

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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November 8, 2021

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

Re: UGI Utilities, Inc. – Gas Division and
UGI Utilities, Inc. – Electric Division
Universal Service and Energy Conservation
Plan for 2020-2025
Docket No. M-2019-3014966

UGI Utilities, Inc. – Gas Division and
UGI Utilities, Inc. – Electric Division
Petition to Amend Universal Service and
Energy Conservation Plan for 2020-2025
Docket No. P-2020-3019196

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Reply Comments in the above-referenced proceedings.

Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully submitted,

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Certificate of Service

*319627

CERTIFICATE OF SERVICE

Re: UGI Utilities, Inc. – Gas Division and :
UGI Utilities, Inc. – Electric Division : Docket No. M-2019-3014966
Universal Service and Energy Conservation :
Plan for 2020-2025 :

UGI Utilities, Inc. – Gas Division and :
UGI Utilities, Inc. – Electric Division : Docket No. P-2020-3019196
Petition to Amend Universal Service and :
Energy Conservation Plan for 2020-2025 :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate’s Reply Comments, 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 8th day of November 2021.

SERVICE BY E-MAIL ONLY

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Dated: November 8, 2021
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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Re: UGI Utilities, Inc. – Gas Division and	:	
UGI Utilities, Inc. – Electric Division	:	Docket No. M-2019-3014966
Universal Service and Energy Conservation	:	
Plan for 2020-2025	:	
UGI Utilities, Inc. – Gas Division and	:	
UGI Utilities, Inc. – Electric Division	:	Docket No. P-2020-3019196
Petition to Amend Universal Service and	:	
Energy Conservation Plan for 2020-2025	:	

REPLY COMMENTS
OF THE
OFFICE OF CONSUMER ADVOCATE

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Dated: November 8, 2021

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Petition to Amend Universal and Energy Conservation Plan for 2020-2025,
Docket No. P-2020-3019196, Supplemental Information (Sept. 14, 2021)2, 3, 5, 6

The Office of Consumer Advocate (OCA) files these Reply Comments pursuant to the directive in the Commission’s Order Directing Supplemental Information and Establishing Comment Period (UGI Amended USECP 2020-2025 Order)¹ entered August 5, 2021.²

I. INTRODUCTION

On January 16, 2020, UGI Utilities, Inc.- Gas Division and UGI Utilities, Inc.- Electric Division (collectively Companies or UGI) Universal Service and Energy Conservation 2020-2025 Plan (2020-2025 USECP or Plan) was approved.

On February 5, 2020, UGI submitted a voluntary amendment to its existing USECP for program years 2020-2025, docketed at P-2020-3019196. (Feb. 5, 2020 Addendum).³ In its February 5, 2020 Addendum, UGI noted that it was already in compliance with 14 of the 17 changes in the Commission’s Final Policy Statement and Order, but was seeking to comply with two additional aspects. Feb. 5, 2020 Addendum at 1-6. Specifically, through its proposal, UGI sought approval from the Commission to implement new maximum-tiered energy burdens for its percentage of income payment (PIP) program. Feb. 5, 2020 Addendum at 2. On May 21, 2020, the Companies filed a Petition proposing amendments to their 2020-2025 USECP.⁴

¹ UGI Utilities, Inc. –Gas Division and UGI Utilities, Inc. – Electric Division Universal Service and Energy Conservation Plan for 2020-2025, Docket No. M-2019-3014966; UGI Utilities, Inc.- Gas Division and UGI Utilities, Inc.- Electric Division Petition to Amend Universal and Energy Conservation Plan for 2020-2025, Docket No. P-2020-3019196, Order Directing Supplemental Information and Establishing Comment Period (August 5, 2021)(UGI Amended USECP 2020-2025 Order).

² The OCA was assisted in the preparation of these Comments by its consultant, Roger D. Colton. Roger Colton is a principal in the firm of Fisher, Sheehan & Colton, Public Finance and General Economics. Mr. Colton provides technical assistance to a variety of public utilities, state agencies, and consumer organizations on rate and customer service issues for telephone, water/sewer, natural gas and electric utilities. Mr. Colton’s work focuses on low-income energy issues, and he has testified and published extensively in this area.

³ UGI Utilities, Inc.- Gas Division and UGI Utilities, Inc.- Electric Division Petition to Amend Universal and Energy Conservation Plan for 2020-2025, Docket No. P-2020-3019196, Petition of UGI Gas Utilities, Inc.-Gas Division and Electric Division to Amend its Universal Service and Energy Conservation Plan (Feb. 5, 2020)(February 5, 2020 Addendum).

⁴ UGI Utilities, Inc.- Gas Division and UGI Utilities, Inc.- Electric Division Petition to Amend Universal and Energy Conservation Plan for 2020-2025, Docket No. P-2020-3019196, Petition of UGI Gas Utilities, Inc.-Gas Division and Electric Division to Amend its Universal Service and Energy Conservation Plan (May 21, 2020)(Petition). The OCA has included a more complete Procedural History on pages 1 to 4 of its Comments.

