and an estimate for those revenues still unknown for the reconciliation period. The actual net over or under collection related to the estimate shall be included in the net over or under collection in the following year.~~

~~T = Total Pennsylvania gross receipts tax rate as reflected in the Company's base rates, expressed in decimal form.~~

4. ~~The Residential and Non-Residential rates under the CD Rider shall become effective coincident with the effective date of the first quarterly default service rate filing following Commission approval of the EECP. The Residential and Non-Residential rates under the CD Rider shall be updated and reconciled annually thereafter and filed with the Commission effective on one day's notice. The Company reserves the right to make an interim filing to adjust the rates under the CD Rider to be effective on one days notice.~~
5. ~~The CD Riders shall continue until the effective date of the Company's next base rate compliance filing by class.~~

(C) Indicates Change

(I) Indicates Increase

UGI UTILITIES, INC.
ELECTRIC DIVISION

Pro Forma (EECP)
Electric – Pa. PUC No. 5
Page No. 44

**RATE R.
RESIDENCE 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

Net rates per kilowatt-hour of energy used each month:

	Transmission (¢/KWH)	Distribution (¢/KWH)	POLR Generation (¢/KWH) Applicable prior to January 1, 2010
Customer Charge	\$5.50		
First 500 KWH	0.370	3.165	10.804
Next 500 KWH	0.370	2.684	10.061
Over 1,000 KWH	0.370	1.971	8.461

POLR GENERATION PRICE (Applicable rate for energy supplied prior to January 1, 2010)

The POLR Generation price is applicable to all customers served under this rate schedule and taking standard UGI Generation Service from the Company as stated in Section 29.

GENERATION SUPPLY RATE (Applicable rate for energy supplied on and after January 1, 2010)

The GSR stated in Section 34 is applicable to all customers served under this rate schedule and taking Default Service from the Company.

MINIMUM MONTHLY CHARGE

The Minimum Monthly Charge shall be the Customer Charge in the above Table.

TAX ADJUSTMENT SURCHARGE

The Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate.

EDUCATION CHARGE RIDER, AND ENERGY EFFICIENCY AND CONSERVATION RIDER AND CONSERVATION DEVELOPMENT RIDER

(C)(I)

The rates as set forth under the Education Charge Rider and the Energy Efficiency and Conservation Rider and the Conservation Development Rider included in this Tariff shall apply to the kilowatt-hour of energy used each month under this Rate.

CUSTOMER ASSISTANCE PROGRAM (CAP)

The CAP Charge as set forth in the Rules and Regulations shall apply to customers receiving service under this Rate.

In accordance with the Company's Customer Assistance Program (CAP), the above energy charges shall be reduced by no more than \$1,200 per year for qualifying low income residential heating customers and no more than \$700 per year for qualifying low income residential non-heating customers who take service under this Rate. CAP is available to a maximum of 2,500 customers.

PAYMENT TERMS

A late payment charge of 1.25% per month of the unpaid balance of all charges due on a bill will be made for failure to make payment in full by the due date. These charges are to be calculated on the overdue portions of the bill only. Such interest rate, when annualized, shall not exceed 15% simple interest per annum.

- (C) Indicates Change
- (I) Indicates Increase

Issued:

Effective:

UGI UTILITIES, INC.
ELECTRIC DIVISION

Pro Forma (EECP)
Electric – Pa. PUC No. 5
Page No. 46

RATE RWT - (Continued)
RESIDENTIAL SERVICE - WATER/SPACE HEATING

WATER HEATING REQUIREMENTS

Water heaters shall be automatic of a type approved by the Company. The water heater shall be the exclusive source of hot water at all times. The Company will install automatic devices to control the operation of electric water heaters when deemed necessary by Company.

EQUAL MONTHLY PAYMENT PLAN

The Equal Monthly Payment Plan is available to Customers in accordance with Rule 13-e.

TAX ADJUSTMENT SURCHARGE

The Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate.

**EDUCATION CHARGE RIDER, ~~AND ENERGY EFFICIENCY AND CONSERVATION RIDER-AND~~
~~CONSERVATION DEVELOPMENT RIDER~~**

(C)(I)

The rates as set forth under the Education Charge Rider, and the Energy Efficiency and Conservation Rider ~~and the Conservation Development Rider~~ included in this Tariff shall apply to the kilowatt-hour of energy used each month under this Rate.

CUSTOMER ASSISTANCE PROGRAM (CAP)

The CAP Charge as set forth in the Rules and Regulations shall apply to customers receiving service under this Rate.

In accordance with the Company's Customer Assistance Program (CAP), the above energy charges shall be reduced by no more than \$1,200 per year for qualifying low income residential heating customers and no more than \$700 per year for qualifying low income residential non-heating customers who take service under this Rate. CAP is available to a maximum of 2,500 customers.

