


COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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 /pennoca

FAX (717) 783-7152  
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March 9, 2021

**Via Electric Mail Only**

David B. MacGregor, Esquire  
Post & Schell, P.C.  
Four Penn Center  
1600 John F. Kennedy Boulevard  
Philadelphia, PA 19103-2808

Re: Pennsylvania Public Utility Commission  
v.  
UGI Utilities, Inc. – Electric Division  
Docket No. R-2021-3023618

Dear Mr. MacGregor:

Enclosed you will find two copies of Interrogatories of the Office of Consumer Advocate, Set III, in the above-referenced proceeding.

In accordance with the Commission's Rules of Practice and Procedure, we request that the Company provide verified answers to these inquiries within fifteen (15) days of service. Also, please forward the verified answers as they are completed, rather than waiting until the responses to the full set are completed. We would appreciate it if you would communicate any objections you may have to these interrogatories as soon as possible.

We also request that you send a copy of the answers directly to our office, as listed below:

Office of Consumer Advocate  
555 Walnut Street  
5<sup>th</sup> Floor, Forum Place  
Harrisburg, PA 17101-1923  
E-Mail: [LMelendez@paoca.org](mailto:LMelendez@paoca.org)  
[PDemanchick@paoca.org](mailto:PDemanchick@paoca.org)  
[DLawrence@paoca.org](mailto:DLawrence@paoca.org)

David B. MacGregor, Esquire  
March 9, 2021  
Page 2

If you have any questions, please call us. By copy of this letter, copies of these interrogatories have been served upon all parties. A certificate of service showing service of these interrogatories on all parties has been filed with Secretary Chiavetta of the Pennsylvania Public Utility Commission as required by 52 Pa. Code §5.341(b).

Sincerely,

/s/ Luis M. Melendez  
Luis M. Melendez  
Assistant Consumer Advocate  
PA Attorney I.D. # 329512  
E-Mail: [LMelendez@paoca.org](mailto:LMelendez@paoca.org)

Enclosures:

cc: PUC Secretary Rosemary Chiavetta, (Letter and Certificate of Service only)  
Certificate of Service

\*304936

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission :  
 :  
 v. : Docket No. R-2021-3023618  
 :  
 UGI Utilities, Inc. – Electric Division :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate’s Interrogatories to UGI Utilities, Inc. – Electric Division, Set III, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 9<sup>th</sup> day of March 2021.

**SERVICE BY E-MAIL ONLY**

John M. Coogan, Esquire  
Bureau of Investigation & Enforcement  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, PA 17120

Steven C. Gray, Esquire  
Office of Small Business Advocate  
555 Walnut Street  
1<sup>st</sup> Floor, Forum Place  
Harrisburg, PA 17109-1923

Kent Murphy, Esquire  
Michael S. Swerling, Esquire  
Danielle Jouenne, Esquire  
UGI Corporation  
460 North Gulph Road  
King of Prussia, PA 19406

Devin T. Ryan, Esquire  
Garrett P. Lent, Esquire  
Post & Schell, P.C.  
17 North Second Street  
12<sup>th</sup> Floor  
Harrisburg, PA 17101-1601

David B. MacGregor, Esquire  
Post & Schell, P.C.  
Four Penn Center  
1600 John F. Kennedy Boulevard  
Philadelphia, PA 19103-2808

Joseph L. Vullo, Esquire  
Commission on Economic Opportunity  
Burke Vullo Reilly Roberts  
1460 Wyoming Avenue  
Forty Fort, PA 18704

James M. Van Nostrand, Esquire  
Keyes & Fox LLP  
320 Fort Duquesne Blvd., #15K  
Pittsburgh, PA 15222

Scott F. Dunbar, Esquire  
Keys & Fox LLP  
1580 Lincoln Street, Suite 1105  
Denver, CO 80203

/s/ Luis M. Melendez

Luis M. Melendez

Assistant Consumer Advocate

PA Attorney I.D. # 329512

E-Mail: [LMelendez@paoca.org](mailto:LMelendez@paoca.org)

Darryl A. Lawrence

Senior Assistant Consumer Advocate

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E-Mail: [DLawrence@paoca.org](mailto:DLawrence@paoca.org)

Phillip D. Demanchick

Assistant Consumer Advocate

PA Attorney I.D. # 324761

E-Mail: [PDemanchick@paoca.org](mailto:PDemanchick@paoca.org)

