

**PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HARRISBURG, PENNSYLVANIA 17105**

**Management and Operations Audit of  
UGI Utilities, Inc.**

**Public Meeting: November 14, 2019  
3002234-AUD  
Docket Nos. D-2018-3002234, et al.**

**STATEMENT OF COMMISSIONER ANDREW G. PLACE**

Before the Pennsylvania Public Utility Commission (Commission) is the Management and Operations Audit (MA) of UGI Utilities, Inc. (UGI or Company), including both gas and electric operations (UGI Gas Service Division and Electric Service Division); UGI Central Penn Gas, Inc. (CPG), and UGI Penn Natural Gas, for release to the public. UGI's Implementation Plan indicates agreement with 42 recommendations, partial agreement with one recommendation and disagreement with two recommendations. Several of the staff recommendations, if implemented, could yield qualitative and/or quantitative benefits. UGI's combined quantifiable annual cost savings are estimated to be between \$336,000 and \$713,000, whereas one-time savings are estimated to be between \$3,400,000 and \$7,000,000.

One recommendation, which UGI has not accepted, is the recommendation to update its affiliated interest agreements (AIAs) on file with the Commission. Audits found some agreements no longer meet the minimum standards for adequate documentation. AIAs should explicitly identify current legal entities and document the services provided and the costs associated with them in sufficient detail to properly inform the Commission of its activities with the Company's affiliates. I encourage the Company to work with Audits and Technical Utility Services to ensure that all AIAs on file with the Commission meet current reporting standards so as to be compliant with the directives of the Commission.

**DATE: November 14, 2019**

  
\_\_\_\_\_  
**Andrew G. Place, Commissioner**