**BEFORE THE**

**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of UGI Utilities, Inc. Electric :

Division for Approval Phase II of its : M-2015-2477174

Energy Efficiency and Conservation Plan :

**RECOMMENDED DECISION**

Before

David A. Salapa

Administrative Law Judge

INTRODUCTION

An electric utility filed a petition for approval of its energy efficiency and conservation plan (EE&C Plan). The statutory advocates filed answers opposing provisions contained in the petition. This decision recommends that a settlement among the parties be approved and adopted.

HISTORY OF THE PROCEEDING

On April 16, 2015, UGI Utilities, Inc. Electric Division (UGI) filed with the Pennsylvania Public Utility Commission (Commission) a petition requesting that the Commission approve Phase II of its voluntary EE&C Plan. UGI’s petition requests that the Commission approve its voluntary Phase II EE&C Plan on or before May 31, 2015. The petition states that UGI is contemporaneously filing a petition to continue its Phase I EE&C Plan in the event that the Commission fails to approve its Phase II EE&C Plan on or before May 31, 2015.

On April 29, 2015, the Office of Small Business Advocate (OSBA) filed an answer, notice of intervention and public statement.

On May 4, 2015, the Office of Consumer Advocate (OCA) filed an answer, notice of intervention and public statement.

On May 19, 2015, the Commission entered an order at M-2010-2210316 permitting UGI to continue its Phase I EE&C Plan until the Commission issues an order concerning its Phase II EE&C Plan.

On October 1, 2015, UGI filed an amended Phase II EE&C Plan.

By notice dated December 21, 2015, the Commission scheduled a prehearing conference for this matter on January 21, 2016 at 10:00 a.m. in Hearing Room 5, Commonwealth Keystone Building in Harrisburg and assigned the case to me. I issued a prehearing conference order dated January 4, 2016, setting forth the procedural matters to be addressed at the prehearing conference.

I conducted a prehearing conference in this case on January 21, 2016 at 10:00 a.m. in Harrisburg. Present were counsel for UGI, OCA and OSBA. As a result of the prehearing conference, I issued Prehearing Order #2, dated January 21, 2016. Prehearing Order #2 established a litigation and briefing schedule.

On March 29, 2016, I received an e-mail from the parties to this proceeding representing that they had reached an agreement in principle settling all the issues in this proceeding and requesting that I suspend the litigation schedule and excuse their witnesses from attending the hearing scheduled for April 5, 2016. The parties represented that they would move their prepared testimonies and exhibits into the record by stipulation at the April 5, 2016 hearing.

By order dated March 30, 2016, I suspended the litigation schedule set forth in Prehearing Order #2 and excused the parties’ witnesses from attending the hearing on April 5, 2016.

I convened the hearing as scheduled on April 5, 2016 at 10:00 a.m. At that time, the prepared testimonies and accompanying exhibits of various witnesses for which there was no objection or cross examination were moved into the record. N.T. 19-23.

On April 21, 2016, UGI, OCA and OSBA filed a joint petition for settlement and attachments. Attached to the joint petition for settlement are exhibits A through D. Attachments B through D are statements in support of the settlement by UGI, OCA and OSBA, respectively.

As of the date of this decision, I have not received any written objections to the joint petition for settlement. The record closed on April 21, 2016, the date the parties filed the joint settlement petition. For the reasons set forth below, I recommend that the Commission approve and adopt the joint settlement petition.

DISCUSSION

 UGI has the burden of proof in this proceeding to establish that it is entitled to the relief it is seeking. 66 Pa. C.S. §332(a). It must establish its case by a preponderance of the evidence. Samuel J. Lansberry, Inc. v. Pa. Pub. Util. Comm’n, 578 A.2d 600 (Pa.Cmwlth. 1990), alloc. den., 602 A.2d 863 (Pa. 1992) To meet its burden of proof, UGI must present evidence more convincing, by even the smallest amount, than that presented by any opposing party. Se-Ling Hosiery v. Margulies, 70 A.2d 854 (Pa. 1950). In this case, UGI requests that the Commission approve its Phase II EE&C Plan. I will provide a brief explanation of the provisions of the Act 129 of 2008 (Act 129) and Commission orders that govern UGI’s Phase II EE&C plan.

