



UGI Utilities, Inc.
One UGI Center
Wilkes-Barre, PA 18711

Eric W. Sorber
Vice President & General Manager

December 1, 2020

VIA ELECTRONIC FILING

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

**Re: UGI Utilities, Inc. - Electric Division
Docket No. R-2017-2640058
Opinion and Order Paragraph #12 - Annual Report**

Dear Secretary Chiavetta:

In accordance with Paragraph #12 of the Opinion and Order entered in *UGI Utilities, Inc. Electric Division v. Pa. PUC*, at Docket No. R-2017-2640058 ("2018 Rate Case") on October 25, 2018, UGI Utilities, Inc. - Electric Division ("UGI Electric" or "the Company") is providing the following responses to the specific requirements of Paragraph #12. Paragraph #12 of the Commission's Opinion and Order identifies the following reporting requirements:

12. *That UGI Utilities, Inc. - Electric Division is directed to file annual reports at this Docket with the Secretary's Bureau and with the Commission's Fixed Utility Financial Analyst Supervisor of the Bureau of Investigation and Enforcement by December 1 following the end of each fiscal year for the next five years, or until the implementation of new base rates in a subsequent rate case within this same time frame, for the following:*
 - a. *The annual vegetation management expenses and the status of hiring an additional crew pertaining to the increased costs as a consequence of the Emerald Ash Borer;*
 - b. *The actual Customer Owned Service program expenses and the number of facilities transitioned to customer ownership; and*
 - c. *The actual annual expenses associated with the hiring of three new employees as well as any reductions in expenses if any positions are eliminated.*



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In accordance with Paragraph #12 of the **Opinion and Order**, UGI Electric is providing the following responses, as detailed below, for the fiscal year ended September 30, 2020 (“FY2020”).

- (a) Vegetation Management Expenses. Vegetation management expenses for FY2020 totaled \$1,738,913. More specifically, a portion of the total expense (i.e., \$392,490) was associated with: 1) the additional crew hired in FY2018 to address danger tree removal as a consequence of the Emerald Ash Borer; 2) two personnel resources added to this crew; and 3) a new bucket truck for use by them. Vegetation management activities were minimally impacted by the COVID-19 pandemic safety protocols adopted in the Commonwealth during FY2020.
- (b) Company Owned Service Program. UGI Electric commenced its Company Owned Service Program subsequent to its receipt of the Opinion and Order on October 25, 2018. After the completion of required administrative work to stand up the Company Owned Service program in FY2019, UGI Electric planned to inspect and transfer 500 services per year. In March 2020, the program was halted due to the COVID-19 pandemic. A ramped restart of the program began in late July 2020 and continued through the end of the fiscal year. For FY2020, UGI Electric mailed 951 customer letters, received 121 responses and transferred 75 services. Costs for the Company Owned Service program for FY2020 were \$90,537, exclusive of administrative costs incurred by UGI Electric. For FY2021, the Company plans to work toward its annual goal of 500 services per year but is anticipating a continual adjustment to program activities in conjunction with resource capabilities given any limitations due to the COVID-19 pandemic safe working practices.
- (c) Hiring Three New Employees. The Company filled all three positions by October 2019. No positions have been eliminated, and the positions made vacant by internal promotions have been backfilled or are in the process of being backfilled. The actual cost of these positions for FY2020 was approximately \$320,000. For FY2021, the annualized cost associated with these three positions will be approximately \$330,000.



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Should you have any questions related to these documents, please contact Stephen Anzaldo, Director-Rates & Regulatory Planning, via e-mail at sanzaldo@ugi.com or via phone at (484) 256-9115.

Sincerely,

A handwritten signature in blue ink, reading "Eric W. Sorber".

Eric W. Sorber

Vice President & General Manager

UGI Utilities, Inc. - Electric Division

cc: Fixed Utility Financial Analyst Supervisor - Bureau of Investigation and Enforcement