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May 21, 2020

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

**Re: UGI Utilities, Inc.’s Universal Service and Energy Conservation Plan for
January 1, 2020 – December 31, 2025; Docket Nos. M-2019-3014966, P-2020-
3019196.**

Dear Secretary Chiavetta:

On February 5, 2020, UGI Utilities, Inc. filed a voluntary addendum (“February 5, 2020 Filing”) addressing the Pennsylvania Public Utility Commission’s (“Commission”) Final Policy Statement and Order on Customer Assistance Programs (“CAP Policy Statement Order”), issued on September 19, 2019 and entered on November 5, 2019 at Docket M-2019-30122599.

In the Addendum, UGI addressed each of the seventeen items set out in the revised CAP Policy Statement Order, and noted that fourteen of those seventeen items, specifically, items 2-4, 6-8, and 10-17 in the CAP Policy Statement Order, were already incorporated into UGI’s Universal Service and Energy Conservation Plan (“USECP”), approved by the Commission on January 15, 2020.

In the February 5, 2020 Filing, UGI petitioned the Commission to approve a revision to UGI’s USECP to address two of the remaining three items in the CAP Policy Statement Order, namely: 1) the establishment of new maximum tiered CAP percent of income payment (“PIP”) energy burdens; and 2) the insertion of new language clarifying that a customer is not required to designate a Low Income Home Energy Assistance Program (“LIHEAP”) grant to UGI in order to be eligible for CAP.¹ In addition to these two revisions, UGI proposed some minor revisions to clarify that its USECP was already in agreement with the CAP Policy Statement Order.

In the February 5, 2020 Filing, UGI proposed CAP PIPs for electric non-heating customers and natural gas heating and non-heating customers at the maximum CAP PIP permitted by the


¹ UGI does not currently require a customer to designate a LIHEAP grant to UGI to qualify for CAP and therefore UGI’s USECP is already in accordance with the CAP Policy Statement Order in this respect. The proposed revision is corrective rather than a Plan amendment. The third item in the CAP Policy Statement Order that is not already reflected in UGI’s USECP relates to maximum CAP credit limits and is inapplicable to UGI, as the UGI USECP does not have a maximum CAP credit limit.

Commission's revised guidelines at 52 Pa. Code §§ 69.265(2)(i)(A)(I-III) and 69.265(2)(i)(B)(I-III), respectively. However, UGI proposed lower PIPs for electric heating customers than the maximum provided for in the Commission's guidelines 52 Pa Code 69.265(2)(i)(C)(I-III) to maintain consistency with the Company's history of establishing the same PIP for electric heating and natural gas heating customers.

On February 6, 2020, the Commission entered an order at Docket M-2019-30122599 clarifying that utilities that voluntarily propose modifications to their USECPs pursuant to the amendments to the CAP Policy Statement should file a Petition to Amend and Addendum to reflect those changes with enrollment and budget implications of the proposed changes. In accordance with that order, and after consideration of the impact of the Company's proposed PIP changes in its February 5th Filing, UGI files the instant petition with revised PIP proposals. With this filing, UGI provides the projected impact to these PIP adjustments on CAP enrollment and budget during the remaining term of the USECP.

UGI's filing today consists of (1) a Petition for Amendment of the UGI USECP for January 1, 2020 – December 31, 2025 that includes enrollment and budget projections, and (2) a redline showing changes proposed to UGI's Commission-approved USECP. Copies of this filing are being provided electronically only, as indicated on the Certificate of Service, due to the current closure of all non-life sustaining businesses in the Commonwealth upon the direction of Governor Wolf.

Very truly yours,

DocuSigned by:

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Danielle Jouenne
Counsel for UGI

Enclosure

cc: Certificate of Service (parties to the USECP Proceeding)
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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Universal Service and Energy Conservation
Plan for January 1, 2020 – December 31,
2025

: Docket Nos. M-2019-3014966
: P-2020-3019196
:
:

CERTIFICATE OF SERVICE

I hereby certify that I have, this 21st day of May, 2020, 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):

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Universal Service and Energy Conservation	:	Docket No. M-2019-3014966
Plan for January 1, 2020 – December 31,	:	P-2020-3019196
2025	:	

**PETITION OF UGI UTILITIES, INC. – GAS DIVISION AND ELECTRIC DIVISION TO
AMEND ITS UNIVERSAL SERVICE AND ENERGY CONSERVATION PLAN**

Pursuant to 52 Pa. Code §§ 5.41 and 5.43, UGI Utilities, Inc. – Gas Division and Electric Division (“UGI” or the “Company”) hereby petitions the Pennsylvania Public Utility Commission (“Commission”) for approval to amend its Universal Service and Energy Conservation Plan (“USECP”) to adjust its maximum monthly customer payments based on a percentage of income (“PIP”) calculation for its Customer Assistance Plan, as well as certain other revisions to the language of the Company’s USECP to reflect its agreement with the Commission’s revisions to the CAP Policy Statement at 52 Pa. Code § 69.261 et seq. This petition incorporates by reference, and, where inconsistent with, supersedes, the Company’s February 5, 2020 filing at this docket proposing certain amendments to its USECP.

In support of the requested relief, UGI states as follows:

I. INTRODUCTION

1. UGI is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania. UGI is a “public utility” and “natural gas distribution company” as defined by the Public Utility Code and is subject to the regulatory jurisdiction of the Commission. *See* 66 Pa.

C.S. §§ 102, 2202. UGI provides natural gas service to approximately 670,000 customers in Pennsylvania.