Act 129 required the Commission to develop and adopt an EE&C Program by January 15, 2009. Under Act 129, the Commission’s EE&C Program requires electric distribution companies (EDCs) to adopt and implement cost-effective energy efficiency and conservation plans to reduce energy demand and energy consumption within the service territory of each EDC. 66 Pa. C.S. § 2806.1(a). However, Act 129 exempted EDCs with fewer than 100,000 customers from the EE&C Program. 66 Pa. C.S. § 2806.1(l).

On December 23, 2009, the Commission issued a Secretarial Letter at M-2009-2142851, addressed to the four EDCs in Pennsylvania with less than 100,000 customers: Citizens Electric Company, Pike County Light & Power Company, UGI, and Wellsboro Electric Company. In the Secretarial Letter, the Commission stated that customers served by small EDCs could also benefit from EE&C measures designed to help ensure affordable and available electric service. The Commission also stated that, since the initial Act 129 process for the large EDCs had nearly run its course, the Commission was open to the filing of voluntary EE&C plans by these four smaller EDCs.

The Commission directed that petitions for approval of voluntary EE&C plans should be filed in accordance with 52 Pa. Code § 5.41 and should contain the following components:

1. A detailed plan and description of the measures to be offered;
2. Sufficient supporting documentation and verified statements or testimony or both;

3. Proposed energy consumption or peak demand reduction objectives or both, with proposed dates the objectives are to be met;

4. A budget showing total planned expenditures by program and customer class;

5. Tariffs and a section 1307 cost recovery mechanism; and

6. A description of the method for monitoring and verifying plan results.

The Commission anticipated that the proceedings to address petitions for approval of voluntary EE&C plans should conclude with a recommended decision from an ALJ within twelve months of a petition filing date.

Having provided a brief explanation of the provisions of Act 129 and Commission orders governing UGI’s Phase II EE&C, I will now address the Commission’s standards for approving settlements. As noted above, the parties have reached a settlement. Commission policy promotes settlements. 52 Pa.Code § 5.231. Settlements lessen the time and expense the parties must expend litigating a case and at the same time conserve precious administrative hearing resources. The Commission has indicated that settlement results are often preferable to those achieved at the conclusion of a fully litigated proceeding. 52 Pa.Code § 69.401.

In order to accept a settlement, the Commission must first determine that the proposed terms and conditions are in the public interest. Pa. Pub. Util. Comm’n v. York Water Co*.*, Docket No. R-00049165, (Final Order entered October 4, 2004); Pa. Pub. Util. Comm’n v. C S Water and Sewer Assoc., 74 Pa. P.U.C. 767 (1991).

 Having provided a brief explanation of the provisions of Act 129 and Commission orders governing UGI’s Phase II EE&C Plan and the Commission’s standards for approving settlements, I will now review the terms of the joint petition for settlement to determine whether those terms address the requirements of Act 129 and Commission orders as well as meet the Commission’s standards for approving settlements.

TERMS OF THE SETTLEMENT

 The joint petition for settlement sets forth the following terms agreed to by the parties:

1. UGI’s Phase II EE&C Plan is approved except as modified below.
2. UGI shall adopt procedures to monitor actual savings, rather than calculating deemed savings, for participants in its Phase II Commercial and Industrial (C&I) Customer Incentive Program. When monitoring actual savings, UGI may account for factors affecting the participants’ usage, including extraordinary weather and load fluctuations.
3. As part of its compliance filing in this proceeding, UGI shall revise the table on page 57 of the Phase II EE&C Plan to be consistent with the table attached to the joint petition for settlement and marked as Attachment A. The revised table will also include a footnote stating that incentives may not exceed $100,000 or 50% of project costs. UGI also will update any other aspects of its EE&C Plan affected by this revised table.
4. UGI corrected the mis-assignment of costs identified in OSBA-II-4(d) in its annual April 1, 2016 filing. UGI has adopted procedures to ensure that future program costs are correctly assigned to the appropriate rate class groups. On page 1 of Schedules 4, 5, and 6 of the April 1, 2016 filing, UGI showed that in January 2016, $48,539 was reallocated to Class 1 customers, -$546,443 was debited to Class 2 customers, and $541,475 was credited to Class 3 customers.
5. C&I customers will continue to be eligible to receive incentives from UGI for an HVAC Tune-up once every three years. If UGI petitions the Commission for approval of a Phase III EE&C Plan, and if UGI determines that the HVAC Tune-up Program should continue in that proposed Phase III EE&C Plan, UGI will include the following information with its proposed Phase III EE&C Plan:
6. The number of customers participating in the Phase II HVAC Tune-up Program, by year, by rate class, and split between first-time and repeat participants; and
7. An evaluation of the net-to-gross ratio for the HVAC Tune-up Program.
8. Parties shall retain their rights to contest the incurrence of conservation service provider (CSP) and administrative expenses for the C&I Custom Incentive Program related to combined heat and power (CHP) projects if no CHP projects are undertaken
9. UGI shall split program administration costs for the CHP component of the C&I Custom Incentive Program between Class 2 and Class 3 customers based on actual CHP project expenditures, once actual CHP projects are undertaken.
10. As part of its compliance filing in this proceeding, UGI shall include water heater setback savings in Appendix A of the Phase II EE&C Plan.
11. UGI shall increase the Residential Appliance Rebate Program’s incentive budget by $122,280, from $137,045 to $259,325.
12. UGI shall monitor the Residential Appliance Rebate Program’s progress throughout Phase II and will make adjustments to the program, including its participation rates, if UGI deems it necessary. UGI shall track information, including but not limited to, the number of measures installed and water heating source, for the School Energy Education and Home Energy Audit Programs throughout Phase II. UGI plans to utilize that data when evaluating whether to make adjustments to its current EE&C programs and when developing its Phase III EE&C Plan.

