

PENNSYLVANIA PUBLIC UTILITY COMMISSION  
Harrisburg, Pennsylvania 17105-3265

Re: Petition of UGI Utilities,  
Inc. – Electric Division For  
Approval of a Default Service  
Plan and Retail Market  
Enhancement Programs for the  
Period of June 1, 2014 Through  
May 31, 2017

Public Meeting: September 12, 2013  
2357013-ALJ  
Docket P-2013-2357013

STATEMENT OF COMMISSIONER CAWLEY

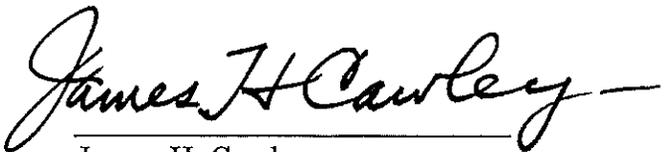
Before the Commission is the Petition for approval of a default service plan filed April 5, 2013, and the Joint Petition for Settlement filed by UGI Utilities, Inc. – Electric Division (UGI or Company), the Office of Consumer Advocate, and the Office of Small Business Advocate in the above referenced proceeding.

In this Petition, the Company seeks Commission approval to use Pace Global Energy Services, LLC (Pace) as its independent third party evaluator. In this role, Pace is responsible for providing an evaluation to the Commission regarding indicative price estimates for the load following products, block products or AEPS credit solicitations.

However, in past solicitations, the Commission has been concerned about the accuracy, thoroughness, and detail provided by Pace in this role. I therefore strongly encourage Pace to be responsive to our staff's suggestions for improved reporting in its price estimation role. Alternatively, I urge UGI to explore retention of a different third-party evaluator.

Moreover, I encourage Pace to spend less time reiterating general energy and capacity market fundamentals in its reports, and more time on wholesale cost calculations and analysis specific to UGI. I want to see details regarding PJM Western Hub futures, UGI basis history and basis projection assumptions relative to the PJM Western Hub, Auction Revenue Rights and/or Firm Transmission Rights credit value, capacity rates as a function of default service class load factors and Base Residual Auction results, ancillary costs, load shape adjustment factors, alternative energy production credit costs, and transmission costs, again, as a function of class load factors, each expressed in a cents/kWh equivalent. Lastly, in support of its price evaluation, Pace should provide critical calculations and source information as part of its report.

September 12, 2013

  
James H. Cawley  
Commissioner