PAYMENT TERMS

A late payment charge of 1.25% per month of the unpaid balance of all charges due on a bill will be made for failure to make payment in full by the due date. These charges are to be calculated on the overdue portions of the bill only. Such interest rate, when annualized, shall not exceed 15% simple interest per annum.

(C) Indicates Change
(I) Indicates Increase

Issued:

Effective:

UGI UTILITIES, INC.
ELECTRIC DIVISION

Pro Forma (EECP)
Electric – Pa. PUC No. 5
Page No. 49

RATE RTU - (Continued)
RESIDENTIAL TIME-OF-USE SERVICE

Service to electric heat pumps will be interrupted when the outside air temperature falls below 20 degrees F. Supplemental heating equipment must be provided using an independent fossil fuel furnace or a controlled electric thermal storage device.

EQUAL MONTHLY PAYMENT PLAN

The Equal Monthly Payment Plan is available to Customers in accordance with Rule 13-e.

TAX ADJUSTMENT SURCHARGE

The Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate.

EDUCATION CHARGE RIDER, ~~AND ENERGY EFFICIENCY AND CONSERVATION RIDER-AND CONSERVATION DEVELOPMENT RIDER~~

(C)(I)

The rates as set forth under the Education Charge Rider, and the Energy Efficiency and Conservation Rider ~~and the Conservation Development Rider~~ included in this Tariff shall apply to the kilowatt-hour of energy used each month under this Rate.

CUSTOMER ASSISTANCE PROGRAM (CAP)

The CAP Charge as set forth in the Rules and Regulations shall apply to customers receiving service under this Rate.

In accordance with the Company's Customer Assistance Program (CAP), the above energy charges shall be reduced by no more than \$1,200 per year for qualifying low income residential heating customers and no more than \$700 per year for qualifying low income residential non-heating customers who take service under this Rate. CAP is available to a maximum of 2,500 customers.

PAYMENT TERMS

A late payment charge of 1.25% per month of the unpaid balance of all charges due on a bill will be made for failure to make payment in full by the due date. These charges are to be calculated on the overdue portions of the bill only. Such interest rate, when annualized, shall not exceed 15% simple interest per annum.

(C) Indicates Change

(I) Indicates Increase

Issued:

Effective:

UGI UTILITIES, INC.
ELECTRIC DIVISION

Pro Forma (EECP)
Electric – Pa. PUC No. 5
Page No. 51A

**RATE OL - (Continued)
OUTDOOR LIGHTING SERVICE**

APPROVAL

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

TAX ADJUSTMENT SURCHARGE

The Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate.

ENERGY EFFICIENCY AND CONSERVATION RIDER AND CONSERVATION DEVELOPMENT RIDER (C)(I)

The rates as set forth under the Energy Efficiency and Conservation Rider and the Conservation Development Rider included in this Tariff shall apply to the kilowatt-hour of energy used each month under this Rate.

PAYMENT TERMS

RESIDENTIAL CUSTOMERS

A late payment charge of 1.25% per month of the unpaid balance of all charges due on a bill will be made for failure to make payment in full by the due date. These charges are to be calculated on the overdue portions of the bill only. Such interest rate, when annualized, shall not exceed 15% simple interest per annum.

NON-RESIDENTIAL CUSTOMERS

The Rates set forth above state net prices. Standard bills will show the net amount and a gross amount 3% greater than the net amount. If payment is made on or before the last day for payment as specified on the bill, prompt payment discount equal to the difference between the gross and net amounts will be allowed.

(C) Indicates Change
(I) Indicates Increase

Issued:

Effective:

UGI UTILITIES, INC.
ELECTRIC DIVISION

Pro Forma (EECP)
Electric – Pa. PUC No. 5
Page No. 53

RATE SOL - (Continued)
SODIUM OUTDOOR LIGHTING SERVICE

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.

TAX ADJUSTMENT SURCHARGE

The Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate.

ENERGY EFFICIENCY AND CONSERVATION RIDER AND ~~CONSERVATION DEVELOPMENT RIDER~~

(C)(I)

The rates as set forth under the Energy Efficiency and Conservation Rider and the ~~Conservation Development Rider~~ included in this Tariff shall apply to the kilowatt-hour of energy used each month under this Rate.

PAYMENT TERMS RESIDENTIAL CUSTOMERS

A late payment charge of 1.25% per month of the unpaid balance of all charges due on a bill will be made for failure to make payment in full by the due date. These charges are to be calculated on the overdue portions of the bill only. Such interest rate, when annualized, shall not exceed 15% simple interest per annum.

NON-RESIDENTIAL CUSTOMERS

The Rates set forth above state net prices. Standard bills will show the net amount and a gross amount 3% greater than the net amount. If payment is made on or before the last day for payment as specified on the bill, prompt payment discount equal to the difference between the gross and net amounts will be allowed.