On June 10, 2020, the OCA filed its Answer to the Petition⁵ and its Notice of Intervention and Public Statement. The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) and the Office of Small Business Advocate (OSBA) filed their respective Answers. The OSBA also filed a Notice of Intervention.⁶

On August 5, 2021, the Commission issued its UGI Amended USECP 2020-2025 Order and requested that the Companies provide additional Supplemental Information. The Commission subsequently approved a joint request of the Companies, OCA, and CAUSE-PA that requested an extension for the filing of the Supplemental Information and Comments and Reply Comments. On September 14, 2021, the Companies filed their Supplemental Information.⁷ The OCA issued its Set I interrogatories on September 23, 2021 and participated in informal discovery conferences regarding the interrogatories.

On October 19, 2021, the OCA filed Comments. The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) also filed Comments on October 19, 2021. The OCA responds to CAUSE-PA regarding energy burdens and outreach.

⁵ UGI Utilities, Inc.- Gas Division and UGI Utilities, Inc.- Electric Division Petition to Amend Universal and Energy Conservation Plan for 2020-2025, Docket No. P-2020-3019196, Answer of the Office of Consumer Advocate (June 10, 2020)(OCA Answer).

⁶ See also, procedural history, UGI Amended USECP 2020-2025 Order at 1-6.

⁷ UGI Utilities, Inc.- Gas Division and UGI Utilities, Inc.- Electric Division Petition to Amend Universal and Energy Conservation Plan for 2020-2025, Docket No. P-2020-3019196, Supplemental Information (Sept. 14, 2021)(Supplemental Information).

II. REPLY COMMENTS

A. Energy Burdens.

In its Comments, CAUSE-PA states that it supports the proposed changes to UGI's energy burdens. See, CAUSE-PA Comments at 14-16; 22-28. In particular, in its Comments, CAUSE-PA responds to the OCA's position regarding UGI's proposed changes to its energy burdens as identified in the Answer filed in this proceeding on June 10, 2020. CAUSE-PA Comments at 14-15. CAUSE-PA incorrectly presupposes the OCA's positions regarding UGI's proposed changes to its energy burdens based upon the OCA's concerns identified in its June 10, 2020 Answer filed in this proceeding. CAUSE-PA also argues that an analysis of the unused LIHEAP grants is not necessary. CAUSE-PA Comments at 14-15. Finally, CAUSE-PA argues that the OCA should have initiated discovery in the proceeding at the time that the OCA filed its Answer in the proceeding. CAUSE-PA Comments at 16.

As the OCA discussed in its Comments, as a result of the OCA's review of the Companies' Supplemental Information responses, the Companies' interrogatory responses, and the specific unique facts of this filing, the OCA has determined that the OCA can support the proposed changes to the energy burdens in this case. See, OCA Comments at 4-9. The OCA submits that CAUSE-PA's Comments on the OCA's position are without merit. Due to the relatively low increase in costs to the energy burdens, the OCA does not believe at this time that additional cost control measures such as increasing the minimum payment; extending the length of time for arrearage forgiveness; capping the amount of arrearage forgiveness charged to ratepayers; decreasing overall administrative costs; revisiting and adjusting maximum CAP credits; allocating Low Income Usage Reduction Program (LIURP) to reduce high user bills; and re-examining HUD recipient participation are necessary. In its Comments, however, the OCA specifically reserves the right to raise the need for additional cost control measures and to re-examine the identified energy burdens

in the Company's next Universal Service and Energy Conservation Plan proceeding. OCA Comments at 16. The OCA's position is based upon the costs projected in UGI's filing and recommends that the Commission hold the annual costs flowed through its automatic universal service cost recovery mechanism to the levels projected in the filing until such time as a full impact evaluation of the program changes can be completed.⁸ Controlling the annual increases in the universal service charge will maintain the relatively low impact of the energy burden changes to ratepayers. Holding the annual increases to those identified in the filing will assist in managing the impact of the changes in the program during these difficult economic times and will allow for more experience to be gained with the program changes.

In its Comments, CAUSE-PA argues that no further analysis is needed regarding the impact of unused Low Income Home Energy Assistance Program (LIHEAP) grants. CAUSE-PA Comments at 14-15. As the OCA discussed in its Comments, the OCA does not agree with UGI's analysis regarding the impact of the proposed changes to energy burdens on unused LIHEAP grants and recommends that additional data be provided in the next USECP. OCA Comments at 8. The OCA continues to recommend that the following data be tracked and reported as a part of the Companies' Plan filing commencing in 2025: the number of annual CAP accounts which have had or may have unused LIHEAP funds returned to DHS and the total and average annual amount of those funds. UGI shall provide actual data for 2021-2024, broken down by income tier (*i.e.*, 0%-50%, 51%-100%, and 101%-150%). OCA Comments at 8.

