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April 22, 2020

VIA ELECTRONIC FILING

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

**Re: Petition of UGI Utilities, Inc. – Electric Division for Approval of Phase III of its
Energy Efficiency and Conservation Plan – Docket No. M-2018-3004144**

Dear Secretary Chiavetta:

On March 14, 2019, the Pennsylvania Public Utility Commission (“Commission”) approved the January 31, 2019 Joint Petition for Settlement (“Settlement”) at the above-referenced docket. Paragraph 23(b) of the Settlement required UGI Utilities, Inc. – Electric Division (“Company”) to set aside \$140,000 of its Energy Efficiency and Conservation Plan (“EE&C”) budget for one or more residential customer programs, including a residential low-income program, by no later than June 1, 2020. The Settlement provided:

The Company will set aside \$140,000 to launch one or more residential customer programs in PY 2 through PY 5, including a residential low-income customer program by no later than June 1, 2020. The residential low-income program shall not be specifically limited to the measures offered under the three existing low-income programs that are being eliminated or phased out as part of the Phase III EE&C Plan. The residential low-income program will provide an opportunity for the Company to offer additional and/or different measures than those offered through the Company’s Low Income Usage Reduction Program (“LIURP”). The parties acknowledge that this low-income program is not LIURP and is not subject to the provisions of Chapter 58 of the Commission’s regulations. Such costs shall only be recovered from Class 1 customers.

Paragraph 24 of the Settlement provided for the Company to provide written notification to the Commission’s Bureau of Technical Utility Services (“TUS”) and the parties to the Phase II EE&C Plan proceeding at least thirty (30) days prior to launching the programs discussed in Paragraph 23(b).

In accordance with the Settlement, the Company herein files to amend its EE&C to include a Residential Low Income Program, starting in PY 2. Notice is being provided to the

parties to this proceeding, namely the Office of Small Business Advocate, the Office of Consumer Advocate, and the Commission on Economic Opportunity, as well as the Commission's Bureau of Investigation and Enforcement.

Copies of this document are being provided electronically only, as indicated on the Certificate of Service, due to the current closure of all non-life sustaining businesses in the Commonwealth upon the direction of Governor Wolf.

Lastly, the Company requests that its plan amendment filed earlier today (efiling confirmation # 1877510) be withdrawn as it contained a typographical error regarding the launch date of the Residential Low-Income plan that has been corrected in this filing.

Very truly yours,

DocuSigned by:



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Danielle Jouenne

Counsel for UGI Utilities, Inc.

Enclosure

cc: Certificate of Service

Paul Diskin, Director, TUS, via email at pdiskin@pa.gov

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of UGI Utilities, Inc. – Electric :
Division for Approval of Phase III of its :
Energy Efficiency and Conservation Plan : **Docket No. M-2018-3004144**
– Docket No. :

CERTIFICATE OF SERVICE

I hereby certify that I have, this 22nd day of April 2020, 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 ELECTRONIC MAIL:

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Danielle Jouenne
Counsel for UGI Utilities, Inc.

Residential Low-Income Program

Objectives

The objectives of the Residential Low-Income Program include:

1. Provide UGI Utilities, Inc. – Electric Division confirmed low-income customers with an array of no-cost energy-saving equipment and/or education to help reduce their energy costs, such as the direct installation of heat pump water heaters (“HWPH”), ENERGYSTAR smart thermostats and additional and/or different measures than those offered through the Company’s Low-Income Usage Reduction Program (“LIURP”);
2. Achieve high customer satisfaction through impactful program offerings;
3. Achieve a total reduction in energy use of 124 MWh over the life of the Plan.

Target Market

This program is available to all UGI Utilities, Inc. – Electric Division confirmed residential low-income customers. To qualify for the program, the customer’s household income must be confirmed at or below 200% of the U.S. Federal Poverty Guidelines and not be eligible for LIURP due to usage and/or limited billing history. Tenants must obtain landlord approval to participate in the program.