PUBLIC INTEREST

 Having set forth the terms of the joint petition for settlement, I will now address whether those terms address and meet the standards for EE&C programs set forth in Act 129 and Commission orders and whether the joint petition for settlement is in the public interest.

Concerning residential customers, UGI’s Phase II EE&C Plan contains seven programs for residential customers: (1) Appliance Rebate; (2) School Energy Education; (3) Energy Efficient Lighting; (4) Appliance Recycling; (5) Fuel Switching; (6) Home Energy Audit; and (7) Residential Low-Income Water Heater Pilot. These programs are designed to offer UGI’s customers a wide range of measures to decrease electric consumption and, in turn, decrease their electric costs.

OCA proposed certain minor modifications or requested clarifications regarding UGI’s Phase II EE&C Plan for residential customers. First, OCA contended that the incentive budget for the Appliance Rebate Program was too low to achieve the projected level of savings. OCA recommended that the incentive budget for this program be increased by $122,280 to better match the projected level of participation. OCA also questioned whether the projected participation rates for the Appliance Rebate Program were too high. In addition, OCA argued that the School Energy Education and Home Energy Audit Programs should not assume 100% installation rates and recommended that UGI track installation rates for these programs and utilize that information going forward.

In rebuttal, UGI agreed with OCA that the incentive budget for the Appliance Rebate Program should be increased by $122,280. This increased budget will assist UGI in attracting new participants and achieving its savings targets and can be accommodated within the annual EE&C Plan budget of $2.5 million. In addition, UGI explained that although the projected participation rates for the Appliance Rebate Program were high, UGI believed it could achieve those levels of participation in Phase II. UGI will monitor the program’s progress throughout Phase II and make any necessary adjustments. Finally, UGI stated that it would track and analyze installation rates for the School Energy Education and Home Energy Audit Programs throughout Phase II and that UGI would utilize that data when evaluating its current programs and developing its Phase III EE&C Plan.

In the joint petition for settlement, the parties agreed that UGI would increase the budget for the Appliance Rebate Program by $122,280. In addition, UGI will monitor the Residential Appliance Rebate Program’s progress throughout Phase II and will make adjustments to the program, including its participation rates, if UGI deems it necessary. UGI also will track information for the School Energy Education and Home Energy Audit Programs as suggested by OCA and utilize that data when evaluating whether to make adjustments to its current programs and when developing the Phase III EE&C Plan.

These provisions address the concerns raised by OCA. According to OCA, the increase in the budget for the Appliance Rebate Program will still produce a Total Resource Cost (TRC) test above 1.0. The increase in the budget will not impact the TRC of the individual or overall program. The increase in the budget will still maintain the Phase II EE&C Plan cost lower than the 2% annual budget of $2.5 million.

OCA had expressed reservations concerning the participation assumptions for the implementation for the School Energy Education program and Home Energy audit. The joint petition for settlement addresses OCA’s concerns and allows UGI to more accurately track installation rates and water heating sources for its School Energy Education and Home Energy Audit Program designs in the current EE&C Plan and future EE&C Plans.