Counsel for:

Office of Consumer Advocate

555 Walnut Street

5<sup>th</sup> Floor, Forum Place

Harrisburg, PA 17101-1923

Phone: (717) 783-5048

Fax: (717) 783-7152

Dated: March 9, 2021

\*304947

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2021-3023618
	:	
UGI Utilities, Inc. – Electric Division	:	

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INTERROGATORIES OF THE  
OFFICE OF CONSUMER ADVOCATE  
SET III

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Pursuant to 52 Pa. Code Section 5.341, the Office of Consumer Advocate hereby propounds the following Interrogatories to UGI Utilities, Inc. – Electric Division to be answered by those officers, employees, agents, or contractors who have knowledge of the requested facts and who are authorized to answer on behalf of the Company. Each interrogatory is to be verified by the responding witness in accordance with 52 Pa. Code § 5.342(a)(6).

DATED:     March 9, 2021

## Instructions

- 1) These interrogatories shall be construed as a continuing request. The Respondent is obliged to change, supplement and correct all answers to interrogatories to conform to available information, including such information as first becomes available to the Respondent after the answers hereto are filed.
- 2) Restate the interrogatory immediately preceding each response.
- 3) Identify the name, title, and business address of each person(s) providing each response.
- 4) Provide the date on which the response was created.
- 5) Divulge all information that is within the knowledge, possession, control, or custody of Respondent or may be reasonably ascertained thereby. The term “UGI Utilities”, “UGI”, “Company,” or “you,” as used herein includes UGI Utilities, Inc. – Electric Division, its attorneys, agents, employees, contractors, or other representatives to the extent that the Company has the right to compel the action requested therein.
- 6) Provide a verification by the responsible witness that all facts contained in the response are true and correct to the best of the witness’ knowledge, information and belief.
- 7) As used herein, but only to the extent not protected by 52 Pa. Code Section 5.323, the word “document” or “workpaper” includes, but is not limited to, the original and all copies in whatever form, stored or contained in or on whatever media or medium including computerized memory, magnetic, electronic, or optical media, regardless of origin and whether or not including additional writing thereon or attached thereto, and may consist of:
  - a) notations of any sort concerning conversations, telephone calls, meetings or other communications;
  - b) bulletins, transcripts, diaries, analyses, summaries, correspondence and enclosures, circulars, opinions, studies, investigations, questionnaires and surveys;
  - c) worksheets, and all drafts, preliminary versions, alterations, modifications, revisions, changes, amendments and written comments concerning the foregoing.

**Pennsylvania Public Utility Commission**

**v.**

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

**Docket No. R-2021-3023618**

**Interrogatories of the Office of Consumer Advocate  
Set III**

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1. As discussed on page 11, lines 19 through 23 of Mr. Brown’s testimony, please explain whether the costs to implement the Emergency Relief Program (“ERP”) for its electric customers, in Docket No. P-2021-3023839, have been included in the cost of service in this proceeding. If so, please show where those costs are included in the cost of service.
2. Reference page 17, beginning at line 4 of Mr. Brown’s testimony. Please explain what the SAP Fieldglass solution is and what the benefits are over the previous contractor billing system.
  - a. Specifically indicate when the SAP Fieldglass solution was implemented in 2021.
  - b. Please identify the capital costs included in the FPFTY cost of service.
  - c. Please separately identify the annual operating expenses and the level of operating expenses included in the cost of service for the FPFTY, if different.
  - d. Please identify the annual cost savings resulting from the implementation of the SAP Fieldglass solution and show how they are reflected in the FPFTY cost of service.
3. Please provide a copy of the business case justification for the SAP Fieldglass solution.
4. Reference page 17, beginning at line 7 of Mr. Brown’s testimony relating to the Enterprise Performance Management (“EPM”) project.
  - a. Please identify the capital costs included in the FPFTY cost of service.
  - b. Please separately identify the annual operating expenses and the level of operating expenses included in the cost of service for the FPFTY.
  - c. Please identify the annual cost savings resulting from the implementation of the EPM project and show how they are reflected in the FPFTY cost of service.
5. Please provide a copy of the business case justification for the EPM project.
6. Reference page 20, beginning at line 2 of Mr. Brown’s testimony. Please explain what the Enterprise Asset Management (“EAM”) project and the current state analysis are. Indicate in your response whether the EAM is replacing an existing system and what system is being replaced.
  - a. Specifically indicate when, in 2021, the EAM project will be implementing the asset data collection phase.