Customer Eligibility Parameters

Customer type	Low-Income
Building Type	All
Building Vintage	All
Building ownership	Owner or tenant with owner approval

Program Description

Through the Residential Low-Income Program, UGI Electric offers a direct installation, at no cost to the participant, of an ENERGY STAR® HPWH, ENERGY STAR® smart thermostats and additional and/or different measures than those offered through the Company’s LIURP to eligible low-income customer residents.

Implementation Strategy

UGI Electric will manage the program internally and will work with trade allies, including but not limited to Community Based Organizations (“CBOs”), to deliver this program.

Marketing Strategy

The marketing strategy may include, but will not be limited to:

1. Promoting the program in UGI Electric’s customer bill insert.

2. Communicating and providing access to program information on the Company’s website.
3. Educating customers through various marketing campaigns, which may include social media advertising.
4. Promoting the program with material and events performed through the UGI Electric CBO Marketing Program.

Eligible Measures and Incentive Strategy

All services and measures are provided to confirmed low-income customers at no cost. For eligible low-income customers, the Contractor will make a determination as to whether one or more measures will be installed for the participating customer. The decision may be based on age and condition of the customer’s existing equipment. Table 1 shows UGI Electric’s list of initial energy saving measures and an estimated cost per installed measure, to be paid by UGI Electric.

Table 1: Eligible Measures

Measure Name	Measure Life (Yrs.)	Installed Measure Cost	Energy (kWh)	Demand (kW)	Fossil Fuels (MMBtus)
ENERGY STAR Smart Thermostat	11	\$400	1,199	-	3.35
ENERGY STAR Heat Pump Water Heater	10	\$3,100	2,278	1.83	-

UGI Electric will periodically review its program and may adjust or add eligible measures in the future as market conditions change. UGI Electric will review results from this program and determine whether any adjustments are needed to achieve the desired energy savings on a whole; provided, however, the Company will not, without Commission approval, deviate significantly from the approved program parameters, or exceed the total approved budget for the Plan.

Evaluation, Measurement, and Verification

UGI Electric will strive to continuously improve the success of its Plan to achieve program goals. UGI Electric and trade allies will enhance quality control, evaluate, measure and verify procedures to track program activities, monitor performance and progress toward targets, and take corrective action when warranted. Planned verification and evaluation activities for the Residential Low-Income program include comprehensive data collection, pre and post installation photographs, and a participant survey. The Company’s annual reports will detail the implementation of the program, findings from the program, and the Company’s evaluation and verification of the program’s results.

Table 2: Estimated Participation

Measure	PY 8	PY 9	PY 10	PY 11	PY 12	Total
ENERGY STAR Smart Thermostat	-	9	9	9	9	36
Heat Pump Water Heater	-	9	9	9	9	36
Total	-	18	18	18	18	72

Program Budget, Costs and Cost-Effectiveness

Over the five-year Plan, the program is expected to achieve electricity consumption savings of approximately 124 MWh. The annual budget allocation, MWh savings, and overall program cost-effectiveness for the residential customer sector are shown in the table below.

Table 3: Program Savings and Costs

Benefit/Cost Component	PY 8	PY 9	PY 10	PY 11	PY 12	Total
Savings (MWh)	0	31	31	31	31	124
Capacity Savings (MW)	0	0	0	0	0	0
Total Resource Cost	\$-	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 140,000
Direct Participant Cost	\$-	\$-	\$-	\$-	\$-	\$-
Direct Utility Costs	\$-	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 140,000
Customer Incentives	\$-	\$ 31,500	\$ 31,500	\$ 31,500	\$ 31,500	\$ 126,000
Administration	\$-	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 10,000
Marketing	\$-	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 4,000

Table 4: Program Cost Effectiveness

TRC Test	Value (\$1,000)
NPV Benefits	\$89
NPV Costs	\$92
Net Benefits	\$(4)
TRC Benefit/Cost Ratio	0.96

Table 5: Measure Cost Effectiveness

Measure Name	TRC PV Benefits (2018\$)	TRC PV Cost (2018\$)	TRC PV Net (2018\$)	TRC BCR
ENERGY STAR Smart Thermostat	\$ 29,331	\$ 10,879	\$ 18,452	2.70
Heat Pump Water Heater	\$ 59,456	\$ 70,961	\$ (11,505)	0.84