The provisions concerning residential customers are designed to improve UGI’s Phase II EE&C programs for residential customers. I conclude that the provisions of the joint petition for settlement concerning residential customers comply with the requirements of Act 129 and Commission orders. These provisions are designed to help reduce residential customers’ energy consumption and produce more affordable and available electric service. These provisions are therefore in the public interest.

Concerning commercial and industrial (C&I) customers, UGI’s Phase II EE&C Plan contains three programs for C&I customers: (1) C&I Custom Incentive; (2) HVAC Tune-up; and (3) Fuel Switching. OSBA raised several issues and proposals concerning UGI’s C&I programs that were addressed by UGI in its testimony and in the joint petition for settlement.

OSBA recommended that UGI monitor the actual load reductions achieved by Class 2 customers participating in the C&I Custom Incentive Program. OSBA also argued that UGI should try to keep its incentives as low as possible. Further, OSBA argued that the amount of incentives shown in the table on page 57 of the Phase II EE&C Plan was incorrect because the incentive costs should be no more than 50% of the incremental costs of the customers’ projects. Finally, OSBA contended that the costs of changing this table, as well making any other revisions resulting from those changes, should not be recovered from ratepayers.

In response, UGI stated that it would monitor actual load reductions and report those reductions, in aggregate, in UGI’s annual reports. UGI also explained that it strives to be efficient with EE&C Plan expenditures because, among other things, it recognizes that these costs are ultimately born by ratepayers. Moreover, UGI prepared an alternate table that it believed would address OSBA’s concerns with the table on page 57 of the EE&C Plan. Although UGI was willing to replace the table on page 57 with the alternate table, as well as make any other necessary revisions from that change, UGI argued that the costs of making those revisions should be recovered as administrative expenses.

The joint petition for settlement contains several provisions that address OSBA’s concerns with the C&I Custom Incentive Program. UGI will adopt procedures to monitor actual savings, rather than calculating deemed savings for participants in the program. When monitoring those savings, UGI may account for factors affecting the participants’ usage, including extraordinary weather and load fluctuations. Additionally, UGI will replace the table on page 57 of the EE&C Plan with the alternate table, a copy of which is attached to the joint petition for settlement. UGI also will add a footnote clarifying that incentives may not exceed $100,000 or 50% of project costs and update any other aspects of the Phase II EE&C Plan affected by the revised table.

The provisions of the joint petition for settlement address the concerns expressed by OSBA. The joint petition for settlement provides that UGI will monitor the actual savings to determine whether the C&I Custom Incentive Program is cost effective. The joint petition for settlement also proposes to normalize these savings for extraordinary events. These provisions should have the effect of providing more accurate measurement of savings recorded.

The provisions of the joint petition for settlement also address the concerns of OSBA concerning the table on page 57. The joint petition for settlement corrects the table to reflect that ratepayers will provide only a maximum of 50% of a particular benefit. The joint petition for settlement also states explicitly that the incentives will not exceed $100,000 or 50% of the costs.

The provisions concerning C&I customers are designed to improve UGI’s Phase II EE&C programs for C&I customers. I conclude that the provisions of the joint petition for settlement concerning C&I customers comply with the requirements of Act 129 and Commission orders. These provisions are designed to help C&I customers’ energy consumption and produce more affordable and available electric service. These provisions are therefore in the public interest.

Concerning the CHP component of the C&I Customer Incentive Program, OSBA had concerns with UGI’s CHP component of the C&I Custom Incentive Program. OSBA argued that the CHP component had not been shown to be cost-effective on its own and that merging the CHP component with the C&I Custom Incentive Program made evaluation of the program more difficult. OSBA also criticized UGI’s incurring administrative costs for the Phase I CHP Program without obtaining any participants. On these grounds, OSBA recommended that the CHP component be terminated or, alternatively, limited to Class 3 customers.

In rebuttal, UGI observed that the Commission has recognized the untapped benefits of CHP and encouraged electric and natural gas utilities to pursue CHP. Moreover, UGI did not believe that the performance of the Phase I CHP Program was indicative of the potential for CHP projects in Phase II, considering that a CSP was only utilized for the CHP Program in the final year of Phase I. Furthermore, UGI explained the reasons behind its incurrence of administrative costs for the CHP Program. UGI also explained that although OSBA had concerns about the cost-effectiveness of the CHP component, individual EE&C programs and measures do not need to be cost-effective on their own; rather, cost-effectiveness is evaluated on a portfolio level. Notwithstanding, UGI has a cost-effective screening process in place for every project under the C&I Custom Incentive Program, including CHP projects. Finally, UGI explained that OSBA’s alternative recommendation that participation in CHP should be limited to Class 3 customers should be rejected because Class 2 customers will not pay for the incentive or administrative costs incurred by Class 3 customers participating in the CHP component of the C&I Custom Incentive Program.

