**PENNSYLVANIA**

**PUBLIC UTILITY COMMISSION**

**Harrisburg, PA 17105-3265**

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|  | Public Meeting held October 28, 2021 | |
| Commissioners Present:  Gladys Brown Dutrieuille, Chairman, Statement  John F. Coleman, Jr., Vice Chairman  Ralph V. Yanora | | |
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| Petition of UGI Utilities, Inc. - Gas Division For Expedited Approvals: (1) To Implement Phase II Of Its COVID-19 Emergency Relief Program; (2) To Implement Further Voluntary, Temporary Modifications To Its Universal Service And Energy Conservation Plan; and (3) For Accounting And Regulatory Approvals Associated With The Costs To Implement Phase II Of The COVID-19 Emergency Relief Program | | Docket No. P-2021-3023839 |
| Petition of UGI Utilities, Inc. - Electric Division For Expedited Approvals: (1) To Implement A COVID‑19 Emergency Relief Program; (2) To Implement Voluntary, Temporary Modifications To Its Universal Service And Energy Conservation Plan; and (3) For Accounting And Regulatory Approvals Associated With The Costs To Implement The COVID-19 Emergency Relief Program | | Docket No. P-2021-3023992 |
| UGI Utilities, Inc. – Gas Division and UGI Utilities, Inc. – Electric Division Universal Service and Energy Conservation Plan for 2020-2025 | | Docket No. M-2019-3014966 |

**ORDER**

**BY THE COMMISSION**

Before the Pennsylvania Public Utility Commission (Commission) are two separate Petitions filed by the UGI Utilities Inc.’s (UGI) Gas and Electric divisions seeking approval of temporary modifications to its universal service program and for the provision of bill credits to some of its gas and electric customers. UGI also requested that the Commission grant certain accounting treatment to enable future cost recovery for these proposals. Answers to these Petitions were filed by the Office of Consumer Advocate (OCA) and the Commission’s Bureau of Investigation and Enforcement (BIE). This Order consolidates the two UGI Petitions[[1]](#footnote-2) and grants, in part, and denies, in part, the two UGI Petitions.

**BACKGROUND AND HISTORY**

On January 25, 2021, UGI Gas filed and served the captioned petition at Docket No. P‑2021-3023839 (UGI Gas Petition). On February 4, 2021, OCA filed and served its answer generally in support of the UGI Gas Petition (OCA Answer – Gas). On February 4, 2021, BIE filed and served its answer requesting that the Commission investigate the UGI Gas proposal and deny certain aspects (BIE Answer – Gas). On March 12, 2021, the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania (CAUSE‑PA) filed and served its petition to intervene, expressing general support for UGI Gas’ proposal and asserting that an investigation is unnecessary (CAUSE‑PA Petition – Gas).

On February 3, 2021, UGI Electric filed and served the captioned Petition at Docket No. P-2021-3023992 (UGI Electric Petition). On February 12, 2021, BIE filed and served its answer requesting that the Commission investigate the UGI Electric proposal and deny certain aspects (BIE Answer – Electric). On March 12, 2021, CAUSE-PA filed and served its petition to intervene, expressing general support for UGI Gas’ proposal and asserting that an investigation is unnecessary (CAUSE‑PA Petition – Electric). OCA did not file an answer to the UGI Electric Petition.

UGI Gas’ COVID-19 Emergency Relief Program (ERP) was approved at Docket No. R-2019-3015162, *et al.*, and resulted in temporary modifications to its 2020-2025 Universal Service and Energy Conservation Plan (2020 USECP). The UGI Gas COVID‑19 ERP for Phase I was designed to provide billing relief, payment relief, or both for customers who need temporary relief measures. The COVID-19 ERP Phase I terminated on December 31, 2020.[[2]](#footnote-3) UGI Gas Petition at 2. Associated with approval of the UGI Gas ERP, UGI Gas was authorized to make temporary, voluntary modifications to its 2020 USECP. Those temporary modifications have now expired.

UGI Gas asserted that establishing a COVID-19 ERP Phase II[[3]](#footnote-4) and continuing the temporary, voluntary modifications to the 2020 USECP would be consistent with the expanded assistance and protection commitments approved in UGI Gas 2020 BRC Order. UGI Gas Petition at 3.