2. UGI is also an “electric distribution company” as defined by Section 2803 of the Public Utility Code. *See* 66 Pa. C.S. §2803. UGI provides electric distribution service to approximately 62,000 customers in portions of two northeastern Pennsylvania counties.

3. UGI is a wholly-owned subsidiary of UGI Corporation.

4. The name and address of UGI’s attorney is as follows:

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II. BACKGROUND

5. On September 19, 2019, the Pennsylvania Public Utility Commission (“the Commission”) adopted a Final Policy Statement and Order on utility Customer Assistance Programs. The Order was entered on November 5, 2019 (“November 5th Order”). Ordering Paragraph No. 6 required the filing of a Universal Service and Energy Conservation Plan (“USECP”) addendum within 60 days of entry of the Order (January 6, 2020). Ordering Paragraph Nos. 7 and 8 of the CAP Policy Statement Order further described the format and distribution required for such addendums.

6. Among other things, the CAP Policy Statement Order revises the Commission’s regulations at 52 Pa. Code §§ 69.265(2)(i)(A)-(C) which establish guidelines for the amount a utility CAP participant should pay for regulated electric and natural gas utility service on a monthly basis as a percentage of his/her income. The Commission’s PIP guidance was revised as follows:

- (A) Generally, maximum payments for electric nonheating service should [be within] not exceed the following [ranges] maximums:
- (I) Household income between 0—50% of [poverty] FPIG at [2%—5%] 2% of income.
 - (II) Household income between 51—100% of [poverty] FPIG at [4%—6%] 4% of income.
 - (III) Household income between 101—150% of [poverty] FPIG at [6%—7%] 4% of income.
- (B) Generally, maximum payments for natural gas heating should [be within] not exceed the following [ranges] maximums:
- (I) Household income between 0—50% of [poverty] FPIG at [5%—8%] 4% of income.
 - (II) Household income between 51—100% of [poverty] FPIG at [7%—10%] 6% of income.
 - (III) Household income between 101—150% of [poverty] FPIG at [9%—10%] 6% of income.
- (C) Generally, maximum payments for electric heating or for natural gas heating and electric nonheating combined should not exceed the following [guidelines] maximums:
- (I) Household income between 0—50% of [poverty] FPIG at [7%—13%] 6% of income.
 - (II) Household income between 51—100% of [poverty] FPIG at [11%—16%] 10% of income.
 - (III) Household income between 101—150% of [poverty] FPIG at [15%—17%] 10% of income.

7. The CAP Policy Statement Order also eliminates the provision in the CAP Policy Statement that low-income customers must be “payment troubled” to qualify for CAPs, *see* 52 Pa. Code §69.264 and eliminated the provision that a customer should designate the Low Income Home Energy Assistance Program (“LIHEAP”) grant to the utility sponsoring the CAP. *See*, 52 Pa. Code §69.265(9).

8. Petitions for Reconsideration and/or Clarification of the November 5th Order were filed by the Energy Association of Pennsylvania (“EAP”) and the Office of Consumer Advocate (“OCA”) at Docket No. M-2019-3012599. On November 25, 2019 the Commission granted a stay of CAP Policy Statement Ordering Paragraph Nos. 6, 7, and 8 pending consideration of those petitions.

9. On January 16, 2020, the Commission entered a final order approving the UGI USECP for the period of January 1, 2020 through December 31, 2025 at Docket No. M-2019-3014966.

10. The USECP sets forth the rules, terms and conditions, and funding levels under which UGI administers its universal service and energy conservation programs and policies (“Universal Service Programs” or “USPs”) to eligible customers.

11. The USPs offered by UGI pursuant to the USECP include: (1) the Customer Assistance and Referral Evaluation Services (“CARES”) Program; (2) the Hardship Fund or the “Operation Share Energy Fund”; (3) the Customer Assistance Program (“CAP”); and (4) the Low Income Usage Reduction Program (“LIURP”).

12. UGI’s currently-approved USECP sets the following monthly CAP Payment Amounts as a percentage of the customer’s monthly income, as described below, or the customer’s otherwise applicable average monthly bill.

Percent of Poverty		Monthly CAP Payment
Income Level 1:	0 ¹ - 50%	7% of Participant's Monthly Income
Income level 2:	51 - 100%	8% of Participant's Monthly Income
Income level 3:	101 - 150%	9% of Participant's Monthly Income

13. The current UGI USECP does not distinguish between natural gas heating customers and electric heating customers in the establishment of its maximum CAP PIP.

14. On February 5, 2020, UGI filed a voluntary addendum (“February 5, 2020 Filing”) that addressed the items set forth in the CAP Policy Statement Order as well as proposed modifications to UGI’s CAP PIPs.

¹ A customer with no income will be responsible to make the minimum monthly CAP payment.

15. In the February 5, 2020 Filing, UGI proposed PIPs for electric non-heating customers and natural gas heating customers that comported with the Commission’s revised guidelines at 52 Pa. Code §§ 69.265(2)(i)(A)(I-III) and 69.265(2)(i)(B)(I-III), respectively.

16. However, for electric heating customers, UGI proposed *lower* PIPs than those provided for in the Commission’s guidelines 52 Pa Code 69.265(2)(i)(C)(I-III). UGI’s proposed PIP for this latter category of customers was consistent with the Company’s history of establishing the same PIP for electric heating and natural gas heating customers.

