



Danielle Jouenne, Esq.

UGI Corporation
460 North Gulph Road
King of Prussia, PA 19406

Post Office Box 858
Valley Forge, PA 19482-0858

(610) 992-3203 Telephone
jouenned@ugicorp.com

August 18, 2020

VIA ELECTRONIC FILING AND VIA ELECTRONIC MAIL

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
rchiavetta@pa.gov

**Re: Emergency Order Re: Establishing Public Utility Service Termination
Moratorium
Docket No.: M-2020-3019244**

Dear Secretary Chiavetta:

Enclosed, please find the comments of UGI Utilities, Inc. – Gas Division and UGI Utilities, Inc. – Electric Division filed in response to the August 10, 2020 letter of Chairman Gladys Brown Dutrieuille, of the Pennsylvania Public Utility Commission. The Chairman’s letter sought comment on the termination moratorium and customer protections for at-risk customers, should the termination moratorium be lifted.

Very truly yours,

Danielle Jouenne
Counsel for UGI Utilities, Inc.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Emergency Order Re: Establishing Public
Utility Service Termination Moratorium

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Docket No. M-2020-3019244

**UGI UTILITIES, INC. – GAS AND ELECTRIC DIVISIONS’
COMMENTS TO CHAIRMAN DUTRIEUILLE’S LETTER OF AUGUST 10, 2020**

I. INTRODUCTION

UGI Utilities, Inc. – Gas Division and Electric Division (collectively referred to as “UGI” or the “Company”) hereby submits its comments in response to the August 10, 2020 letter of Chairman Gladys Brown Dutrieuille of the Pennsylvania Public Utility Commission (“PUC” or “Commission”). UGI is a PUC-certificated natural gas distribution company (“NGDC”), as that term is defined under the Public Utility Code, 66 Pa. C.S. §2202, that currently provides natural gas utility service to approximately 660,000 customers in Pennsylvania, and a PUC-certificated electric distribution company (“EDC”) as that term is defined under the Public Utility Code, 66 Pa. C.S. § 2803, providing electric utility service to approximately 62,000 customers in portions of Luzerne and Wyoming Counties in northeastern Pennsylvania.

The Chairman’s letter sought comment by August 18, 2020 on the termination moratorium, and customer protections for at-risk customers, should the termination moratorium be lifted. The Company appreciates the opportunity to provide these comments on the Commission’s approach to the termination moratorium. Along with the comments provided herein, the Company supports the comments filed concurrently by the Energy Association of Pennsylvania (“EAP”).

II. COMMENTS

As a general matter, the Company appreciates the recognition that Chairman Dutrieuille has made concerning the need to move away from an absolute moratorium and the importance of balancing that action with consideration of consumer and advocate interests, consumer protections and timely and full payment of utility service to ensure that Pennsylvania's fixed utilities continue to have the resources available to provide safe and reliable service. The Chairman displayed this same recognition in her March 26, 2020 public statement that ratified the Emergency Order in which she stated, in part,

I wish to clarify that the Commission's March 13th Order does not free customers who are able to pay their utility bills, from paying them. I am very cognizant that many Pennsylvanians have had significant impacts to their income during the pandemic. I urge customers experiencing financial difficulty to contact their service provider to explore payment options and assistance programs. Payment for utility service also allows the utilities to pay the employees who keep our electric, water, telecommunication, and gas service operating safely. So, I emphasize that we are all in this together, and that customers who have the ability to pay their utility bills, must continue to do so, to avoid arrearages once the pandemic has passed.

UGI believes that a move away from a continued absolute moratorium is an appropriate path forward at this time and that such a move can be accomplished in reasonable fashion in consideration of all interests.

A. Impact of Termination Moratorium on Universal Service Program Enrollment.

In addition to the Commission's concerns about arrearages, UGI echoes the concern raised in the EAP comments that the moratorium and the halting of termination-related communications to utility customers may have had the unanticipated consequence of eliminating the immediate impetus of utility consumers to reach out to the utility for assistance from available universal service programs. (EAP Comments, p. 3) UGI, and other utilities, have worked to communicate, encourage and streamline its Customer Assistance Program ("CAP") and other assistance program

enrollments and participation, including participation in programs such as the federal Low Income Home Energy Assistance Program (“LIHEAP”), Hardship Grants, and the Low Income Usage Reduction Program (“LIURP”) since the onset of the COVID-19 Pandemic. While these efforts will continue with customers who are accruing arrearages in an ongoing effort to inform and educate these customers about the availability of utility and federal assistance programs, it is clear that without the signal that termination notices bring, a number of otherwise-eligible customers are not acting to avail themselves of these important utility assistance programs for which they qualify. Moving away from an absolute moratorium will ultimately serve to connect customers in need with these available services.

B. Voluntary and Tailored Utility-Sponsored Programs Will Best Address Customer Need.

In moving away from an absolute moratorium, the Commission should recognize that time is of the essence and promptly consider supportive steps which may facilitate utilities’ efforts to supplement existing universal service and customer payment plan programs with measures tailored to deal reasonably with the customer and utility financial issues presented by the COVID-19 Pandemic. The guiding principles for evaluating such voluntary programs should include:

- Encouraging ongoing voluntary utility actions which consider all customer classes;
- Providing streamlined review and approval of utility-sponsored program modifications, again considering all customer classes;
- Allowing utilities to take reasonable steps to transition all customer groups or segments or classes from the absolute moratorium to an ultimate normal utility service model (new normal or otherwise);

- Providing for additional regulatory certainty concerning related to COVID costs, as the Commission has for certain levels of uncollectible expense and addressing associated cost deferral, cost recovery and cost assignment; and
- Recognition that the impact of the COVID-19 Pandemic across industries and across the various geographic regions of Pennsylvania are not uniform and do not require a one-size-fits-all approach.

Rather than undergo a protracted rulemaking or policy statement process, utilities should be encouraged to review the individual impacts to their companies, propose voluntary solutions, and have those solutions evaluated and acted upon expeditiously by the Commission. This approach will enable the customer benefits to be provided expeditiously and protect the utilities from the substantial downside associated with increased arrearages.

Utilities inclined to offer these programs could be encouraged to do so by the Commission through the establishment of a regulatory asset to be recovered, if costs are deemed prudent, in a subsequent base rate proceeding. This regulatory asset would be akin to the uncollectible expense regulatory asset that the Commission authorized in May.¹

In short, where reasonable solutions have been, or could be, proposed by the regulated community, they should be expeditiously considered and acted upon to provide needed relief to all utility customer classes impacted by the COVID-19 Pandemic.

III. CONCLUSION

The Company appreciates the opportunity provided by Chairman Dutrieuille and asks that the Commission favorably consider its comments.

¹ COVID-19 Cost Tracking and Creation of Regulatory Asset, Docket No. M-2020-3019775 (issued May 13, 2020)

Respectfully submitted,

Danielle Jouenne

Danielle Jouenne (ID # 306839)
UGI Corporation
460 North Gulph Road
King of Prussia, PA 19406
Phone: 610-992-3203
Fax: 610-992-3258
E-mail: jouenned@ugicorp.com

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