(C) Indicates Change
(I) Indicates Increase

UGI UTILITIES, INC.
ELECTRIC DIVISION

Pro Forma (EECP)
Electric – Pa. PUC No. 5
Page No. 53C

RATE MHOL - (Continued)
METAL HALIDE OUTDOOR LIGHTING SERVICE

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.

TAX ADJUSTMENT SURCHARGE

The Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate.

ENERGY EFFICIENCY AND CONSERVATION RIDER AND CONSERVATION DEVELOPMENT RIDER

(C)(I)

The rates as set forth under the Energy Efficiency and Conservation Rider and the Conservation Development Rider included in this Tariff shall apply to the kilowatt-hour of energy used each month under this Rate.

PAYMENT TERMS

A late payment charge of 1.25% per month of the unpaid balance of all charges due on a bill will be made for failure to make payment in full by the due date. These charges are to be calculated on the overdue portions of the bill only. Such interest rate, when annualized, shall not exceed 15% simple interest per annum.

(C) Indicates Change
(I) Indicates Increase

Issued:

Effective:

UGI UTILITIES, INC.
ELECTRIC DIVISION

Pro Forma (EECP)
Electric – Pa. PUC No. 5
Page No. 54

**RATE CWH
CONTROLLED OFF-PEAK SERVICE FOR WATER HEATING**

AVAILABILITY

This Rate is available for the exclusive operation of heat storage water heating equipment located at premises where other service is supplied under Company's non-residential rates, subject to the provisions hereinafter set forth. Any residential Customer served prior to March 1, 1961 under former Rate WH shall have the option of continuing service under Rate CWH.

CHARACTER OF SERVICE

Alternating current, 60 cycles, single or three phase, 120-208 volts, 3 or 4 wire; 120-240 volts, 3 wire; or 240 volts, 2 or 3 wire.

CONTRACT TERM AND BILLING

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

RATE TABLE

	Distribution (¢/KWH)	Residential POLR Generation (¢/KWH) Applicable prior to January 1, 2010	Non-Residential POLR Generation (¢/KWH) Applicable prior to January 1, 2010
Minimum Monthly Charge	\$2.86	\$5.59	\$5.59
For all Energy used	3.281	9.842	9.842

POLR GENERATION PRICE (Applicable rate for energy supplied prior to January 1, 2010)

The POLR Generation price is applicable to all customers served under this rate schedule and taking standard UGI Generation Service from the Company as stated in Section 29.

GENERATION SUPPLY RATE (Applicable rate for energy supplied on and after January 1, 2010)

The GSR stated in Section 34 is applicable to all customers served under this rate schedule and taking Default Service from the Company.

TAX ADJUSTMENT SURCHARGE

The Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate.

EDUCATION CHARGE RIDER, AND ENERGY EFFICIENCY AND CONSERVATION RIDER AND CONSERVATION DEVELOPMENT RIDER

(C)(I)

The rates as set forth under the Education Charge Rider, and the Energy Efficiency and Conservation Rider and the Conservation Development Rider included in this Tariff shall apply to the kilowatt-hour of energy used each month under this Rate.

CUSTOMER ASSISTANCE PROGRAM (CAP)

The CAP Charge as set forth in the Rules and Regulations shall apply to residential customers receiving service under this Rate.

In accordance with the Company's Customer Assistance Program (CAP), the above energy charges shall be reduced by no more than \$700 per year for qualifying low income residential customers who take service under this Rate. CAP is available to a maximum of 2,500 customers.

PAYMENT TERMS RESIDENTIAL CUSTOMERS

A late payment charge of 1.25% per month of the unpaid balance of all charges due on a bill will be made for failure to make payment in full by the due date. These charges are to be calculated on the overdue portions of the bill only. Such interest rate, when annualized, shall not exceed 15% simple interest per annum.

(C) Indicates Change
(I) Indicates Increase

Issued:

Effective:

UGI UTILITIES, INC.
ELECTRIC DIVISION

Pro Forma (EECP)
Electric – Pa. PUC No. 5
Page No. 58

RATE GS-1 (Continued)
GENERAL SERVICE

ANNUAL GUARANTEE

For customers taking generation service from the Company the Annual Guarantee for all service is \$234.50 when service has been supplied for a full twelve-month period ending with June bills. If the customer has taken generation service from an alternate electric supplier for this period the Annual Guarantee shall be \$120.00. If the net amount billed for service during such period aggregate less than the annual guarantee amount associated with the service being taken the difference shall become part of the bill for June.

TAX ADJUSTMENT SURCHARGE

The Tax Adjustment Surcharge included in this tariff is applied to charges under this Rate.

EDUCATION CHARGE RIDER, AND ENERGY EFFICIENCY AND CONSERVATION RIDER AND CONSERVATION DEVELOPMENT RIDER

(C)(I)

The rates as set forth under the Education Charge Rider, and the Energy Efficiency and Conservation Rider and the Conservation Development Rider included in this Tariff shall apply to the kilowatt-hour of energy used each month under this Rate.