- b. Please identify the capital costs included in the FPFTY cost of service.
  - c. Please separately identify the annual operating expenses and the level of operating expenses included in the cost of service for the FPFTY, if different.
  - d. Please identify the annual cost savings resulting from the implementation of the EAM project and show how they are reflected in the FPFTY cost of service.
7. Regarding the EAM data validation,
  - a. Please indicate when that process will begin.
  - b. Please indicate if any costs related to the EAM data validation have been included in the cost of service. If so, please identify the costs and show how those costs have been reflected in the cost of service.
8. Please provide a copy of the business case justification for the EAM project.
9. Reference page 25, lines 5 to 15 of Mr. Brown's testimony. Please identify the costs related to each of the programs that are included in the FPFTY cost of service.
10. Please provide a copy of the construction budget by plant account for the FTY and the FPFTY. Please provide this data in electronic (Excel) format with the formulae intact. Separately list all projects expected to be completed in the FTY and the FPFTY. For each project in your response,
  - a. Provide a description of the project, the initial estimated completion dates and any revised completion date.
  - b. Provide the current status of each project. Where applicable, indicate whether the project was suspended or cancelled and include the date such action occurred.
  - c. Identify any project included after the budget was approved.
11. Please provide the multi-year construction budgets UGI Electric has approved for the fiscal years ended September 30, 2021 through September 30, 2022. Please provide this data in electronic (Excel) format with the formulae intact.
12. Please provide an analysis of the Capital Budget versus actual expenditures for the fiscal years ended September 30, 2017 through September 30, 2020 by budget group. Please provide this data in electronic (Excel) format with the formulae intact.
13. Please provide the electronic (Excel) versions of Book V, UGI Exhibit A-Revenue Requirement for the FPFTY, FTY and HTY.
14. Reference Book V, Exhibit A, Schedule B-3. Please explain the nature of Account No. 456.1 (Interest on Undercollection - Refunded to Customers). Explain the circumstances where interest on the undercollection of revenues would be refunded to customers.



15. Reference Book V, Exhibit A, Schedule C-4, page 8, (Fully Projected Future Test Year). Please provide the source documents used to calculate the PA Property Tax lag days and the PURTA lag days.
16. Reference Book V, Exhibit A, Schedule C-4, page 9 (Fully Projected Future Test Year). Please provide the monthly balances for October 2020 through the most recent month available for each category of Prepaid Expenses.
17. Reference Book V, Exhibit A, Schedule C-7 (Fully Projected Future Test Year). Please provide the monthly balances for October 2020 through the most recent month available.
18. Please provide an analysis showing how the Excess Accumulated Deferred Income Taxes balances created by the Tax Cuts and Jobs Act are included in rate base.
19. Reference Book V, Exhibit A, Schedule C-8, (Fully Projected Future Test Year). Please provide the monthly balances for October 2020 through the most recent month available.
20. Please explain how the Company accounts for employee volunteering time to assist in the communities served by UGI. In your response,
  - a. Indicate whether the time the employee volunteers is during normal company hours and whether the employee is paid during the time he/she volunteers or is the employee required to make up the time spent volunteering.
  - b. If the employee volunteers outside normal business hours, does he/she receive comp time for the time volunteered?
  - c. Please identify the incentives provided to employees for volunteering time to the communities served by the Company.
  - d. Please identify the number of hours and the related labor cost included in the HTY and FPFTY related to employee volunteering time.
21. Please provide the supporting electronic workpapers for the budgeted payroll amounts for the FPFTY as presented on Schedule D-7, page 2, line 1.
22. Reference Mr. Sorber's testimony beginning at line 12 on page 4.
  - a. Please provide the expected hiring dates for each position, given that the positions are expected to be filled on a staggered basis.
  - b. Please provide a workpaper showing all of the annual labor-related costs included in the cost of service during the FTY and FPFTY for each of these positions and, for those positions that have been filled, please provide the actual annual costs.
  - c. Please explain how the responsibilities of these positions are being filled currently.