Given the reduction in burdens for customers with income below 50% of Poverty, UGI's estimate that there will be no increase in the number of LIHEAP refunds seems difficult to believe. When asked by BCS, while UGI projects an increase in the average dollar amount of LIHEAP

⁸ In the alternative, program costs could be limited to a percentage increase in residential distribution costs each year to ensure that the rates for residential customers remain reasonable.

refunds for this Poverty Level (from \$316 to \$604 for gas; from \$132 to \$513 for electricity), UGI further estimates that the number of refunds will remain the same (373 for gas; 44 for electricity, for customers with income at or below 50% of Poverty).⁹ Given that the reduction in burden is projected to nearly double the LIHEAP refunds for gas and will more than quadruple the LIHEAP refunds for electricity), it seems likely that the number of refunds will increase as well. The OCA is only requesting that the data be tracked and reported as a part of the Companies' Plan filing commencing in 2025. The OCA submits that this data will be important to better understand the scope of the LIHEAP refunds as a part of the Companies' 2025 USECP and should be provided by UGI as a part of the 2025 USECP.

The OCA submits that CAUSE-PA misunderstands the OCA's arguments regarding the need to address the impact of unused LIHEAP grants. CAUSE-PA Comments at 16-17. CAUSE-PA argues that the Commission has already determined that the federal LIHEAP program is a grant program, not an entitlement program, and that the grant dollars available can fluctuate from year to year. CAUSE-PA states that if funds are refunded, then the dollars just go back to other needy households. CAUSE-PA Comments at 16. The OCA submits that CAUSE-PA misses the point of the OCA's concerns. The reason that examination of the unused LIHEAP grants is important is because if the LIHEAP grant dollars are returned, that means that customer did not need both the lowered energy burdens and the LIHEAP grant dollars. The OCA questions why ratepayers' CAP shortfall should be increased if LIHEAP dollars are being sent back. The data that the OCA requested be collected and provided in the 2025 USECP will be important to help assess the impact of the changes to the energy burdens on unused LIHEAP grants.

Finally, the OCA submits that CAUSE-PA's characterization of the OCA's actions in this proceeding are without merit and are in error. CAUSE-PA argues that the OCA should have

⁹ See [Supplemental Information](#) at BCS-IU-4.

initiated discovery in the proceeding at the time that the OCA filed its Answer in the proceeding. CAUSE-PA Comments at 16. The OCA submits that CAUSE-PA's characterization of the OCA's actions in this proceeding are without merit. The OCA has actively participated in this proceeding and filed a Notice of Intervention and Public Statement. As CAUSE-PA acknowledges in its Comments, the OCA also issued discovery in this proceeding. CAUSE-PA Comments at 16. The OCA also engaged in informal discovery conferences with UGI. The OCA submits that it is as a result of the OCA's review of the Companies' Supplemental Information responses, the Companies' interrogatory responses, and the specific unique facts of this filing that the OCA was able to determine that the OCA can support the proposed changes to the energy burdens in this case. See, OCA Comments at 4-9.

As the OCA discussed in its Comments, the OCA supports the proposed changes to the energy burdens due to the specific unique facts of this case. For the reasons set forth above, the OCA submits that the Companies' proposed changes to the energy burdens should be approved with the OCA's additional proposed recommendations to hold the cost increases to those projected in the filing and to track and report the LIHEAP refunds in the next USECP.

B. Consumer Education and Outreach Plan.

In its Comments, CAUSE-PA argues that UGI should be required to provide a detailed Consumer Education and Outreach Plan (CEOP). CAUSE-PA Comments at 34-36. CAUSE-PA states:

In accordance with the recommendations in the Final CAP Policy Statement, this CEOP should (1) be developed with the stakeholder input; (2) be tailored to the communities in UGI's service territories – including communities that have traditionally been underserved and have experienced disproportionate utility insecurity, including low income communities and communities of color; (3) set forth a plan for consumer outreach and education that spans the term of the proposed USECP; (4) specifically identify outreach efforts to educate and enroll eligible and interested customers at or below 50% FPL; (5) specifically identify outreach efforts to educate and enroll eligible and interested LEP customers; and (6) identify resources, translation services, and materials for LEP customers.

CAUSE-PA Comments at 36.

The OCA supports the recommendation of CAUSE-PA that UGI expand its CEOP. See, OCA Comments at 9-13. As the OCA discussed in its Comments, an effective Consumer Education and Outreach Plan is best implemented through “trusted messengers” that are part of the community toward which outreach is directed. Id. at 11-13. The outreach should be focused through boots-on-the-ground grassroots strategies. This boots-on-the-ground grassroots outreach out-performs outreach such as that provided through mass media, social media, utility-sponsored efforts, and top-down sponsored events. The outreach should also be focused on efforts to go to where the community is rather than making the community come to the utility. The OCA submits that the strategy is to identify where the community lives, works, plays and prays and to be present at those locations rather than to sponsor “events” that community members must attend. Id.

III. CONCLUSION

WHEREFORE, the Office of Consumer Advocate requests that the Petition of the UGI Utilities, Inc.- Gas Division and UGI Utilities, Inc.- Electric Division Universal Service and Energy Conservation 2020-2025 Plan be approved subject to the recommendations in the OCA's Comments and identified herein.

Respectfully Submitted,

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