UGI UTILITIES, INC.

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November 24, 2014

VIA E-FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Petition of UGI Utilities, Inc. – Electric Division to Defer Implementation of Portions of Revised Standards For Changing a Customer's Electric Generation Supplier at 52 Pa. Code §§57.174 and 57.180 and to Implement an Alternative Method to Address Certain Variable Rate Disputes,
Docket No. P-2014-2449397

Dear Secretary Chiavetta:

Enclosed for filing, in accordance with the provisions of 52 Pa. Code §5.63, please find the response of UGI Utilities, Inc. – Electric Division ("UGI-ED") to new matter raised in the answer of the Office of Consumer Advocate ("OCA") to the above petition.

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

Very truly yours,

Mark C. Morrow

Counsel for UGI Utilities, Inc. –
Electric Division

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of UGI Utilities, Inc. – Electric Division to Defer Implementation of Portions of Revised Standards For Changing a Customer's Electric Generation Supplier at 52 Pa. Code §§57.174 and 57.180 and to Implement an Alternative Method to Address Certain Variable Rate Disputes	:	Docket No. P-2014-2449397

ANSWER OF UGI UTILITIES, INC. –
ELECTRIC DIVISION
TO NEW MATTER
OF THE OFFICE OF CONSUMER ADVOCATE

UGI Utilities, Inc. – Electric Division ("UGI-ED"), in accordance with the provisions of 52 Pa. Code §5.63, hereby offers the following responses to certain questions and recommendations in the nature of new matter raised in the answer of the Office of Consumer Advocate ("OCA") to the above captioned petition, and hopes the provision of these responses will provide the Commission with sufficient information to permit action on UGI-ED's petition before the December 15, 2014 deadline for implementing accelerating switching established in 52 Pa. Code §57.180.

1. On page 4 of its answer, the OCA states:

   Until the Company can achieve full compliance, the company has proposed to retroactively apply the applicable billing rate plan to a customer's account when a customer chooses to move off of EGS service. The Company further indicates that this alternative would be available only when a customer's EGS agrees to comply. Petition at ¶19. The OCA is concerned with this proposal, particularly if it allows an EGS to thwart a more accelerated switch to the customer's detriment.

RESPONSE:

UGI-ED has proposed an interim solution that does not attempt to split the monthly billing cycle into two or more periods to which different rates would apply; as that would be a very complex, costly

and wasteful billing system modification, given active plans to replace the current system. Instead, if a customer calls, at any time, up to thirty days after the issuance of a bill for a billing period and is dissatisfied with his or her EGS rate plan for that period, UGI-ED would retroactively apply (a) an alternative rate plan which the EGS serving the customer is willing to offer or (b) default service rates <u>for the entire billing period.</u> This solution to rapid switching is easier to administer, more effective and would reduce potential customer confusion.

UGI-ED continues to believe it does not have the power to force EGSs to offer alternative rate plans retroactively to their customers, and that EGS and customer consent is accordingly required to effectuate such change. However, if the Commission believes it to be in the public interest, UGI-ED would not object to moving a customer to default service retroactively for all or a portion of the billing period without its EGS's consent to address the OCA's concern.

2. On page 4 of its answer, the OCA also states:

In addition, as the Company has not outlined the details, more development of this plan is needed. For example, the Company has not provided any information regarding when the alternative rate plan will become effective or when the consumers will receive the benefits of the rate change or re-billing.

RESPONSE:

Paragraph 19 of UGI-ED's petition explains a number of details, including that its proposed interim solution would:

apply an applicable billing rate plan for the customer's account to either (a) place the customer on an alternative rate plan of the Choice Supplier or (b) place the customer on default service rates and retroactively consider the customer a default service customer, where both the customer and the affected Choice Supplier are willing to agree to this arrangement. Such

arrangements, however, would only be permitted no later than one month past the issuance of any impacted bill.

Thus, a customer calling during the billing period, or within thirty days of the issuance of a bill at the conclusion of the billing period, would receive the benefits of moving to an alternative rate plan offered by their current EGS, or moving to default service, retroactively to the beginning of the billing cycle. For example, if a billing cycle began on June 1, and a bill was issued on July 1 with a due date of July 30, a customer could call on or before July 30 and be moved to an alternative rate plan of its EGS (with the EGS's consent) or default service rates effective June 1.

3. On page 4 of its answer, the OCA also states:

Given the length of the proposed waiver request (5 years), the OCA submits that it is incumbent on the Company to develop a temporary procedure that allows customers to, at a minimum, return to default service within a shortened time frame whether or not the EGS agrees to this procedure. A similar "back-up" plan of this type has been proposed, on a temporary basis, by several other utilities in recent waiver requests. See e.g., Petition of Duquesne Light Company for a Waiver of the Three Business day Switching Requirement Under 52 pa. Code Section 57.174, Docket No. P-2014-2448863.

RESPONSE:

As noted above, UGI-ED has proposed an interim solution and, as stated above, would be willing to implement the retroactive move to default service rates without EGS approval. This approach would clearly address OCA's concern in allowing a shortened solution – in fact a retroactive solution – that would exist during the requested 5 year waiver period.

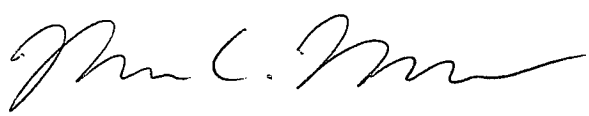
4. On pages 4-5 of its answer the OCA states:

Additionally, the Company has provided no cost information for this proposal. The Company should be required to demonstrate that costs are reasonable and justified if it seeks recovery of such costs.

RESPONSE:

UGI-ED did not provide costs information or address cost recovery because it is not seeking cost recovery for its proposed interim manual billing solution.

Respectfully submitted,



Mark C. Morrow

Counsel for UGI Utilities, Inc. – Electric Division

Dated: November 24, 2014

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PENNSYLVANIA PUBLIC UTILITY COMMISSION

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CERTIFICATE OF SERVICE

I hereby certify that I have, on this 24th day of November, 2014 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:

Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101

Bureau of Investigations and Enforcement
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 19105-3265

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Mark C. Morrow