17. The Company’s proposed PIPs in its February 5, 2020 Filing as compared to those established by the CAP Policy Statement Order, and those in the Company’s currently-approved USECP are set forth in Tables 1-A to 1-C below:

Table 1-A. Electric and Natural Gas Non-Heating Customers²

Household Income as Percent of FPIG	CAP Policy Statement PIP	UGI Current PIP	UGI Feb 5th Proposed PIP
0-50%	2	7	2
51-100%	4	8	4
101-150%	4	9	4

Table 1-B. Natural Gas Heating Customers

Household Income as Percent of FPIG	CAP Policy Statement PIP	UGI Current PIP	UGI Feb 5th Proposed PIP
0-50%	4	7	4
51-100%	6	8	6
101-150%	6	9	6

Table 1-C. Electric Heating Customers

Household Income as Percent of FPIG	CAP Policy Statement PIP	UGI Current PIP	UGI Feb 5th Proposed PIP
0-50%	6	7	4
51-100%	10	8	6
101-150%	10	9	6

² While CAP is available to natural gas non-heating customers (i.e. natural gas use for water heating or other gas appliance), it is anticipated that such a customer would rarely benefit from CAP. In the event that CAP was advantageous for a customer, the Electric Non-Heating PIPs would apply.

18. The February 5, 2020 Filing also sought approval from the Commission of certain modifications of language to its currently-approved USECP to reflect that UGI's USECP, as implemented, is in agreement with the Commission's CAP Policy Statement, as revised, at 52 Pa. Code § 69 et seq. Among these, UGI requested revision of its USECP language to reflect that customers are not obligated to direct their LIHEAP grants to UGI to be eligible for CAP and that CAP eligibility does not require a customer to be payment-troubled.

19. On February 6, 2020, the Commission entered an Order in response to the EAP and OCA petitions ("EAP Order"). The EAP Order³ indicated that utilities proposing to voluntarily change their USECPs pursuant to the amended CAP Policy Statement must submit a cover letter, a Petition to Amend an existing USECP, and an addendum reflecting proposed changes to an existing USECP including enrollment and budgetary projections.

20. UGI submits this Petition in accordance with the EAP Order. UGI incorporates by reference its February 5, 2020 Filing.

III. DISCUSSION

21. UGI respectfully requests that the Commission approve the proposed USECP amendments set forth in **Exhibit A**, which consists of redlined pages of the Company's currently-approved USECP illustrating the changes to the CAP PIPs and other minor language changes in the USECP.

22. If the Commission approves the Company's requested amendments to its USECP, UGI proposes to file, as a compliance filing, a clean version of its USECP with all edits incorporated upon Commission approval.

³ EAP Order on Reconsideration and Clarification, Docket Nos. P-2020-3016889 and M-2019-3012599, at 12 and Ordering Paragraphs 3, 4, and 5 (entered Feb. 6, 2020).

23. As discussed herein, UGI proposes to modify the CAP PIPs in its USECP. The Company's PIP proposal in this petition, as compared to the current PIPs, the PIPs in the Commission's CAP Policy Statement, and the PIPs proposed Company's February 5, 2020 Filing are set forth in Tables 2-A, 2-B, and 2-C below:

Table 2-A. Electric and Natural Gas Non-Heating Customers⁴

Household Income as Percent of FPIG	CAP Policy Statement PIP	UGI Current PIP	UGI Feb 5 th Proposed PIP	Current Petition PIP
0-50%	2	7	2	2
51-100%	4	8	4	4
101-150%	4	9	4	4

Table 2-B. Natural Gas Heating Customers

Household Income as Percent of FPIG	CAP Policy Statement PIP	UGI Current PIP	UGI Feb 5 th Proposed PIP	Current Petition PIP
0-50%	4	7	4	4
51-100%	6	8	6	6
101-150%	6	9	6	6

Table 2-C. Electric Heating Customers

Household Income as Percent of FPIG	CAP Policy Statement PIP	UGI Current PIP	UGI Feb 5 th Proposed PIP	Current Petition PIP
0-50%	6	7	4	6
51-100%	10	8	6	8
101-150%	10	9	6	9

24. The Company's proposed PIP levels are set at the maximum CAP PIPs permitted by the Commission's CAP Policy Statement except with respect to the 51-100% and 101-150% levels for Electric Heating customers (as shown in **bold** in Table 2-C). For this group of customers

⁴ While CAP is available to natural gas non-heating customers (i.e. natural gas use for water heating or other gas appliance), it is anticipated that such a customer would rarely benefit from CAP. In the event that CAP was advantageous for a customer, the Electric Non-Heating PIPs would apply.

the Company elects to maintain its currently-approved PIP levels of 8 and 9% respectively for the 51-100% and 101-150% income brackets, which are lower than the permitted maximum PIPs.

25. The 8 and 9% PIPs set forth in the instant petition for the Electric Heating 51-100% and 101-150% income brackets, which are the currently-approved PIPs for electric heating customers, are higher than the 6% PIP levels that the Company had proposed in its February 5, 2020 Filing but remain lower than the maximum PIPs in the Commission's CAP Policy Statement for those two income brackets. Subsequent to the February 5, 2020 Filing, the Company concluded it was not warranted to either decrease the current PIPs to 6% to match those of the natural gas heating customers or increase current electric heating PIP levels for these two income brackets to the maximum 10% in the Commission's CAP Policy Statement.

26. All of the other PIP levels that the Company proposes to adopt are in conformance with the maximum PIPs provided for in the CAP Policy Statement, and should be approved as consistent with Commission policy.

27. The Company's proposed CAP PIP changes are projected to increase enrollment, and by consequence, the Company's CAP budget. Additionally, the Company projects an increase to enrollment and budget for CAP due to the developing COVID-19 pandemic and its impact on the economy and customer ability to pay. Tables 3-A and 3-B sets forth the Company's projected increases to CAP enrollment and budget, forecasted as 12-month averages, which incorporate the impacts of the CAP PIP changes and the COVID-19 pandemic.

