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**VIA ELECTRONIC FILING**

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

**Re: PA Public Utility Commission, et al. v. UGI Utilities, Inc. – Gas Division  
Docket Nos. R-2018-3006814, et al.**

Dear Secretary Chiavetta:

UGI Utilities, Inc. – Gas Division (“UGI Gas” or the “Company”) herein files this universal service status report with the Pennsylvania Public Utility Commission (“Commission”) as required by provisions reached in the *Joint Petition for Settlement of all Issues* of the Company’s 2019 Base Rate Case proceeding (“2019 Rate Case Settlement”) at Docket No. R-2018-3006814. The Commission approved the 2019 Rate Case Settlement by Opinion and Order entered October 4, 2019. Specifically, this status report is being provided pursuant to the following paragraphs in the 2019 Rate Case Settlement:

**I. Quarterly CAP Plan Review, Settlement Provision (Paragraph 47):**

*On a quarterly basis, UGI Gas will review CAP rates for those enrolled in the average bill or percentage of income CAP rate plans to determine whether a more affordable rate plan is available. To the extent the CAP customer qualifies, the CAP customer’s applicable CAP rate will be adjusted to the lowest available rate at the time of review. UGI Gas will be permitted to recover any just and reasonably incurred Information Technology costs associated with formalizing this practice in its customer billing system through its Rider USP. Such costs to be recovered through the USP will be capped at \$125,000. UGI Gas will be permitted to recover all Information Technology costs associated with formalizing this practice in its customer billing system through its Rider USP. UGI Gas will begin this review process within 10 months of the effective date of rates. Within 90 days after the first quarterly CAP rate adjustment is made, UGI Gas will report to the parties on the number of rate adjustments made through this review process.*

**Status Update on Quarterly CAP Plan Review (Paragraph 47):**

UGI Gas’s customers participating in the Company’s Customer Assistance Plan (“CAP”) have their monthly utility bills (“CAP payments”) set at either their average monthly bill

(“average bill option”) or a Commission-approved percent of income payment (“PIP option”). Paragraph 47 of the 2019 Rate Case Settlement required UGI Gas to commence a quarterly review of payments made by its CAP customers to evaluate whether such customers, either paying via the average bill option or PIP option, had their payments set at the most appropriate of the two options. Customers who would be better served under the alternative payment methodology would have their CAP payments adjusted accordingly.

UGI Gas was required to begin this review process within 10 months of the effective date of rates, which was October 11, 2019. The Company revised its Universal Service and Energy Conservation Plan (“USECP”) (filed December 6, 2019), to reflect, *inter alia*, this quarterly CAP bill review process.<sup>1</sup> The Company designed its quarterly review process so that each customer’s quarterly bill review is conducted 90, 180, and 270 days past the customer’s annual recertification of income (*i.e.*, the first quarterly review period “Q1” is the review conducted 90 days post the annual recertification, and “Q4” is the customer’s annual recertification).<sup>2</sup> Therefore, at any point in time, one tranche of customers will be undergoing their Q1 reviews while other tranches are receiving their Q2, Q3, and Q4 reviews.

The Company commenced its initial quarterly review on April 1, 2020 and completed the review on June 30, 2020. During this period, customers in the first, second, and third quarters past their annual recertification date had their monthly CAP bills reviewed to determine whether their current bill payment option was the most advantageous based on the status of the account at that point in time.

Paragraph 47 further required that “Within 90 days after the first quarterly CAP rate adjustment is made, UGI Gas will report to the parties on the number of rate adjustments made through this review process.” Table 1, below, provides the result of the quarterly reviews conducted during this time period.

	<b>Accounts Reviewed</b>	<b>Accounts Changed</b>	<b>Accounts Not Changed</b>	<b>Average Monthly Bill Change</b>	<b>No. Accounts that Increased<sup>3</sup></b>	<b>No. Accounts that Decreased</b>	<b>Average Increase</b>	<b>Average Decrease</b>
Q1	6503	3427	3076	\$10.26	867	2,560	\$10.69	\$10.12
Q2	3620	1676	1944	\$12.37	708	968	\$10.52	\$13.72
Q3	4286	2030	2256	\$12.70	754	1276	\$10.51	\$14.00

<sup>1</sup> The Commission approved UGI Gas’s USECP in an Order entered January 16, 2020 at Docket M-2019-3014966.

<sup>2</sup> For customers that are not required to recertify income on an annual basis, such as LIHEAP recipients, the Company’s customer outreach system recognizes their annual recertification date and triggers the quarterly bill review from that date (although documentation of income is not required).

<sup>3</sup> The customer always will be provided the lowest available rate at the time of review. However, customer bills may increase as a result of the quarterly review if the customer’s average monthly bill has increased in the preceding quarter and that higher average bill monthly payment remains below the applicable Commission-approved PIP payment.

## **II. Timing, Settlement Provision (Paragraph 49):**

*Except as otherwise indicated, the Company agrees to implement the agreed upon enhancements to its universal service program changes specified above within ninety (90) days of the effective date of the rate increase. The Company will file a status report with the Commission certifying that the agreed-upon policy changes have been implemented within one hundred and eighty (180) days of the effective date of the rate increase.*

### **Status Report on Timing (Paragraph 49):**

Paragraph 49 of the 2019 Rate Case Settlement required UGI Gas to implement various universal service enhancements. *See*, 2019 Settlement ¶¶ 42-46, 48. Paragraph 49 further stated that these changes were to be implemented within 90 days of the effective date of the rate increase and UGI Gas was directed to file a status report with the Commission certifying that the policy changes were implemented.

The Company certifies that each of the universal service enhancements referred to in Paragraph 49 were implemented within 90 days post-effective date of the rate increase.<sup>4</sup> Table 2 sets forth the implementation timing for each of the universal service enhancements agreed to in the 2019 Rate Case Settlement.<sup>5</sup>

<b>Table 2. Implementation of Universal Service Enhancements</b>		
<b>Settlement Item</b>	<b>Settlement Paragraph</b>	<b>Implementation Date<sup>6</sup></b>
Third Party Notification Programs	42	November 15, 2019
Forms of Income Verification for Cold Weather Protections	43	October 11, 2019
Government Identification to Establish Service	44	October 11, 2019
Security Deposit Waiver	45	October 11, 2019
Release of Previously Collected Security Deposits	46	November 1, 2019
Budget Billing Enrollment	48	October 4, 2019

Copies of this status report are being provided to the active parties to the UGI Gas 2019 Base Rate Case proceeding pursuant to the attached certificate of service.

<sup>4</sup> Due to administrative oversight, the status report on implementation of enhancements was not filed within 180 days of the effective date of rates in the 2019 Base Rate Proceeding. Accordingly, the Company is taking the opportunity to provide this update in conjunction with the reporting of the first quarterly CAP bill review process.

<sup>5</sup> Paragraphs 37-41 of the 2019 Rate Case Settlement, comprise the provisions related to “Universal Service and Other Low Income Issues.” These provisions pertain to the continued use of CBOs (¶37) and universal service budget and funding allocations (¶¶ 38-41). These latter budgetary commitments were reflected in UGI Gas’s Universal Service and Conservation Plan (“USECP”) budget as of January 1, 2020, which is Plan Year 1 of the Company’s Commission-approved six year USECP.

<sup>6</sup> October 11, 2019 was the effective date of new rates and tariff provisions filed on October 10, 2019.

Very truly yours,

/s/ Michael S. Swerling  
Michael S. Swerling  
Counsel for UGI

Enclosure  
Certificate of Service





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