October 15, 2010

VIA EXPRESS MAIL

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


Dear Secretary Chiavetta:

Enclosed for filing, please find an original and three copies of the Recommendations for Plan Improvement of the UGI Distribution Companies.

This document is being filed in accordance with the procedures set forth in the Commission’s June 24, 2010 Secretarial letter at Docket No. M-2008-2069887.

Copies of this document have been served upon the persons indicated on the attached Certificate of Service.

Should you have any questions concerning this filing, please feel free to contact me.

Very truly yours,

Mark C. Morrow
Counsel for the UGI Distribution Companies
BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION


Docket Nos. M-2009-2092222
M-2009-2112952
M-2009-2112956

RECOMMENDATIONS FOR PLAN IMPROVEMENTS OF THE UGI DISTRIBUTION COMPANIES

The UGI Distribution Companies ("UGI"), comprised for the purposes of this filing of UGI Utilities, Inc. -- Gas Division, UGI Penn Natural Gas, Inc. and UGI Central Penn Gas, Inc., in accordance with the procedural schedule set forth in the Commission's June 24, 2010 Secretarial Letter at Docket No. M-2008-2069887, hereby submit the following recommendations for plan improvements with respect to the annual Act 129 Filing of the Metropolitan Edison Company ("MetEd"), Pennsylvania Electric Company ("PennElec") and Pennsylvania Power Company ("Penn Power") (collectively the "First Energy Companies"), and in support there of state the following:

1. The UGI Distribution Companies participated in the First Energy Companies' Act 129 filings at Docket Nos. M-2009-2092222, M-2009-2112952 and M-2009-2112956 proposing, amongst other things, that the First energy Companies (1) adopt a number of fuel substitution programs in lieu of or as supplements to measures designed to encourage the installation of higher efficiency electric appliances or equipment to more cost-effectively meet their Act 129 goals or alternatively (2) track the Act 129 program measure recipients who switch from gas appliances to electric appliances so that the
Commission and other interested parties can assess the potential unintended reductions in energy efficiency potentially resulting from the First Energy Companies’ Act 129 program.

2. In an Opinion and Order entered on October 28, 2009 (the “First Energy Act 129 Order”), the Commission, amongst other things, (1) refused to require the First Energy Companies to adopt UGI’s proposed fuel substitution programs, deeming the proposals as being premature, and referred the issue of fuel substitution to a working group, but (2) adopted UGI’s recommendation that gas to electric conversion be tracked, stating in ordering paragraphs 10, 19 and 27:

10. That Metropolitan Edison Company shall track appropriate data regarding fuel switching, in coordination with the Statewide Evaluator, including at least the following: (1) type of appliance or equipment being replaced; (2) the availability of natural gas at the customer’s location or immediate area; and, (3) whether electric appliances or equipment were installed in areas where natural gas is available.

19. That Pennsylvania Electric Company shall track appropriate data regarding fuel switching, in coordination with the Statewide Evaluator, including at least the following: (1) type of appliance or equipment being replaced; (2) the availability of natural gas at the customer’s location or immediate area; and, (3) whether electric appliances or equipment were installed in areas where natural gas is available.
That Pennsylvania Power Company shall track appropriate data regarding fuel switching, in coordination with the Statewide Evaluator, including at least the following: (1) type of appliance or equipment being replaced; (2) the availability of natural gas at the customer's location or immediate area; and, (3) whether electric appliances or equipment were installed in areas where natural gas is available.

3. In an Implementation Order at Energy Efficiency and Conservation Program, Docket No. M-2008-2069887 (Order entered January 16, 2009), the Commission established standards and procedures for submittal, review and approval of Electric Distribution Company (“EDC”) Energy Efficiency and Conservation (“EE&C”) plans, and recognized that Act 129 requires EDCs to submit annual reports documenting the effectiveness of their EE&C plans, the measurement and verification of energy savings, the evaluation of the cost-effectiveness of expenditures and any other information required by the Commission. Id. at 13-14.

4. In a June 24, 2010 Secretarial Letter at Docket No. M-2008-2069887 (“Secretarial Letter”), the Commission informed EDC’s they should file their annual Act 129 reports and any EE&C plan revisions by September 15 of each year.

5. The secretarial Letter further provided that “[a]ny interested party can make a recommendation for plan improvements or object to proposed EE&C plan revisions within 30 days of the filing of the annual reports and proposed EE&C plan revision filings.”

7. Neither the First Energy Annual Report, nor any other publicly available document that UGI has been able to find after reasonable investigation, contains the information required under ordering paragraphs 10, 19 and 27 of the First Energy Act 129 Order.

9. UGI believes the First Energy Companies' EE&C plans are deficient in that they do not include a requirement in to track First Energy EE&C program measure recipients who convert from gas appliances to electric appliances.

10. Such data should be provided as soon as reasonably practicable for the current reporting period, and in future First Energy Act 129 annual reports.

WHEREFORE, the UGI Distribution Companies respectfully request that the Commission direct the First Energy Companies to (1) comply with ordering paragraphs 10, 19 and 27 of the First Energy Act 129 Order for the current and future reporting periods and (2) amend their EE&C plans to (a) provide for the reporting of the information required under ordering paragraphs 10, 19 and 27 of the First Energy Act 129 Order, (b) explain how such information in tracked and verified and (c) explain how
such information will be made publicly available to the Commission and interested third parties.

Respectfully submitted,

Mark C. Morrow (Attorney I.D. 33590)
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Dated: October 15, 2010
VERIFICATION

Paul J. Szykman, deposes and says that he is Vice President - Rates for UGI Utilities, Inc, that he is duly authorized to and does make this Verification on behalf of the UGI Distribution Companies; that the facts set forth in the foregoing document are true and correct to the best of his knowledge information and belief; and that this verification is made subject to the penalties of 18 Pa.C.S. §4904 (relating to unsworn falsification to authorities).

[Signature]
Paul J. Szykman
BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Petition for Consolidation of
Proceedings and Approval of Energy
Efficiency and Conservation Plans of
Metropolitan Edison Company,
Pennsylvania Electric Company and
Pennsylvania Power Company

Docket Nos. M-2009-2092222
M-2009-2112952
M-2009-2112956

CERTIFICATE OF SERVICE

I hereby certify that I have, this 15th day of October, 2010, 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):

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