PAYMENT TERMS

Bills are net if paid on or before the last day for payment as specified on bill. Bills of Customers who defer payment beyond the specified date will be increased three (3) percent.

(C) Indicates Change
(I) Indicates Increase

Issued:

Effective:

UGI UTILITIES, INC.
ELECTRIC DIVISION

Pro Forma (EECP)
Electric – Pa. PUC No. 5
Page No. 61

RATE GS-4 - (Continued)
GENERAL SERVICE
(5 kw minimum)

TAX ADJUSTMENT SURCHARGE

The Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate.

ENERGY EFFICIENCY AND CONSERVATION RIDER AND ~~CONSERVATION DEVELOPMENT RIDER~~

(C)(I)

The rates as set forth under the Energy Efficiency and Conservation Rider and the ~~Conservation Development Rider~~ included in this Tariff shall apply to the kilowatt-hour of energy used each month under this Rate.

PAYMENT TERMS

Bills are net if paid on or before the last day for payment as specified on bill. Bills of Customers who defer payment beyond the specified date will be increased three (3) per cent.

POWER FACTOR

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

OFF-PEAK SERVICE

When it is mutually advantageous to both the Company and the Customer, the Customer's billing demand shall be adjusted for service supplied during off-peak hours for demands in excess of those supplied during on-peak hours. Customers applying for this Off-Peak Rider must meet the following requirements:

- (1) Customer must make a written request to Company for the application of this Rider, and Company shall in its sole judgement, determine whether or not sufficient reason exists for its application.
- (2) Company reserves the right to curtail or discontinue at any time, and without liability to Customer, Customer's use of the excess capacity.
- (3) The Customer's off-peak demand may exceed Customer's on-peak demand to the extent which Company shall determine that its facilities permit supplying such excess demand without disturbing service to its other Customers.
- (4) The Company is not required to provide additional delivery facilities for the delivery of power and energy exempted from the demand charge by this Rider.

DEFINITION OF PEAK HOURS

On-peak hours are defined as those hours between 7:00 A.M. and 11:00 P.M. Eastern Standard Time or Daylight Saving Time, whichever is in common use, daily except Saturdays and Sundays. Off-peak hours are defined as the hours other than those specified as on-peak hours. The Company reserves the right to change, from time to time, the hours specified above in accordance with the operating conditions of the Company's system.

- (C) Indicates Change
(I) Indicates Increase

Issued:

Effective:

UGI UTILITIES, INC.
ELECTRIC DIVISION

Pro Forma (EECP)
Electric – Pa. PUC No. 5
Page No. 64

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

Net rates per kilowatt-hour of energy used each month:

	Transmission (¢/KWH)	Distribution (¢/KWH)	POLR Generation (¢/KWH) Applicable prior to January 1, 2010
Customer Charge	\$5.50		
First 500 KWH	0.370	3.165	10.804
Next 500 KWH	0.370	2.684	10.061
Over 1,000 KWH	0.370	1.971	8.461

POLR GENERATION PRICE (Applicable rate for energy supplied prior to January 1, 2010)

The POLR Generation price is applicable to all customers served under this rate schedule and taking standard UGI Generation Service from the Company as stated in Section 29.

GENERATION SUPPLY RATE (Applicable rate for energy supplied on and after January 1, 2010)

The GSR stated in Section 34 is applicable to all customers served under this rate schedule and taking Default Service from the Company.

MINIMUM MONTHLY CHARGE

The Minimum Monthly Charge shall be the Customer Charge in the above Table.

TAX ADJUSTMENT SURCHARGE

The Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate.

EDUCATION CHARGE RIDER, AND ENERGY EFFICIENCY AND CONSERVATION RIDER AND CONSERVATION-DEVELOPMENT RIDER

(C)(I)

The rates as set forth under the Education Charge Rider, and the Energy Efficiency and Conservation Rider and the Conservation-Development Rider included in this Tariff shall apply to the kilowatt-hour of energy used each month under this Rate.

PAYMENT TERMS

A late payment charge of 1.25% per month of the unpaid balance of all charges due on a bill will be made for failure to make payment in full by the due date. These charges are to be calculated on the overdue portions of the bill only. Such interest rate, when annualized, shall not exceed 15% simple interest per annum.

- (C) Indicates Change
- (I) Indicates Increase

Issued:

Effective:

RATE TE - (Continued)
NON-RESIDENTIAL SERVICE - TOTAL ELECTRIC

MINIMUM MONTHLY CHARGE

The Minimum Monthly Charge shall be \$692.81 plus \$7.39 for each kilowatt of maximum monthly demand in excess of 35 kilowatts for energy supplied to customers from the Company prior to January 1, 2010. The Minimum Monthly Charge shall be \$97.91 plus \$1.05 for each kilowatt of maximum monthly demand in excess of 35 kilowatts for energy supplied to customers from the Company on and after January 1, 2010. For customers taking generation service from an alternate electric supplier the minimum monthly charge shall be \$75.55 plus \$0.81 for each kilowatt of maximum monthly demand in excess of 35 kilowatts.