Table 3-A. UGI Gas Annual CAP Enrollment & Budget for 2020-2025 as Approved and as Revised Based on 12 month Rolling Averages

Year	Projected Enrollment (Current Approved USECP)	Projected Enrollment as of May 11, 2020 (Current Approved USECP)	Projected Enrollment with Revised PIP	Projected Enrollment with Revised PIP and COVID-19 Impact	Projected Budget (Current Approved USECP)	Projected Budget as of May 11, 2020 (Current Approved USECP)	Projected Budget with Revised PIP	Projected Budget with Revised PIP and COVID-19 Impact
2020	20,123	23,760	25,522	27,813	\$8,954,230	\$10,573,200	\$13,781,826	\$15,019,020
2021	21,129	24,473	26,288	28,647	\$9,401,880	\$10,890,396	\$14,195,281	\$15,469,591
2022	22,185	25,207	27,076	29,507	\$9,872,006	\$11,217,108	\$14,621,139	\$15,933,678
2023	23,294	25,963	27,888	30,392	\$10,365,606	\$11,553,621	\$15,059,773	\$16,411,689
2024	24,458	26,742	28,725	31,304	\$10,883,887	\$11,900,230	\$15,511,567	\$16,904,039
2025	25,680	27,544	29,587	32,243	\$11,428,081	\$12,257,237	\$15,976,914	\$17,411,161

Table 3-B. UGI Electric Annual CAP Enrollment & Budget for 2020-2025 as Approved and as Revised Based on 12 month Rolling Averages

Year	Projected Enrollment (Current Approved USECP)	Projected Enrollment as of May 11, 2020 (Current Approved USECP)	Projected Enrollment with Revised PIP	Projected Enrollment with Revised PIP and COVID-19 Impact	Projected Budget (Current Approved USECP)	Projected Budget as of May 11, 2020 (Current Approved USECP)	Projected Budget with Revised PIP	Projected Budget with Revised PIP and COVID-19 Impact
2020	2,885	3,177	3,339	3,729	\$2,725,275	\$3,002,265	\$3,565,732	\$3,982,892
2021	3,029	3,272	3,439	3,841	\$2,861,300	\$3,091,155	\$3,672,704	\$4,102,379
2022	3,180	3,370	3,542	3,956	\$3,005,050	\$3,183,890	\$3,782,885	\$4,225,451
2023	3,339	3,472	3,648	4,075	\$3,155,303	\$3,279,406	\$3,896,371	\$4,352,214
2024	3,506	3,576	3,758	4,197	\$3,313,068	\$3,377,788	\$4,013,262	\$4,482,780
2025	3,681	3,683	3,870	4,323	\$3,478,721	\$3,479,122	\$4,133,660	\$4,617,264

28. The columns labeled “Projected Enrollment with Revised PIP” and “Projected Budget with Revised PIP” incorporate an increase in participation due to the revised PIPs and resulting budget increases. This increase in enrollment and budget is based on the Company’s analysis of current customers who would not benefit from CAP under the current PIP levels but who would benefit under the revised PIPs.

29. The columns labeled “Projected Enrollment with Revised PIP and COVID-19 Impact” and “Projected Budget with Revised PIP and COVID-19 Impact” incorporate an increase in participation due to an estimated increase in the Company’s low income customers as a result of the COVID-19 pandemic and resulting economic impact. The Company’s projections were based on an analysis of newly-identified low-income customers who have either self-identified as low-income or have qualified for LIHEAP since Governor Wolf’s March 6, 2020 Proclamation of Disaster Emergency.

30. In addition to the revisions to CAP PIPs, UGI is proposing certain clarifying revisions to the language of its USECP, as set forth in the February 5, 2020 Filing, to comport its CAP program rules with the Commission’s CAP Policy Statement.

31. Among these clarifying revisions, UGI is adding language to reflect that payment-troubled status is not an eligibility requirement in accordance with the revised CAP Policy Statement. The currently-approved UGI USECP did not require UGI customers to be payment-troubled for CAP eligibility, however certain language in the USECP still reflected the policy of the prior USECP.

32. UGI is also revising its USECP language, in accordance with the revised CAP Policy Statement, to reflect that the Company will not require a customer to designate a LIHEAP grant to the utility sponsoring the CAP. Under the current USECP, UGI customers are not required

to direct their LIHEAP grants to UGI, however certain language in the Company's USECP still reflected the policy of the prior USECP.

33. All proposed clarifications are set forth on the redlined USECP attached hereto as **Exhibit A**.

34. The planned implementation of these changes would be no later than 30 days following Commission approval of the USECP revision and would immediately affect all new customers enrolled in the CAP program post implementation. All existing CAP customers would have the new PIP percentages applied as part of their next quarterly CAP recertification in accordance with the Company's approved USECP. By aligning the application of the new PIPs with each customer's individual recertification date, UGI will provide an orderly and seamless update process for our customers and provide a sufficient implementation timeline for the community-based organizations who administer the UGI CAP.

IV. CONCLUSION

WHEREFORE, for all the foregoing reasons, UGI Utilities, Inc. respectfully requests the Pennsylvania Public Utility Commission approve the Company's proposed revisions to its USECP to: establish new CAP percent of income payments; reflect that payment-troubled status is not a CAP eligibility requirement; remove language to reflect that UGI will not require a customer to designate a LIHEAP grant to UGI in order to be eligible for CAP; and the other minor clarifying revisions provided in **Exhibit A**.

Respectfully submitted:

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Date: May 21, 2020

Counsel for UGI Utilities, Inc.

