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File #: 171080

June 20, 2018

VIA HAND DELIVERY


Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: Pennsylvania Public Utility Commission v.
UGI Utilities, Inc. - Electric Division
Docket No. R-2017-2640058**

Dear Secretary Chiavetta:

Enclosed please find the Partial Stipulation Resolving Certain contested Issues in the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,


Jessica R. Rogers

JRR/skr
Enclosure

cc: Certificate of Service
Honorable Steven K. Haas
Honorable Andrew M. Calvelli

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :

v. :

Docket No. R-2017-2640058

UGI Utilities, Inc. – Electric Division :

**PARTIAL STIPULATION RESOLVING
CERTAIN CONTESTED ISSUES**

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TO ADMINISTRATIVE LAW JUDGES STEVEN K. HAAS AND ANDREW M. CALVELLI:

UGI Utilities Inc. - Electric Division (“UGI Electric”), the Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”), the Office of Consumer Advocate (“OCA”), and the Office of Small Business Advocate (“OSBA”) (collectively “the Parties”) hereby enter into this Partial Stipulation to resolve certain issues in the above-referenced proceeding. In support of this Partial Stipulation, the Parties represent as follows:

I. BACKGROUND

1. On January 26, 2018, UGI Electric filed Tariffs Electric PA. P.U.C. Nos. 6 and 2-S with the Pennsylvania Public Utility Commission (“Commission”). Tariffs Electric – PA. P.U.C. Nos. 6 and 2-S, issued to be effective for service rendered on or after March 27, 2018, proposed changes to UGI Electric’s base retail distribution rates designed to produce an increase in revenues of approximately \$9.254 million, based upon data for a fully projected future test year ending September 30, 2019 (“2018 Base Rate Case”). The filing was made in compliance with the Commission’s regulations and contains all supporting data and testimony required to be submitted in conjunction with a tariff change seeking a general rate increase. The revenue

requirement was subsequently revised to \$8.49 million in supplemental direct testimony filed on March 12, 2018.

2. On March 1, 2018, the Commission entered an Order at the above captioned docket, suspending this proceeding for the seven-month period prescribed by Section 1308(d) of the Code, 66 Pa. C.S. § 1308(d), and setting it for hearing.

3. On March 22, 2018, a Prehearing Conference was held in the above-referenced matter, before Administrative Law Judges Steven K. Haas and Andrew M. Calvelli (“ALJs”). A schedule was established for submission of testimony, hearings and briefing. The ALJs encouraged the parties to undertake negotiations to resolve all or some of the potential issues in the proceeding.

4. On June 11, 2018, the parties convened for a hearing in this proceeding. During the first morning of the two-day hearing, the parties were able to negotiate a resolution addressing a portion of the contested issues raised in the pre-filed written testimony.

5. The Parties have reached an agreement to stipulate to a number of issues, as set forth below, in order to limit the scope of contested issues before the ALJs in this proceeding. All issues not specifically resolved by the Stipulation are reserved for litigation.

II. PARTIAL STIPULATION

6. Capital Structure: The parties accept the capital structure proposed by the Company in the direct testimony of Paul R. Moul, UGI Electric St. No. 5.

7. Depreciation Rates: For purposes of this Partial Stipulation, UGI Electric’s as-filed depreciation rates are accepted.

8. EV Rider: Rate EV is withdrawn at this time without prejudice to the Company’s right to refile the EV Rider in a future rate case or in a separate proceeding at the Company’s discretion.

9. Storm Expense: The Company will withdraw the proposed Storm Expense Rider without prejudice to its right to refile the Storm Expense Rider in a future rate case or to file with the Commission for deferral of any major storm expenses incurred on and after June 1, 2018.

10. Pennsylvania Public Utility Realty Tax ("PURTA"): Base rates established in this proceeding shall reflect \$97,000 for PURTA obligations. Any future recalculations of the State Tax Adjustment Surcharge after the effective date of new rates in this proceeding shall also reflect this base amount unless and until a different tax obligation is established by the Pennsylvania Department of Revenue.

11. Universal Service Programs: For purposes of this Partial Stipulation, UGI Electric's Universal Service Program issues that were raised in this proceeding are resolved as follows:

- a) Customer Assistance Program ("CAP"): The Company agrees to use a base CAP participation of 2,448, which reflects the 12-month period ending December 2017, for purposes of applying a CAP credit and arrearage forgiveness credit offset to CAP costs collected through Rider C. The number of CAP participants shall be the average monthly number of CAP participants in the 12-month period for which costs are being reconciled.
- b) Self-certification: UGI Electric will accept self-certification of low income status for purposes of identifying "confirmed low-income customers" in the same way that self-certification is required to be accepted by the UGI gas affiliates.
- c) Rider C: The Company will modify Rider C (proposed tariff page 42) to include the following italicized language: "CAP costs will be calculated to include: 1) the projected CAP credit; 2) projected CAP customer application

and administrative costs paid to external agencies that would not have been incurred in the absence of CAP; and...”

- d) Budget Billing: The Company will allow year-round rolling enrollment for its budget billing program and shall modify related tariff language accordingly in its compliance filing.
- e) Payment Plans: For customers completing payment plans, the Company will automatically retain the customer on budget billing unless the customer explicitly requests to be removed from budget billing.

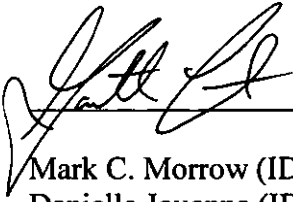
12. Miscellaneous Accounting Issues: The Parties have agreed to resolve certain accounting issues presented by the Company in this proceeding in the direct testimony of UGI Electric witness Megan Mattern, UGI Electric Statement No. 4.

- a) Cloud Based program: The Company shall be permitted to record the Cloud Based Implementation Costs, as described on pages 13-15 of the direct testimony of Megan Mattern, UGI Electric St. No. 4, as a capital asset and shall begin depreciation of the costs after the systems are placed in service.
- b) UNITE Phase 2 Costs: The Company shall be permitted to capitalize the pre-implementation costs, as described on page 15 of the direct testimony of Megan Mattern, UGI Electric St. No. 4 and shall begin depreciation of the costs after the systems are placed in service.

III. CONCLUSION

13. WHEREFORE, UGI Utilities Inc. - Electric Division, the Bureau of Investigation and Enforcement, the Office of Consumer Advocate, and the Office of Small Business Advocate respectfully request that Administrative Law Judges Steven K. Haas and Andrew M. Calvelli accept and adopt this Partial Stipulation.

Respectfully submitted,



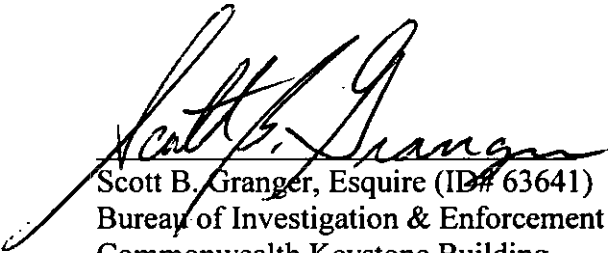
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CERTIFICATE OF SERVICE

R-2017-2640058

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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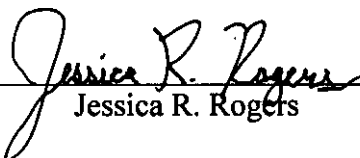
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