DETERMINATION OF BILLING DEMAND

The Company shall set either indicating or recording meters, the choice being its option, to determine the demand. The demand shall be the highest fifteen (15) minute demand in kilowatts during the month.

TAX ADJUSTMENT SURCHARGE

The Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate.

ENERGY EFFICIENCY AND CONSERVATION RIDER AND CONSERVATION DEVELOPMENT RIDER

(C)(I)

The rates as set forth under the Energy Efficiency and Conservation Rider and the Conservation Development Rider included in this Tariff shall apply to the kilowatt-hour of energy used each month under this Rate.

PAYMENT TERMS

Bills are net if paid on or before the last day for payment as specified on bill. Bills of Customers who defer payment beyond the specified date will be increased three (3) per cent.

(C) Indicates Change
(I) Indicates Increase

Issued:

Effective:

UGI UTILITIES, INC.
ELECTRIC DIVISION

Pro Forma (EECP)
Electric – Pa. PUC No. 5
Page No. 71

RATE GLP - (Continued)
GENERAL LIGHTING AND POWER SERVICE

ANNUAL GUARANTEE

For customers taking generation service from the Company the Annual Guarantee for all service is \$278.87 when service has been supplied for a full twelve-month period ending with June bills. If the customer is taking generation service from an alternate electric supplier, the Annual Guarantee is \$86.38 when service has been supplied for a full twelve-month period ending with June bills. If the net amounts billed for service during such period aggregate less than the Annual Guarantee associated with the service being taken the difference shall become part of the bill for June.

TAX ADJUSTMENT SURCHARGE

The Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate except for charges made under the Energy Cost Rate.

EDUCATION CHARGE RIDER, AND ENERGY EFFICIENCY AND CONSERVATION RIDER AND
~~CONSERVATION DEVELOPMENT RIDER~~

(C)(I)

The rates as set forth under the Education Charge Rider, and the Energy Efficiency and Conservation Rider and the ~~Conservation Development Rider~~ included in this Tariff shall apply to the kilowatt-hour of energy used each month under this Rate.

PAYMENT TERMS

Bills at the foregoing rates and discounts are due and payable on or before the last day for payments as specified on bill. Bills to Customers who defer payments beyond the specified date will be increased two (2) percent.

(C) Indicates Change
(I) Indicates Increase

Issued:

Effective:

**RATE LP - (Continued)
LARGE POWER SERVICE**

DETERMINATION OF BILLING DEMAND FOR OFF-PEAK SERVICE

Customer's billing demand shall be taken as the highest of the following:

- (1) Customer's on-peak demand.
- (2) Customer's minimum demand.
- (3) Sixty-six and two-thirds (66-2/3) per cent of Customer's off-peak demand established during the off-peak hours specified above.
- (4) Twenty-five (25) per cent of Customer's off-peak demand established when Customer limits excess demands to operation between 11:00 P.M. and 7:00 A.M.

That portion of any demand established during off-peak hours, which is above the off-peak demand allowed by the Company, shall be added to the highest demand established during on-peak hours for the purpose of determining billing demand.

TAX ADJUSTMENT SURCHARGE

The Tax Adjustment Surcharge included in this tariff is applied to charges under this Rate.

~~ENERGY EFFICIENCY AND CONSERVATION RIDER AND CONSERVATION DEVELOPMENT RIDER~~

(C)(I)

~~The rates as set forth under the Energy Efficiency and Conservation Rider and the Conservation Development Rider included in this Tariff shall apply to the kilowatt-hour of energy used each month under this Rate. °~~

PAYMENT TERMS

Bills are net if paid on or before the last day for payment as specified on bill. Bills of Customers who defer payment beyond the specified date will be increased two (2) percent.

(C) Indicates Change
(I) Indicates Increase

RATE HTP - (Continued)
HIGH TENSION POWER SERVICE

DEFINITION OF PEAK HOURS

On-peak hours are defined as those hours between 8:00 A.M. and 9:00 P.M. Eastern Standard Time or Daylight Saving Time, whichever is in common use, daily except Saturdays, Sundays and holidays.

Off-peak hours are defined as the hours other than those specified as on-peak hours. Holidays are New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

The Company reserves the right to change from time to time, the hours specified above in accordance with the operating conditions of the Company's system.

DETERMINATION OF BILLING DEMAND FOR OFF-PEAK SERVICE

Customer's billing demand shall be taken as the highest of the following:

- (1) Customer's on-peak demand.
- (2) Customer's minimum demand.
- (3) Sixty-Six and two-thirds ($66\frac{2}{3}$) percent of Customer's off-peak demand established during the off-peak hours specified above.
- (4) Twenty-five (25) percent of Customer's off-peak demand established when Customer limits excess demands to operate between 11:00 P.M. and 7:00 A.M.