Exhibit A



UGI Utilities, Inc. – Gas Division
UGI Utilities, Inc. – Electric Division

Universal Service & Energy Conservation Plan
For the ~~Five-Year~~ Period
January 1, 2020 – December 31, 2025

Docket No. ~~M-2017-2598190~~ M-2019-3014966

Filing Date: June 30, 2017

Approved: January 16, 2020

UGI 2020-2025 USECP

I. INTRODUCTION

UGI Utilities, Inc. (“UGI”) hereby submits this revised Universal Service and Energy Conservation Plan (“USECP” or “Plan”) for the ~~five-six~~-year period January 1, 2020 through December 31, 2025 to the Pennsylvania Public Utility Commission (“PUC” or “Commission”) for its review and approval in accordance with the Commission’s *Universal Service and Energy Conservation Reporting Requirements* at 52 Pa. Code §§ 54.71 – 54.78 and §§ 62.1 – 62.8.¹ ~~The USECP replaces and supersedes the UGI Companies’ Universal Service and Energy Conservation Plan for the four year period of January 1, 2014 through December 31, 2017 (the “2014-2017 USECP”) previously approved by the Commission at Docket No. M-2013-2371824 by orders entered January 15, 2015, June 11, 2015 and September 3, 2015.~~ The USECP pertains to the universal service programs of UGI’s Electric Division (“UGI Electric”) and Gas Division (“UGI Gas”). ~~The Commission approved UGI’s 2020-2025 USECP in an Order entered on January 16, 2020. This revision incorporates the modifications required by the Commission’s Order entered August 8, 2019 (“August 8th Order”) and the Commission approval of the settlement in the UGI Gas base rate proceeding at Docket No. R-2018-3006814 (Order entered October 4, 2019) (“2019 Rate Case Order”). The Company submits this revised USECP to incorporate certain items addressed in the Commission’s Final Policy Statement and Order on Customer Assistance Programs (“CAP Policy Statement Order”), issued on September 19, 2019 and entered on November 5, 2019.~~

This 2020-2025 USECP sets forth the rules, terms and conditions and funding levels under which UGI will administer its universal service and energy conservation programs and policies (“Universal Service Programs” or “USPs”) to eligible customers for the period of January 1, 2020 through December 31, 2025. **Appendix A** of the Plan sets forth the committed funding levels and budgets for each of the UGI divisions during this time period. **Appendix B** of the Plan sets forth the projected needs assessment as required by the Commission’s regulations at 52 Pa. Code § 62.4(b)(3).² **Appendices C & D** provide a list of third-party, community-based organizations (“CBOs”) to be utilized by UGI to assist in administering the Universal Service Programs. **Appendix E** sets forth UGI’s notification process to prompt customers to recertify for CAP. **Appendix F** provides the Zero Income form to be used for CAP. **Appendix G** provides the CAP Agency Audit Scorecard.

UGI Gas is a “public utility” and a “natural gas distribution company” (“NGDC”) as

¹ By Order entered on October 3, 2019 at Docket No. M-2019-3012601 (“October 3rd Order”), the Pennsylvania Public Utility Commission granted temporary partial limited waivers of 52 Pa. Code §§ 54.74, 54.76 (a-b), 62.4, and 62.6 (a-b) to natural gas and electric distribution companies for the purpose of adhering to the 2020-2025 universal service and energy conservation plan and universal services impact evaluation filing schedule provided therein. The term of the UGI USECP is therefore 2020 through 2025.

² The needs assessment was calculated for the former UGI North and UGI South Rate Districts. The UGI Central Rate District was not required to conduct a projected needs assessment since it serves fewer than 100,000 residential accounts. See 52 Pa. Code § 62.7. Per the October 3rd Order these rate districts are no longer in existence. For the Company’s next USECP, the needs assessment for UGI Gas will be calculated on a combined basis. UGI Electric is not required to conduct a projected needs assessment since it serves fewer than 60,000 residential accounts. See 52 Pa. Code § 54.77.

UGI 2020-2025 USECP

defined under the Public Utility Code, 66 Pa.C.S. §§ 102 and 2202, and is subject to the regulatory jurisdiction of the Commission. UGI Gas provides natural gas distribution service and supplier of last resort (“SOLR”) service. UGI Gas combined serves approximately 585,000 residential customers in 46 counties.

UGI Electric is a “public utility” and an “electric distribution company,” as defined under the Public Utility Code, 66 Pa.C.S. §§ 102 and 2803, and is subject to the regulatory jurisdiction of the Commission. UGI Electric provides electric distribution, transmission and default supply services to customers located in its certificated service territory. UGI Electric furnishes electric distribution service to approximately 54,000 residential customers located in portions of two northeastern Pennsylvania counties (Luzerne and Wyoming counties).

On October 1, 2018 UGI Penn Natural Gas, Inc. (“PNG”) and UGI Central Penn Gas, Inc. (“CPG”) merged into UGI Utilities, Inc. Data prior to October 1, 2018 may reference the UGI Distribution Companies and individually, the former PNG, CPG, and UGI Utilities, Inc. – Gas Division corporate entities then in existence. References to “UGI Gas” pre-October 1, 2018 refer to the UGI Utilities, Inc. – Gas Division operations.

II. 2020-2025 USECP OVERVIEW

A. SUMMARY OF THE 2020-2025 USECP

1. USECP Programs

To assist low-income ~~and payment-troubled~~ customers located in their service territories, UGI has established the USECP in accordance with the Commission’s regulations. UGI’s Universal Service Programs include the following:

- Customer Assistance and Referral Evaluation Services (“CARES” or the “CARES Program”);
- Hardship Fund or the “Operation Share Energy Fund”;
- Customer Assistance Program (“CAP”); and
- Low Income Usage Reduction Program (“LIURP”).