UGI Electric’s proposed COVID-19 ERP would be substantially similar to UGI Gas’ proposed COVID-19 ERP Phase II. The proposed modifications to the 2020 USECP would also be applicable to UGI Electric. UGI Electric asserted justification for its proposals similar to the justification offered by UGI Gas. UGI Electric Petition at 2.

UGI Gas asserted at the time of filing its Petition that Pennsylvania was “continuing to experience material COVID-19 impacts, including substantial spikes in diagnosed COVID-19 cases and ongoing impacts to households and businesses.” UGI Gas Petition at 3. Asserting that circumstance posed by the COVID-19 Pandemic on UGI operations are “extraordinary, not reasonably foreseeable, and non-recurring,” UGI Gas requested that this be “recognized,” and that the public utility be granted authority to “track and record all costs to implement Phase II of the COVID-19 ERP contemplated by the [UGI Gas Petition] as a regulatory asset, and [to] obtain recovery of such costs in the [public utility’s] next general rate proceeding.” UGI Gas asserted that costs “to implement the temporary modifications to the USECP will be recovered through Rider USP.”[[4]](#footnote-5) UGI Gas Petition at 3.

UGI Electric’s COVID-19 ERP proposal regarding costs is “substantially similar” to UGI Gas’ Phase II proposal. UGI Electric Petition at 2 and 8.

UGI Gas initiated discussions prior to December 1, 2020, with the parties to the UGI Gas 2020 BRC Settlement,[[5]](#footnote-6) as well as CAUSE-PA and the Commission for Economic Opportunity (CEO), regarding a possible extension of customer benefits provided under the COVID-19 ERP Phase I. UGI Gas Petition at 7. UGI Gas reported that it has been advised by OCA, CAUSE-PA, CEO, and IECPA that they do not oppose UGI Gas’ voluntary proposal to implement Phase II of the COVID-19 ERP and/or continue to implement the temporary USECP modifications as proposed. UGI Gas Petition at 8.

The Petitions were previously submitted for disposition to the Commission at its Public Meeting of March 25, 2021. A motion to adopt the staff recommendation did not achieve majority support. At that time, the Commissioners expressed disagreement as to whether UGI had met its burden of proof. Two joint statements were spread across the record, one by Chairman Brown Dutrieuille and then-Vice Chairman Sweet and one by then-Commissioner Coleman and Commissioner Yanora. The Petitions have remained pending, and UGI has not filed a petition to withdraw them.

**DISCUSSION**

In the interim since the Petitions were filed, additional actions taken by the Commission to address the COVID-19 Pandemic became effective. The Commission approved additional customer protections that became effective on March 31, 2021.[[6]](#footnote-7) These protections included the availability of extended payment arrangements for up to five years for residential customers. At that time, the Commission took note of the substantial state and federal assistance programs that had been adopted and encouraged utilities to notify customers about all available sources of aid.

Subsequently, the Governor’s Emergency Proclamation expired,[[7]](#footnote-8) and all Commission Emergency Orders related to the COVID-19 Pandemic were discontinued by operation of law on September 30, 2021. In reviewing these developments, we find that the temporary nature of the relief that was requested by UGI is central to the disposition of this matter. The proposed end date for the temporary bill credit program has passed, and we find that this element of these Petitions is now moot and should be dismissed.

The Commission previously approved versions of the proposed, temporary modifications of UGI’s universal service program as part of the settlement in the UGI Gas 2020 BRC proceeding.[[8]](#footnote-9) UGI has asked that the Commission approve the same temporary modifications to its universal service program for both its Gas and Electric divisions through the end of 2021. These modifications includeexpanding eligibility for hardship funds and increasing the maximum hardship grants from $400 to $600, to the extent funds are available.[[9]](#footnote-10) These requested modifications to the hardship funds are unopposed, and we find that UGI has met its burden of proof on these items. Accordingly, we shall grant approval of these unopposed modifications to the hardship funds through the end of 2021, to the extent such approval does not conflict with any other Order of the Commission.

We encourage UGI to promote its existing Commission-approved universal service and energy conservation plan to assist customers affected by the COVID-19 pandemic. We also reaffirm our expectation that UGI and other utilities continue to monitor available federal and state assistance programs and notify customers of all available sources of aid.