The joint petition for settlement provides that the parties retain their rights to contest the incurrence of CSP and administrative expenses for the C&I Custom Incentive Program related to CHP projects if no CHP projects are undertaken. Moreover, the joint petition for settlement provides that UGI will split program administration costs for the CHP component between Class 2 and Class 3 customers based on actual CHP project expenditures.

The joint petition for settlement addresses the concerns raised by OSBA by allowing it to contest the inclusion of certain costs if no CHP projects are undertaken. In addition, the joint petition for settlement allows administrative costs to be more accurately assigned between Class 2 and Class 3 customers.

These provisions in the joint petition for settlement respond to OSBA’s concerns about the CHP component of the C&I Custom Incentive Program, particularly the administrative expenses incurred for that component. I conclude that the provisions of the joint petition for settlement concerning the CHP projects comply with the requirements of Act 129 and Commission orders. These provisions are designed to help reduce C&I customers’ energy consumption and produce more affordable and available electric service. These provisions are therefore in the public interest.

Concerning the HVAC Tune-up Program, OSBA argued that the HVAC Tune-up Program should be terminated, arguing that it is a subsidized utility program that is not economically justified. OSBA also contended that incentives should not be paid to customers every three years for them to perform HVAC maintenance because it is already cost-effective for them to do so. Alternatively, if the program is approved, OSBA recommended a customer only be permitted to participate in the program one time, not every three years.

UGI disagreed with OSBA’s characterization of the HVAC Tune-up Program for several reasons. As explained by UGI, many customers need more than education to take steps to reduce their energy consumption, even if it would be cost-effective for them to take those steps without incentives. Moreover, UGI believed that OSBA’s arguments about the cost-effectiveness of the program were based on the Participant Test, not the Total Resource Cost Test utilized by the Commission. UGI contended that placing a limit on customer participation in the HVAC Tune-up Program would be inconsistent with Commission policies. Further, utilities in other states have HVAC Tune-up Programs that allow customers to participate more than once in their lifetime, and imposing OSBA’s proposed restriction would require that the program eventually be terminated due to a limited market.

The joint petition for settlement reflects a compromise with respect to OSBA’s concerns and proposals regarding the HVAC Tune-up Program. C&I customers will continue to be eligible for incentives once every three years. If the HVAC Tune-up Program is proposed as part of the Phase III EE&C Plan, UGI will provide information about repeat customers in the Phase II HVAC Tune-up Program and an evaluation of the net-to-gross ratio for the HVAC Tune-up Program.

OSBA remains skeptical of the effectiveness of the HVAC Tune-up Program. OSBA continues to believe that customers should recognize the value of regular HVAC maintenance and customer should pay for that maintenance without subsidies from other ratepayers. OSBA supports the joint petition for settlement because an assessment of the net-to-gross ratio established by the joint petition for settlement will determine whether the HVAC Tune-up Program is paying customers to undertake HVAC maintenance that they would undertake on their own.

Concerning allocation of costs, OSBA stated that UGI had misallocated costs to Class 2 customers in its Phase I EE&C Plan. These costs were related to the Phase I C&I Custom Incentive Program. As a result, OSBA recommended that UGI adopt appropriate procedures to verify allocation of costs for all programs and provide a schedule showing the magnitude of the misallocation in Phase I and how it was corrected. In addition, OSBA stated that Appendix A to the UGI’s Amended Phase II EE&C Plan did not include water heater setback savings.

In its rebuttal, UGI explained that the misallocation occurred due to an internal miscommunication and that UGI has adopted appropriate procedures to ensure that future program costs are properly allocated. Further, the magnitude of the misallocation, along with the corrected expenses by rate class, would be filed as part of UGI Electric’s annual Energy Efficiency and Conservation Rider (“EEC Rider”) filing on April 1, 2016. Lastly, UGI would include water heater setback savings in Appendix A of the Phase II EE&C Plan as part of its compliance filing.