UGI also actively encourages ~~payment-troubled~~, low-income customers to apply for grants from the Low-Income Home Energy Assistance Program (“LIHEAP”).

2. Customers Served

In 2016, the UGI Distribution Companies assisted approximately 51,000 residential customers through their Universal Service Programs. The total number of participants by program for UGI Gas, UGI Electric, PNG and CPG in 2016 is set forth in Table 1: (CAP customer counts are as of 12/31/16).

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information.

- Updated eligibility criteria as follows: (1) permitting customers who operate a business from their residential home to enroll in CAP so long as the business that is being operated from the residential home uses less than fifty percent of the anticipated gas usage served through a single meter; (2) prohibition of CAP for customers using utility service to heat a swimming pool; (3) elimination of the CAP eligibility restriction for customers with balances above \$4,500 who have failed multiple payment arrangements; (4) specification of acceptable forms of identification; (5) clarification of “household income” definition; (6) clarification of terms “fraud” and “theft of service.”
- Clarifications to the CAP application policy and reinstatement policy.
- Introduction of quarterly evaluations of CAP bills.
- Inclusion of Audit Checklist to evaluate CAP CBO performance as Appendix G.
- Specification of new reporting requirement.
- Provision of hypothetical to demonstrate CAP offset calculation.
- UGI Electric has increased its minimum CAP payment from \$25 to \$30 to comport with the Commission’s Policy Statement on Customer Assistance Programs at 52 Pa. Code § 69.265(3)(i)(A)-(C).
- Updated the percent-of-income (“PIP”) calculations in accordance with the CAP Policy Statement Order.

4. LIURP

The 2020-2025 Plan includes the following changes to the LIURP program:

- Non heating LIURP customers may be provided an Energy Conservation Kit.
- Updated eligibility criteria as follows: (1) permitting customers who operate a business from their residential home to enroll in LIURP so long as the business that is being operated from the residential home uses less than fifty percent of the anticipated gas usage served through a single meter; (2) prohibition of LIURP for customers using utility service to heat a swimming pool; (3) clarification of “above-average” usage.
- Pursuant to the August 8th Order and the 2019 Rate Case Order, UGI Gas will

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expand the use of LIURP funds to address the repair or replacement of its residential customers' inoperable gas furnaces. UGI Gas will increase its per-job LIURP funding cap to \$11,000 where furnace replacement is necessary. Additionally, UGI Gas will set aside \$250,000 annually from its general LIURP budget for furnace repair and replacement projects. For the first two years of the USECP, any unused amounts will roll over to the next year's budget for furnace repair and replacement projects. Should there continue to be amounts to roll over after two years, any remaining roll over amounts will roll over to UGI Gas's general LIURP budget. The August 8th Order approved UGI's petition for waiver of LURP regulation payback requirement at 52 Pa. Code § 58.11(a) and the LIURP high-use criteria at 52 Pa. Code § 58.10(a)(1). Paragraph 19 of the August 8th Order provided that these temporary waivers will expire in five years or with the Company's next USECP, whichever is earlier, unless an extension is expressly requested by the Company and granted by the Commission. (August 8th Order, p. 82) Subsequent to the August 8th Order, the Commission extended the term of this USECP to five (5) years. To maintain program continuity, the Company therefore requests that the Commission grant waiver of these regulations until the approval of UGI's next USECP.

C. NEEDS ASSESSMENT

As required by 52 Pa. Code § 62.4(b)(3), at the time of initial filing, UGI South and UGI North rate districts submitted a needs assessment in Appendix B of this Plan. The needs assessment is based on 2010 census data and 2015 UGI Gas records. Pursuant to 52 Pa. Code §§ 54.77 and 62.7, EDCs and NGDCs with less than 100,000 residential customers are not required to submit a needs assessment; therefore, UGI Electric and the former UGI Central rate district did not submit a needs assessment. Future USECPs will provide needs assessments on a combined basis for UGI Gas.

III. THE CARES PROGRAM

A. DESCRIPTION OF THE CARES PROGRAM

1. Goals and Objectives

The goal of the CARES Program is to provide personal assistance and referrals to low-income payment troubled customers and to help improve their delinquent bill payment problems. The CARES Program identifies special needs customers and guides them to the appropriate program or agency. CARES concentrates on, but is not exclusively for, the low-income segment that may lack the knowledge of energy conservation, budget counseling and fuel assistance programs. Unlike other USPs administered by UGI, the CARES Program is geared toward the customer who has a temporary, immediate need, such as loss of income, loss of head of household, illness or any other temporary situation resulting in an inability to pay. CARES is intended to be

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- health care facilities;
- landlord/tenant (account is in the landlord's name);
- ratepayer/occupant (the ratepayer does not reside at the property);
- foreign load (one meter supplies more than one unit);
- theft of service; and
- Landlord if Shut-off (“LIFSO”) agreement (account is in the owner's name).

In order to assure fair treatment of all customers, the following amounts represent the maximum grant to be awarded per eligible customer in each of UGI’s divisions and rate districts.

Division	Maximum Amount
UGI Gas	\$400
UGI Electric	\$400

Exceptions to the maximum grant amount may be approved for special circumstance customers.

E. PAYMENT OF GRANTS

The designated CBO is granted a maximum amount against which vouchers can be written. So long as the CBO’s maximum amount is not exceeded, a voucher may be written and will be honored by UGI for the payment of the applicant’s bill.

All cash funds must be retained by the CBO in its Operation Share account and payments from this account shall only be made to UGI. Under no circumstances will any payments be made directly to a customer.