**CONCLUSION**

UGI Gas and Electric may implement the temporary, voluntary, unopposed modifications to their hardship funds through the end of 2021 as proposed in their respective Petitions consistent with the previously approved settlement in the UGI Gas 2020 BRC proceeding. These modifications include expanding eligibility for hardship funds to households with income up to 250% of the FPIG and increasing the maximum hardship grants from $400 to $600, to the extent funds are available. Any matter not specifically addressed herein has been duly considered and denied; **THEREFORE,**

**IT IS ORDERED:**

1. That the Petition of UGI Utilities, Inc. - Gas Division For Expedited Approvals: (1) To Implement Phase II Of Its COVID-19 Emergency Relief Program; (2) To Implement Further Voluntary, Temporary Modifications To Its Universal Service And Energy Conservation Plan; and (3) For Accounting And Regulatory Approvals Associated With The Costs To Implement Phase II Of The COVID-19 Emergency Relief Program, at Docket No. P-2021-3023839, filed on January 25, 2021, is granted in part and denied in part, consistent with this Order.

2. That the Petition of UGI Utilities, Inc. - Electric Division For Expedited Approvals: (1) To Implement A COVID-19 Emergency Relief Program; (2) To Implement Voluntary, Temporary Modifications To Its Universal Service And Energy Conservation Plan; and (3) For Accounting And Regulatory Approvals Associated With The Costs To Implement The COVID-19 Emergency Relief Program, Docket No. P‑2021-3023992, filed on February 3, 2021, is granted in part and denied in part, consistent with this Order.

3. That a copy of this Order be served on all parties in Docket Nos. P‑2021‑3023839 and P-2021-3023992 as well as all parties in *Pa. PUC v. UGI Utilities, Inc. – Gas Division*, Docket Nos. R-2019-3015162, *et al*., and all parties in *UGI Utilities, Inc. – Gas Division and UGI Utilities, Inc. – Electric Division Universal Service and Energy Conservation Plan for 2020-202*5, Docket No. M-2019-3014966.

4. That Docket Nos. P-2021-3023839 and P-2021-3023992 be marked closed.

**A picture containing letter

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Rosemary Chiavetta

Secretary

(Seal)

ORDER ADOPTED: October 28, 2021

ORDER ENTERED: November 12, 2021

1. For ease of reference, we shall refer to the two public utilities collectively as UGI. [↑](#footnote-ref-2)
2. UGI Gas originally implemented a COVID-19 ERP as a part of the settlement approved in *Pa. PUC v. UGI Utilities, Inc. – Gas Division*, Docket Nos. R-2019-3015162, *et al*., (Order entered on October 8, 2020). (UGI Gas 2020 BRC Order.) [↑](#footnote-ref-3)
3. While UGI Gas filed its Phase II Petition on January 25, 2021, it requests that Phase II be approved as of January 1, 2021, to avoid a “gap in the benefits received under Phase I and Phase II.” UGI Gas Petition at 10 in FN 7 [↑](#footnote-ref-4)
4. “USP” is UGI’s acronym for “Universal Services Program.” [↑](#footnote-ref-5)
5. Thereafter, on December 9, 2020, UGI Gas provided a teleconference status update regarding the COVID-19 ERP to the parties to the UGI Gas 2020 BRC Settlement. Invitees included BIE, OCA, the Office of Small Business Advocate (OSBA), the Industrial Energy Consumers of Pennsylvania (IECPA), and the U.S. Department of Defense and all other Federal Executive Agencies (DOD). In addition, CAUSE-PA and the Commission for Economic Opportunity (CEO), who were not signatories to the UGI Gas 2020 BRC Settlement but indicated they did not oppose it, were invited by UGI Gas to participate in the briefing and discussion. UGI Gas Petition at 7. [↑](#footnote-ref-6)
6. *Public Utility Service Termination Moratorium*, Docket M-2020-3019244 (Order entered on March 18, 2021). [↑](#footnote-ref-7)
7. *See* <https://www.pa.gov/guides/responding-to-covid-19/#PhasedReopening.> [↑](#footnote-ref-8)
8. *See* *Pa. PUC, et al. v. UGI*, Docket Nos. R-2019-3015162, *et al.* (UGI Gas 2020 BRC Order entered on October 8. 2020). [↑](#footnote-ref-9)
9. UGI requested that it be permitted to continue expanding eligibility under the UGI Operation Share grant program to 250% of the Federal Income Poverty Guidelines (FPIG) and to continue increasing the maximum grant size from $400 to $600 through December 31, 2021, to the extent that funds are available. UGI Gas Petition at ¶ 50. UGI made a similar request in its Electric Petition at ¶ 46. [↑](#footnote-ref-10)