That portion of any demand established during off-peak hours, which is above the off-peak demand allowed by the Company, shall be added to the highest demand established during on-peak hours for the purpose of determining billing demand.

TAX ADJUSTMENT SURCHARGE

The Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate.

ENERGY EFFICIENCY AND CONSERVATION RIDER AND ~~CONSERVATION DEVELOPMENT RIDER~~

(C)(I)

The rates as set forth under the Energy Efficiency and Conservation Rider ~~and the Conservation Development Rider~~ included in this Tariff shall apply to the kilowatt-hour of energy used each month under this Rate.

PAYMENT TERMS

Bills are net if paid on or before the last day for payment as specified on bill. Bills of Customers who defer payment beyond the specified date will be increased two (2) percent.

(C) Indicates Change
(I) Indicates Increase

UGI UTILITIES, INC.
ELECTRIC DIVISION

Pro Forma (EECP)
Electric – Pa. PUC No. 5
Page No. 81A

**RATE SL - (Continued)
STREET LIGHTING SERVICE**

ENERGY EFFICIENCY AND CONSERVATION RIDER AND ~~CONSERVATION DEVELOPMENT RIDER~~

(C)(I)

The rates as set forth under the Energy Efficiency and Conservation Rider and the ~~Conservation Development Rider~~ included in this Tariff shall apply to the kilowatt-hour of energy used each month under this Rate.

PAYMENT TERMS

Bills for service taken will be rendered monthly, and if paid within thirty (30) days after date of bill the following discounts will be allowed:

Contracts, 5 years or more.....5% discount on first \$323.48 of monthly bill
plus 2% discount on balance

Contracts, less than 5 years.....1% discount on total monthly bill

No discount will be allowed where contract for service is not in effect or where payments are deferred beyond the thirty (30) day period herein specified.

(C) Indicates Change
(I) Indicates Increase

Issued:

Effective:

UGI UTILITIES, INC.
ELECTRIC DIVISION

Pro Forma (EECP)
Electric – Pa. PUC No. 5
Page No. 83

**RATE SSL - (Continued)
SODIUM STREET LIGHTING**

SPECIAL CUSTOMER EQUIPMENT

Upon request, the Company may, at its option, operate and maintain special lighting equipment of a type not being offered by Company provided Customer installs equipment and supplies any nonstandard replacement parts at no cost to Company.

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.

TERMINATION

If Customer terminates street lighting service under this schedule for any reason prior to expiration of any 10-year term, Customer shall pay removal cost plus remaining value of system.

TAX ADJUSTMENT SURCHARGE

The Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate.

ENERGY EFFICIENCY AND CONSERVATION RIDER AND CONSERVATION DEVELOPMENT RIDER

(C)(I)

The rates as set forth under the Energy Efficiency and Conservation Rider and the Conservation Development Rider included in this Tariff shall apply to the kilowatt-hour of energy used each month under this Rate.

PAYMENT TERMS

The rates set forth above state net prices. Standard bills will show the net amount and a gross amount 3% greater than the net amount. If payment is made on or before the last day for payment as specified on the bill, prompt payment discount equal to the difference between the gross and net amounts will be allowed.

(C) Indicates Change
(I) Indicates Increase

Issued:

Effective:

UGI UTILITIES, INC.
ELECTRIC DIVISION

Pro Forma (EECP)
Electric – Pa. PUC No. 5
Page No. 83C

RATE MHSL - (Continued)
METAL HALIDE STREET LIGHTING SERVICE

SPECIAL CUSTOMER EQUIPMENT

Upon request, the Company may, at its option, operate and maintain special lighting equipment of a type not being offered by Company provided Customer installs equipment and supplies any nonstandard replacement parts at no cost to Company.

REMOVAL OF MERCURY VAPOR AND 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 5 or 10 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 fully operational 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 street lighting service under this schedule for any reason prior to expiration of any 10-year term, Customer shall pay removal cost plus the estimated remaining value of system.

TAX ADJUSTMENT SURCHARGE

The Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate.

ENERGY EFFICIENCY AND CONSERVATION RIDER AND CONSERVATION DEVELOPMENT RIDER

(C)(I)

The rates as set forth under the Energy Efficiency and Conservation Rider and the Conservation Development Rider included in this Tariff shall apply to the kilowatt-hour of energy used each month under this Rate.

PAYMENT TERMS

A late payment charge of 1.25% per month of the unpaid balance of all charges due on a bill will be made for failure to make payment in full by the due date. These charges are to be calculated on the overdue portions of the bill only. Such interest rate, when annualized, shall not exceed 15% simple interest per annum.