V. CUSTOMER ASSISTANCE PROGRAM

A. INTRODUCTION

CAP provides all eligible low-income, ~~payment troubled~~ residential customers that reside in the rate districts of UGI a more affordable way to pay their natural gas or electric bill. Each month, CAP participants are billed an equal CAP payment amount based on the participant’s gross income or average bill,⁵ depending on which option provides the most affordable monthly CAP payment.

In this 2020-2025 USECP, UGI will continue the practice instituted in the previous 2014-

⁵ A customer’s average bill will be determined based upon twelve-months of historical usage for the residence or, if usage data is not available for the residence, the customer’s average bill will be set using the average bill for all residential customers.

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through a single meter is used to operate a business.

UGI further reserves the right to deny enrollment if the customer is deemed to lack good faith, honesty or fair dealing while working with the CAP CBO or one of UGI during the application process or if the customer fails to engage in good faith efforts to conserve energy. Demonstration of lack of good faith honesty and fair dealing may be evidenced by fraud or theft of service. The Company defines “fraud” as the intentional misrepresentation of CAP eligibility criteria. “Theft of Service” occurs when a person obtains utility service by deception, tampering with Company facilities, or other means designed to avoid payment for utility service provided by the Company. The two most common examples of theft of service are: (1) a customer’s physical bypass of a meter so that all energy usage is not recorded; and (2) the magnetic tampering of a meter to impede the registration of usage. However, this list is not conclusive and other instances of theft may arise that results in a customer’s disqualification from CAP.

Upon request, subject to the recertification process, a CAP participant must provide evidence of continued program eligibility, which he/she may do so via the communication means indicated on **Appendix C**.

If a CAP participant changes residences, the following conditions will apply and be communicated to the customer: (1) as long as all eligibility requirements and other terms and conditions continue to be met, the participant may remain eligible to participate in CAP; and (2) so long as the participant remains enrolled in the program, no late payment charges will be imposed.

An applicant determined ineligible would receive written notification specifying the reason(s) for ineligibility. If the applicant is not satisfied with the determination of eligibility, the Company will use utility company dispute procedures in accordance with Chapter 56.151 and 56.152. The applicant may also appeal the denial of eligibility to the Bureau of Consumer Services in accordance with 52 Pa. Code §§ 56.162-56.166, relating to informal complaint procedures and may pursue a formal complaint against the Company. Notice of right to appeal will be provided with the written notification of ineligibility.

H. MONTHLY CAP PAYMENT AMOUNT

1. Determination of Monthly CAP Payment Amount

The amount to be paid by a CAP customer each month will be based on the lower of the percentage of the customer's monthly income, as described below, or the customer’s otherwise applicable average monthly bill.¹¹ To determine the customer’s monthly CAP payment amount based on the percentage of the customer’s income, the customer’s monthly income is compared to the FPIG, and the payment amount is set based on the following guidelines:

¹¹ Exceptions to the payment schedule and grant application practice will be made based on individual needs.

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Gas Heating and Non-Heating, and Electric Heating Accounts

<u>Percent of Poverty</u>	<u>Monthly CAP Payment</u>
Income Level 1: 0 ¹² – 50%	<u>47% of Participant's Monthly Income</u>
Income level 2: 51 – 100%	<u>68% of Participant's Monthly Income</u>
Income level 3: 101 – 150%	<u>69% of Participant's Monthly Income</u>

Electric Non-Heating Accounts

<u>Percent of Poverty</u>	<u>Monthly CAP Payment</u>
Income Level 1: 0 ¹³ – 50%	<u>2% of Participant's Monthly Income</u>
Income level 2: 51 – 100%	<u>4% of Participant's Monthly Income</u>
Income level 3: 101 – 150%	<u>4% of Participant's Monthly Income</u>

Electric and Natural Gas Non-Heating Customers

<u>Household Income as Percent of FPIG</u>	<u>Monthly CAP Payment</u>
<u>0-50%</u>	<u>2% of Participant's Monthly Income</u>
<u>51-100%</u>	<u>4% of Participant's Monthly Income</u>
<u>101-150%</u>	<u>4% of Participant's Monthly Income</u>

Natural Gas Heating Customers

<u>Household Income as Percent of FPIG</u>	<u>Monthly CAP Payment</u>
<u>0-50%</u>	<u>4% of Participant's Monthly Income</u>
<u>51-100%</u>	<u>6% of Participant's Monthly Income</u>
<u>101-150%</u>	<u>6% of Participant's Monthly Income</u>

Electric Heating Customers

<u>Household Income as Percent of FPIG</u>	<u>Monthly CAP Payment</u>
<u>0-50%</u>	<u>6% of Participant's Monthly Income</u>
<u>51-100%</u>	<u>8% of Participant's Monthly Income</u>

¹² A gas customer with no income will be responsible to make the minimum monthly CAP payment.

¹³ An electric customer with no income will be responsible to make the minimum monthly CAP payment.

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101-150%

9% of Participant's Monthly Income

Both gas and electric customers with no income will be responsible to make the minimum monthly CAP Payment.

If a customer's monthly CAP payment amount as a percentage of the customer's monthly income, as calculated above, exceeds the customer's otherwise applicable average bill amount, the customer's average bill will be set as the customer's monthly CAP payment amount.

At any time during the program should a participant's monthly income change, the monthly CAP payment amount will also be reviewed and changed, where appropriate. It is the customer's obligation to notify the company or the CAP Administering Agency of the change in income. UGI reserves the right to require that the customer provide proof of the change in income. A recertification will be processed using the updated income and historical usage to determine the new monthly CAP payment amount.