 The joint petition for settlement memorializes these commitments by the UGI, which adopt OSBA’s proposals. The joint petition for settlement corrects misallocation of program costs to various customer classes. In addition, the joint petition for settlement requires UGI to adopt measures to prevent misallocations from occurring in the future.

 I conclude that the provisions of the joint petition for settlement concerning the HVAC Tune-up Program and misallocation of costs comply with requirements of Act 129 and Commission orders. These provisions are designed to help reduce C&I customers’ energy consumption and produce more affordable and available electric service. These provisions are therefore in the public interest.

Approving and adopting the settlement petition is also in the public interest because accepting the settlement petition will avoid the substantial time and expense involved in litigating the proceeding. Accepting the settlement petition will negate the need to examine or cross-examine witnesses, prepare main briefs, reply briefs, exceptions and reply exceptions and possibly file appeals. This is in the public interest because avoiding these expenses serves the interests of the parties and UGI’ customers.

CONDITIONS OF SETTLEMENT

The joint petition for settlement is conditioned upon the Commission’s approval of the terms and conditions contained in the joint petition for settlement without modification. If the Commission modifies the joint petition for settlement, any party may elect to withdraw from the joint petition for settlement and may proceed with litigation and, in such event, the joint petition for settlement shall be void and of no effect. Such election to withdraw must be made in writing, filed with the Secretary of the Commission and served upon all the parties within five business days after the entry of an Order modifying the joint petition for settlement.

The joint petition for settlement is proposed by the parties to settle all of the issues in this proceeding. If the Commission does not approve the joint petition for settlement and the proceedings continue, the parties reserve their respective procedural rights to evidentiary hearings, submission of additional testimony and exhibits, cross-examination of witnesses, briefing, and argument of their respective positions. The joint petition for settlement is made without any admission against, or prejudice to, any position that any party may adopt in the event of any subsequent litigation of these proceedings, or in any other proceeding.

The parties acknowledge that the joint petition for settlement reflects a compromise of competing positions and does not necessarily reflect any party’s position with respect to any issues raised in this proceeding. The terms and conditions of the joint petition for settlement are limited to the facts of this specific case and are the product of compromise for the sole purpose of settling this case. The joint petition for settlement is presented without prejudice to any position which any of the parties may have advanced and without prejudice to the position any of the parties may advance on the merits of the issues in future proceedings. The joint petition for settlement does not preclude the parties from taking other positions in other EDCs’ EE&C proceedings or any other proceeding.

If the ALJ adopts the joint petition for settlement without modification, the parties waive their right to file exceptions. Further, if the Commission adopts the joint petition for settlement without modification, the parties agree that they: (1) will not initiate or join in any challenge to the joint petition for settlement; and (2) waive their right to appeal or to seek reconsideration, rehearing, reargument, or clarification of the Commission’s order approving the joint petition for settlement.

CONCLUSION

For the reasons set forth above, I find that the proposed settlement is in the public interest and consistent with the requirements of Act 129 and Commission orders. Accordingly, I recommend that the Commission approve the joint petition for settlement.

CONCLUSIONS OF LAW

 1. The Commission has jurisdiction over the subject matter and the parties to this proceeding. 66 Pa. C.S. § 501.

2. EDCs with fewer than 100,000 customers, including UGI, are exempt from Act 129’s provisions. 66 Pa. C.S. § 2806.1(l); Secretarial letter of December 23, 2009.

 3. The joint petition for settlement filed on April 21, 2016 is in the public interest and should be approved by the Commission. Pennsylvania Pub. Util. Comm’n v. York Water Co*.*, Docket No. R-00049165, (Final Order entered October 4, 2004).

4. UGI has met its burden of proof that it is entitled to the relief it is seeking. 66 Pa.C.S. § 332(a). Secretarial letter of December 23, 2009.

5. UGI has satisfied the requirements for voluntary EE&C programs. Secretarial letter of December 23, 2009.

ORDER

 THEREFORE,

 IT IS RECOMMENDED:

 1. That the joint petition for settlement filed on April 21, 2016 in the above-captioned case is approved and adopted.

 2. That UGI Utilities, Inc. Electric Division’s petition for approval of its Phase II Energy Efficiency and Conservation Plan is granted as modified by the joint petition for settlement.

3. That the petition at M-2015-2477174 be terminated and marked closed.

Date: April 26, 2016 /s/

David A. Salapa

 Administrative Law Judge