(C) Indicates Change
(I) Indicates Increase

Issued:

Effective:

**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

	Transmission (¢/KWH)	Distribution (¢/KWH)	POLR Generation (¢/KWH) Applicable prior to January 1, 2010
First 100 KWH or less per month for each electrically driven pump installed	\$0.16	\$2.50	\$13.52
All additional KWH	0.117	1.780	9.640

POLR GENERATION PRICE (Applicable rate for energy supplied prior to January 1, 2010)

The POLR Generation price is applicable to all customers served under this rate schedule and taking standard UGI Generation Service from the Company as stated in Section 29.

GENERATION SUPPLY RATE (Applicable rate for energy supplied on and after January 1, 2010)

The GSR stated in Section 34 is applicable to all customers served under this rate schedule and taking Default Service from the Company.

TAX ADJUSTMENT SURCHARGE

The Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate.

ENERGY EFFICIENCY AND CONSERVATION RIDER AND CONSERVATION DEVELOPMENT RIDER

The rates as set forth under the Energy Efficiency and Conservation Rider and the Conservation Development Rider included in this Tariff shall apply to the kilowatt-hour of energy used each month under this Rate.

(C)(I)

PAYMENT TERMS

The above Rates are net and apply only when bills are paid within fifteen (15) days from the date thereof. When not so paid, the gross rate (being the net rate plus 5% on the first \$524.00 of monthly bill and 2% on the remainder thereof) applies.

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.

(C) Indicates Change

(I) Indicates Increase

Issued:

Effective:

UGI UTILITIES, INC.
ELECTRIC DIVISION

Pro Forma (EECP)
Electric – Pa. PUC No. 5
Page No. 85

**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.

TAX ADJUSTMENT SURCHARGE

The Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate.

ENERGY EFFICIENCY AND CONSERVATION RIDER AND ~~CONSERVATION DEVELOPMENT RIDER~~

(C)(I)

The rates as set forth under the Energy Efficiency and Conservation Rider and the ~~Conservation Development Rider~~ included in this Tariff shall apply to the kilowatt-hour of energy used each month under this Rate.

PAYMENT TERMS

Bills are due upon presentation and shall be paid within fifteen (15) days from the date of bill for service supplied during the preceding month.

POWER FACTOR

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

(C) Indicates Change
(I) Indicates Increase

Issued:

Effective:

UGI UTILITIES, INC.
ELECTRIC DIVISION

Pro Forma (EECP)
Electric – Pa. PUC No. 5
Page No. 87

**RATE IH – (Continued)
INSTITUTIONAL HEATING SERVICE**

DETERMINATION OF BILLING DEMAND

The Company shall set either indicating or recording meters, the choice being its option, to determine the demand. The demand shall be the highest 15 minute demand in kilowatts during the month.

TAX ADJUSTMENT SURCHARGE

The Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate.

~~ENERGY EFFICIENCY AND CONSERVATION RIDER AND CONSERVATION DEVELOPMENT RIDER~~

(C)(I)

~~The rates as set forth under the Energy Efficiency and Conservation Rider and the Conservation Development Rider included in this Tariff shall apply to the kilowatt-hour of energy used each month under this Rate.~~

PAYMENT TERMS

Bills are net if paid on or before the last day for payment as specified on bill. Bills of Customers who defer payment beyond the specified date will be increased three (3) percent.

(C) Indicates Change
(I) Indicates Increase

Issued:

Effective:

Appendix B

Program/Measure	Measure Life (Years)	Measure Cost	Energy Savings (kWh/year)	Demand Savings (kW)
Residential CFL Program				
Residential CFL	6	\$ 2.00	39	0.004
Residential CFL - LI	6	\$ 2.00	39	0.004
School Energy Education Program				
CFL	6	\$ 2.00	39	0.004
Showerhead	3	\$ 10.00	600	0.068
Aerator	3	\$ 3.00	1,200	0.137
Residential Appliance Rebates				
CAC - SEER 14.5	14	\$ 305.00	266	0.000
CAC - SEER 15	14	\$ 610.00	343	0.000
CAC - SEER 16	14	\$ 915.00	482	0.000
Room AC (1st unit)	10	\$ 50.00	59	0.000
Room AC (2nd unit)	10	\$ 50.00	59	0.000
Programmable Thermostat - CAC	15	\$ 80.00	82	0.000
ASHP - SEER 14.5	12	\$ 320.00	942	1.533
ASHP - SEER 15	12	\$ 640.00	1,019	1.658
ASHP - SEER 16	12	\$ 960.00	1,158	1.885
Programmable Thermostat - ASHP	15	\$ 80.00	754	1.227
Dishwasher	11	\$ 12.00	105	0.012
Energy Star Refrigerator	13	\$ 30.00	80	0.009
Indoor ES Light Fixtures	15	\$ 25.00	66	0.008
Outdoor ES Light Fixtures	15	\$ -	199	0.023
Dehumidifier	12	\$ -	213	0.000
Residential Recycling				
Refrigerator/Freezer	8	\$ 150.00	1,804	0.206
C&I Custom				
C&I Custom	10	\$ 1,666.68	3,500	0.400
C&I HVAC Tune-Up				
Basic Package	3	\$ 100.00	1,686	0.000
Refrigerant/Airflow (1 Comp.)	3	\$ 165.00	864	0.000
Refrigerant/Airflow (2 Comp.)	3	\$ 330.00	1,457	0.000
Thermostat Modification	3	\$ 50.00	682	0.000
Economizer Adjustment	3	\$ 200.00	1,674	0.000
Thermostat Replacement	11	\$ 195.00	3,870	0.000
Economizer Control Package	15	\$ 190.00	1,045	0.000
Commercial Appliance Rebates				
Thermostat - Programmable	15	\$ 272.00	403	0.000
Anti-Sweat Heater Controls	12	\$ 85.00	349	0.040
Ice Maker	9	\$ 358.00	1,598	0.182
Faucet Aerators	10	\$ 1.00	11	0.001
Steam Cookers	10	\$ 100.00	2,600	0.507
ES Computer	4	\$ 1.00	3	0.001
ES Copiers	6	\$ 157.00	1,125	0.220
ES Fax	4	\$ 1.00	113	0.022
ES Monitors	4	\$ 10.00	194	0.038
ES Printers	5	\$ 25.00	147	0.029
ES Scanners	4	\$ 1.00	71	0.014
ES Vending Machine	14	\$ 180.00	1,754	0.342
ES Water Cooler	10	\$ 1.00	361	0.070
ES Res-Sized Refrigerator	15	\$ 70.00	1,038	0.118