Additionally, the participant's monthly CAP bill will be reevaluated quarterly, to ensure that the participant is actively on the most affordable billing option. For example, if the customer entered into CAP ~~with a percent-of-income plan either at a 7%, 8%, or 9% income level,~~ and upon a quarterly review, the customer's average bill is deemed to be the most affordable at the time of the review, the customer's new CAP will be based on their average bill until the next review.

UGI's minimum monthly CAP payment is within the suggested range set forth in the Commission's Policy Statement on Customer Assistance Programs at 52 Pa. Code § 69.265(3)(i)(A)-(C). The CAP payment for gas heating accounts is set at \$25, non-heating accounts at \$15, and electric heating accounts at \$30.

2. Household Income Documents

To determine CAP eligibility and the appropriate CAP monthly payment, proof of income at or below 150% of FPIG must be provided by the customer to the Company. However, for customers receiving LIHEAP, who have already been determined to have income under 150% of the FPIG by DHS, the Company will accept self-certification of income level for the purpose of calculating the customer's monthly payment and no documentation of income is required for such customers. Acceptable income documents are:

- Recent paystubs or W-2 forms
- verified copy of rent receipts for rental income
- Benefit letter or copy of bank statement for;
 - Social security
 - Pension
 - Disability
 - SSI

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- Verification Letter
 - alimony support
- Unemployment determination letter
- Notarized letter stating income
- Zero income form

Additional Notes:

- Interest does not need to be counted as income.
- UGI does not include income earned from an occupant under the age of 18, nor does it include income received for the benefit of a minor, in its calculation of household income.

3. Use of LIHEAP Grants

LIHEAP grants received will be applied consistent with the Commonwealth of Pennsylvania’s Low-Income Home Energy Assistance Program – Final State Plan (“Final State Plan”), and any subsequent amendments or changes thereto.

4. Late Fees & Security Deposits

While actively participating in the program, late payment charges will not be imposed on CAP customers. Security deposits are also not imposed on CAP customers.

I. PARTICIPANT OBLIGATIONS

In order to remain eligible for participation in CAP, a customer must agree to (in writing) and perform the following obligations:

- make the monthly CAP payments;
- apply for ~~a and direct to UGI the customer’s~~ LIHEAP Cash or Crisis grant;
- conserve energy and, if eligible, participate in LIURP and any other weatherization services offered through local and state weatherization agencies (unless residence was previously weatherized under these programs);
- provide access to the meter for an actual meter reading, if required;¹⁴
- participate in good faith and comply with all educational, assistance, social or governmental programs recommended by the Company or by the CBO;

¹⁴ CAP Credit and Pre-Program Arrearage forgiveness may be held up if an actual meter reading is not available.

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APPENDIX A

FUNDING COMMITMENTS FOR EACH UNIVERSAL SERVICE PROGRAM

I. UGI PROJECTED PARTICIPATION AND BUDGET PER PROGRAM

Projected participation and budgets for USECP programs are set forth below. For LIURP and Operation Share, participation and budget figures are provided for the geographic footprints of the UGI Gas Division’s former three rate districts in accordance with settlement paragraph 38 of the 2019 UGI Gas Rate Case Settlement.

A. CAP

1. UGI Gas

UGI Gas’s projected participation levels and budget for CAP is shown below:

Table A-1. UGI Gas CAP Annual Participation Levels & Budget for 2020-2025		
Year	Projected Participation Levels	Projected Budget
2020	<u>27,813</u> 20,123	<u>\$15,019,020</u> 8,954,230
2021	<u>28,647</u> 21,129	<u>\$15,469,591</u> 9,401,880
2022	<u>29,507</u> 22,185	<u>\$15,933,678</u> 9,872,006
2023	<u>30,392</u> 23,294	<u>\$16,411,689</u> 10,365,606
2024	<u>31,304</u> 24,458	<u>\$16,904,039</u> 10,883,887
2025	<u>32,243</u> 25,680	<u>\$17,411,161</u> 11,428,081

2. UGI Electric

UGI Electric’s projected participation levels and budget for CAP is shown below:

Table A-2. UGI Electric Annual CAP Participation Levels & Budget for 2020 - 2025		
Year	Projected Participation Levels	Projected Budget
2020	<u>3,702</u> 2,885	<u>\$3,954,056</u> \$2,725,275
2021	<u>3,813</u> 3,029	<u>\$4,072,678</u> \$2,861,300
2022	<u>3,928</u> 3,180	<u>\$4,194,858</u> \$3,005,050
2023	<u>4,046</u> 3,339	<u>\$4,320,704</u> \$3,155,303
2024	<u>4,167</u> 3,506	<u>\$4,450,325</u> \$3,313,068
2025	<u>4,292</u> 3,681	<u>\$4,583,835</u> \$3,478,721

B. LIURP

The projected LIURP participation levels and budgets for the geographic footprint of the former UGI Gas rate districts, and the UGI Electric service territory are set forth in table A-3.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Universal Service and Energy Conservation
Plan for January 1, 2020 – December 31,
2025

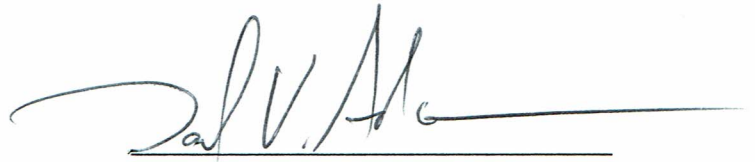
: Docket Nos. M-2019-3014966
: P-2020-3019196
:

VERIFICATION

I, Daniel V. Adamo, Director of Customer Service for UGI Utilities, Inc. hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: _____

5/18/2020



Daniel V. Adamo