23. Reference Book V, Exhibit A, Schedule D-10 (FPFTY). Please provide a breakdown of the rate case expenses by each of the vendors, consultants and legal service providers.
24. Please separately provide the actual costs of the Company's last electric rate case and the last two gas rate cases by each of the vendors, consultants and legal service providers, etc. In your response please separately identify any costs incurred by the Company related to the OCA's appeal of the Company's last electric rate case (Docket No. R-2017-2640058).
25. With reference to Book V, Exhibit A (FPFTY), Schedule D-10, please provide the breakdown of the External Consultants costs of \$239,000 by the consultant.
26. With reference to Book V, Exhibit A (FPFTY), Schedule D-11,
  - a. Please identify any carrying charges included in the regulatory asset balance.
  - b. Please explain the rationale for the 2-year normalization period.
27. With reference to Book V, Exhibit A (FPFTY), Schedule D-14, Please provide supporting documentation showing the derivation of the revised estimated cash contribution of \$12,176,000.
28. Please provide the supporting workpapers for the adjustments to normalize and annualize Power Supply Expense as presented on Schedule D-18 in electronic format with the formulae intact.
29. Regarding Injuries and Damages,
  - a. Please identify the amount included in the cost of service for Injuries and Damages Expense.
  - b. Please provide a breakdown of the components of the injuries and damages expense for the HTY and the 3 previous fiscal years.
30. Regarding the Company's Making a Difference Safety Incentive Program discussed on page 14 of Mr. Sorber's testimony,
  - a. Please provide the total annual cost of the program for the HTY and the two preceding fiscal years. In your response, please segregate the administrative costs and the cost of rewards paid.
  - b. Please provide the O&M costs included in the FTY and the FPFTY for this program.
  - c. Please identify and explain each of the UGI values for which employees will be rewarded. Explain the nature of each of the rewards paid and explain how the value is calculated for each reward.
  - d. Please identify the incremental costs associated with the 2021 program expansion.

31. Regarding the Company's VPP program discussed beginning on page 14 of Mr. Sorber's testimony,
  - a. Please provide the total annual cost of the program for the HTY and the two preceding fiscal years. In your response, please segregate the administrative costs and the cost of rewards paid.
  - b. Please provide the O&M costs included in the FTY and the FPFTY for this program.
32. Please provide the total annual cost of the program for the FPFTY, HTY and the two preceding fiscal years for the Smith System driver training; the 24-hour Triage Nurse Hotline; the fleet management tool; and selective driver monitoring technology.
33. Please provide an update of the replacement for the fleet management and driver monitoring technology that is currently under review.
  - a. What is the probability of replacement and what are the likely change in O&M costs?
  - b. What amount has the Company included in the FPFTY cost of service for the fleet management and driver monitoring technology?
  - c. Please identify any cost savings from this program and show how it was reflected in the cost of service.
34. Regarding the Company's DuPont Sustainable Solutions program,
  - a. Please provide the total annual cost of the program for the HTY and the two preceding fiscal years.
  - b. Please provide the O&M costs included in the FTY and the FPFTY for this program.
35. Reference Attachment II-D-7(a).
  - a. Please update the schedule to include 2018 and 2019.
  - b. Please explain the increase in association dues beginning in 2021.
36. Reference Attachment II-D-7(b).
  - a. Please update the schedule to include 2018 and 2019.
  - b. Please explain the increase in professional fees beginning in 2021.
  - c. Please explain the increase in Insurance beginning in 2021.
  - d. Please explain the negative expense for Other Expenses in 2020.

37. Reference Attachment II-D-7(d).
  - a. Please update the schedule to include 2018 and 2019.
  - b. Please explain the increase in conservation advertising beginning in 2021.
  - c. Please explain the increase in Other Advertising beginning in 2021.
38. Reference Attachment II-D-8.1. Please update the schedule to include 2018, 2019 and 2020. For the years 2018, 2019 and 2020, please provide a breakdown of the UGI Corporation Allocation by functional categories.
39. Reference Attachment II-D-10.
  - a. Please update the schedule to include 2018, 2019 and 2020.
  - b. Please explain the increase in conservation advertising beginning in 2021.
40. Please provide an electronic (Excel) worksheet using the format of Book V, Exhibit A, Schedule B-4 for the fiscal years 2018, 2019 and 2020.
41. Please provide a breakdown of Employee Pensions and Benefits by each type of benefit provided for the fiscal years 2018 through 2022.
42. Please provide a breakdown of outside services by service provider for the fiscal years 2018 through 2020.
43. Please provide the level of environmental costs charged to O&M Expense for 2018 through 2022 broken down by the various components of costs.