Program/Measure	Measure Life (Years)	Measure Cost	Energy Savings (kWh/year)	Demand Savings (kW)	Alternate Fuel Avoided Measure Cost	Alternative Fuel Energy Usage (Mcf/year)	Alternative Fuel Demand Increase (Mcf)
Clothes Dryer Direct Use Clothes Dryer Replacement	15	\$ 830.00	1,075	0.123	\$ 600.00	7	0.001
Space Heat Direct Use Space Heat Replacement	13	\$ 8,600.00	5,379	8.754	\$ 3,500.00	40	0.065
Water Heater Direct Use Water Heater Replacement	13	\$ 900.00	4,875	0.557	\$ 800.00	25	0.003
C&I CHP CHP	15	\$ 160,000.00	406,000	58.000	\$ -	1,843	0.210

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of UGI Utilities, Inc. – Electric :
Division for Approval of its Energy : **Docket No. M-2010-2210316**
Efficiency and Conservation Plan :

CERTIFICATE OF SERVICE

I hereby certify that I have, this 19th day of December, 2011, served a true and correct copy of the foregoing document in the manner and upon the persons listed below in accordance with requirements of 52 Pa. Code § 1.54 (relating to service by a participant):

VIA FIRST CLASS MAIL & E-MAIL:

Steven C. Gray, Esquire
Sharon E. Webb
Assistant Small Business Advocate
Office of Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101
swebb@pa.gov
sgray@state.pa.us

Christy M. Appleby
David T. Evrard, Esquire
Tanya J. McCloskey
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
CAappleby@paoca.org
devrard@paoca.org
TMcCloskey@paoca.org

Pamela C. Polacek, Esquire
McNees Wallace & Nurick LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
ppolacek@mwn.com

Kenneth L. Mickens, Esquire
316 Yorkshire Drive
Harrisburg, PA 17111
kmickens11@verizon.net

Charles Daniel Shields, Esquire
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
chshields@pa.gov

RECEIVED

DEC 19 2011

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU



Melanie J. Elatieh

Dated: December 19, 2011

From: (610) 992-3209
 Melanie Elatieh
 UGI Corporation
 460 N. Gulph Road

Origin ID: KPDA



J11201108050225

King of Prussia, PA 19406

Ship Date: 19DEC11
 ActWgt: 2.0 LB
 CAD: 100325250/NET3210

Delivery Address Bar Code



SHIP TO: (717) 783-1740

BILL SENDER

Rosemary Chiavetta, Secretary
 Pennsylvania Public Utility Comm.
 400 NORTH ST
 COMMONWEALTH KEYSTONE BUILDING
 HARRISBURG, PA 17120

Ref #
 Invoice #
 PO #
 Dept #

TUE - 20 DEC A1
 STANDARD OVERNIGHT

TRK# 7978 5975 6980

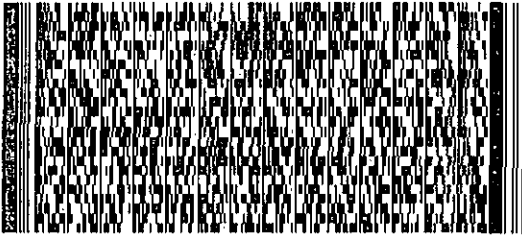
0201

17120

PA-US

MDT

ZN MDTA



50FG1/R59F/FSF4

After printing this label:

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$500, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.